

CITY OF MARYSVILLE, OHIO



Yellow Book Report

December 31, 2016

PLATTENBURG
Certified Public Accountants



Dave Yost • Auditor of State

City Council
City of Marysville
209 S. Main Street
Marysville, Ohio 43040

We have reviewed the *Independent Auditor's Report* of the City of Marysville, Union County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2016 through December 31, 2016. 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 Marysville is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

August 23, 2017

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

Honorable Mayor and City Council
City of Marysville

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 Marysville (the City), as of and for the year ended December 31, 2016, 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 29, 2017.

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 entity'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Cincinnati, Ohio

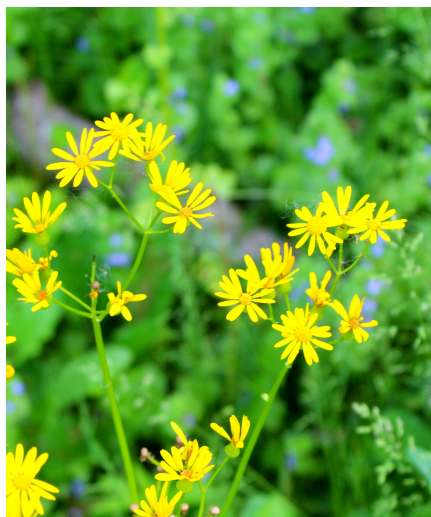
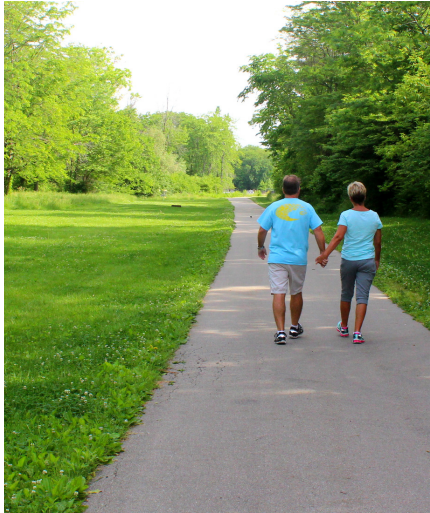
June 29, 2017

CITY OF MARYSVILLE, OHIO

Comprehensive Annual Financial Report



For the year ended December 31, 2016





COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2016

Prepared by the Finance Department

Justin Nahvi
Finance Director



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UNION COUNTY, OHIO

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INTRODUCTORY SECTION





CITY OF MARYSVILLE

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June 29, 2017

To the Honorable Mayor, the City Council and the Citizens of the City of Marysville, Ohio:

We are pleased to present the seventh ***Comprehensive Annual Financial Report*** (CAFR) of the City of Marysville, Ohio, (the City) for the year ended December 31, 2016. The report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada, and audited in accordance with Generally Accepted Auditing Standards (GAAS). GAAP requires a narrative introduction, overview, and analysis called the Management's Discussion and Analysis (MD&A) to accompany the basic financial statements. This Letter of Transmittal (LOT) is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditor's Report.

THE REPORT

State law, along with *Administrative Rules* of the Auditor of State, requires all City governments to publish an Annual Report within 150 days of the close of each fiscal year. This report must present a complete set of financial statements presented in conformity with GAAP. Various City debt service *Trust Agreements* require Audited Annual Reports in accordance with GAAS. Pursuant to these requirements, we hereby issue the CAFR of the City of Marysville, Ohio, for the fiscal year ended December 31, 2016.

While there is no legal requirement for the preparation of a CAFR, it represents a commitment by the City, and its officers, to conform to nationally recognized standards of excellence in financial reporting. This report consists of management's representations concerning the finances of the City. Responsibility for both the accuracy of the presented data and the completeness and reliability of the presentation, including all disclosures, rests with City management.

City Management has established various internal controls designed to compile reliable information for the preparation of the Annual Financial Statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's various internal controls are designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been presented.

***Letter of Transmittal
For the Year Ended December 31, 2016***

The firm of Plattenburg, Certified Public Accountants (independent auditor) has audited the financial statements of the City. The objective of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2016, are free from misstatement. The audit involved examining, on a test basis, evidence supporting amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management, and evaluating the overall financial statement presentation. The independent auditor issued an unmodified opinion that the basic financial statements are presented fairly in conformity with GAAP, in all material respects, representing the financial position of the City as of December 31, 2016. The Independent Auditor's Report is presented as the first component of the financial section of this report.

PROFILE OF THE CITY OF MARYSVILLE

City Overview

The City of Marysville is an independent political subdivision of the State of Ohio and operates subject to the provisions of its charter, the Ohio Constitution, and various sections of the Revised Code. As a home-rule municipality, the City may exercise all powers of local self-government under Article XVIII, Section 3 of the Ohio Constitution. The City is the county seat of Union County (the County), and it offers the advantages of a metropolitan area combined with the charm of a rural, smaller community. Settled along Mill Creek early in the 1820's, the City encompasses approximately 16 square miles of territory and serves as the hub for the County.

Effective January 1, 2016, the form of government provided by the charter of the City switched from the "mayor-director-council form of government" to the "council-manager form of government." Legislative authority is exercised by a seven-member City Council (the "Council") that meets regularly on the second and fourth Thursdays of each month. Three members of Council are elected from the City at large and four are elected from each of four wards. Council members serve overlapping terms of four years. At the first meeting of each year, the Council elects one of its members to serve as Mayor and one to serve as Vice-Mayor, each for a term of one year.

Marysville is located approximately 25 miles northwest of Columbus, the State capital, on U.S. 33, a major highway. Other principal highways in Marysville are U.S. Route 36 and State Routes 4, 31, 38, 245 and 736. The City's central location is among its greatest assets because it makes travel quick and convenient for residents.

As the largest city in the County, Marysville is the home of both large and small industries, and its diversified business base helps provide a desirable quality of life. Few communities of its size in the country have enjoyed the international spotlight that has focused on the City, largely as a result of the Honda of America Manufacturing, Inc. automobile assembly facilities. Other major industries located in the City include The Scotts Miracle-Gro Company (lawn care products), Veyance Technologies (formerly The Goodyear Tire & Rubber Company), Univenture (manufacturer), Nestlé Product Technology Center (food research and development), and Parker Hannifin –Hydraulic Pump Division (manufacturer).

The City of Marysville provides a host of traditional municipal services including police and fire protection, parks and recreation, operation of a municipal court, street maintenance and other governmental services. In addition, the City owns and operates water and sewer systems to serve consumers within the City and certain immediately adjacent environs.

***Letter of Transmittal
For the Year Ended December 31, 2016***

The Reporting Entity

The accompanying basic financial statements comply with the provisions of 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,*" in that the financial statements include all of the organizations, activities, functions and component units for which the City (The Reporting Entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the reporting entity of the City has no component units, but includes the following services as authorized by its charter: police and fire protection, parks and recreation, planning, zoning, engineering, street maintenance, provision of water and wastewater treatment services, refuse collection (on a contractual basis) and other governmental services.

Budgetary and Accounting Controls

The City's budgetary accounting system was designed to provide reasonable assurance that:

1. The City's assets are protected against loss and unauthorized use or disposition; and
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

The concept of reasonable assurance states that internal controls should be evaluated using the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation; and
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City administration and members of the finance office.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

***Letter of Transmittal
For the Year Ended December 31, 2016***

Budgetary internal controls are maintained to ensure compliance with legal provisions embodied in the annual appropriated budget by City Council. The activity of all funds is included in the annual appropriation budget. The City also maintains an encumbrance accounting system to maintain budgetary control. The control is maintained through the encumbering of estimated purchases through the use of formal approved purchase orders. Encumbered amounts do not lapse at year-end, unused encumbrances are carried over to the following year. The Administration, Mayor, and City Council receive a monthly report of amounts in the City's bank accounts reconciled to the amounts on the City's internal records. In addition, the Administration, Mayor, and City Council receive a monthly report comparing budgeted and actual revenue and expenditure.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues meeting its responsibility for sound financial management.

LOCAL ECONOMY

The City of Marysville, once a predominantly agricultural area, has transformed into a young and robust municipality. Much of this economic development has been in the area of manufacturing and relates to its two largest corporations – Honda of America Mfg., Inc. and The Scotts Miracle-Gro Company. The first Honda facility (motorcycle production) was built in the late 1970's with two other large facilities (automobile, research and development) constructed in the 1980's outside the City, but within the County, and serves as a major employer for the City's residents. The Scotts Miracle-Gro Company, founded in Marysville in 1868, employs approximately 1,100 people and maintains its World and North American Headquarters as well as its main manufacturing facility in the City.

Industrial developments within the City limits are predominately clustered in the southeastern portion of the City along Industrial Parkway to the north and south of Scottslawn Road. A significant amount of vacant farmland and potential redevelopment sites are also found in this area, and a small number of industrial developments also continue to operate closer to the city center. Office and research and development facilities occur on small sites throughout the city. The largest existing research and development facility, the Nestle Product Technology Center, employs approximately 250 people and is located on Collins Avenue. However, other research and development facilities are operated by The Scotts Miracle-Gro Company, Veyance Technologies, Inc., Parker Hannifin, and Honda of America Mfg., Inc.

Coleman's Crossing, combined with City Gate, another large commercial development, offer over 200 acres of retail space and a number of restaurants. These developments are located to the west of U.S. 33 and south of Delaware Avenue and make these two shopping centers regional destinations. A Honda Auto & Motorcycle dealership, the flagship Honda dealership, Home Depot, Wal-Mart, Lowe's, and Meijer have all called this area home for the past several years. These businesses have spurred additional retail and commercial development in the area and more businesses are currently being planned.

Marysville provides a wide range of residential options throughout the community, from upscale, executive homes to traditional suburban homes, as well as the historic residential area in the neighborhood known as Olde Town Marysville. The sharp increase in population over the last 10 years has been the catalyst for several large residential developments, including Mill Valley, and Scott Farms to the north of U.S 33 and the Green Pastures subdivision in the western portion of the City. Several other residential developments are located along State Route 4/U.S. 36 and State Route 38 in the southwest area of the City.

***Letter of Transmittal
For the Year Ended December 31, 2016***

Uptown Marysville, which includes the historic central business district, is composed of a mix of residential, retail, and office uses in the blocks surrounding the intersection of Fifth and Main streets. Team Marysville, an association of Marysville officials, business owners, and residents established in 2012, continued to work toward improving the Uptown District. During the past year, the group created a new logo, marketing materials and recruitment packages; conducted two Town Hall meetings, developed a quarterly newsletter and conducted two small business workshops. The organization also began researching the creation of a Special Improvement District that, if established, will fund various infrastructure needs of the Uptown District.

The City of Marysville, Union County, and the Marysville Exempted Village School District joined together to create the Collection of Governments. By pooling resources among the governmental units, the entities will be able to save thousands of taxpayer dollars initially leading to bigger savings in the future.

ECONOMIC DEVELOPMENT

2016 brought continued economic growth for the City of Marysville thanks to a strong and diverse business community. Union County's unemployment rate of 3.8% continues to remain consistently lower than the State of Ohio and United States. The City's economy remained stable and continued to expand as evidenced by 2016 commercial, industrial, and residential new builds and expansion.

Some of the economic development highlights from 2016 include:

- In November 2016, the City of Marysville finalized the purchase of 206 acres of property along US-33 and Industrial Parkway to develop the 33 Innovation Park. The 33 Innovation Park will focus on attracting high-quality employers, particularly those in the Advanced Manufacturing, Research & Development, Agribusiness, Logistics & E-Commerce, and Corporate Office sectors. The park will offer various building lot arrangements and an enhanced level of design standards that focus on exterior appearance, building materials, amenities, and streetscapes. An interior access road, utilities, signage, streetscape will be constructed in 2017.
- In November 2016, Governor John Kasich announced a \$15 million investment to make a 35-mile stretch of US-33 between Dublin and East Liberty into a proving ground for autonomous and connected vehicles. Phase I of the project includes the installation of fiber optic cable along the US-33 corridor in late-2017. In 2018, Phase II will add an additional 42 miles of fiber along Industrial Parkway and Northwest Parkway from Dublin to the Honda campus. Combined, these two fiber segments will offer multiple options for high-speed and redundant fiber optic service for users that require the movement of large amounts of data across multiple platforms.
- The U.S. Department of Transportation (USDOT) announced a \$5.9 million grant to the cities of Marysville and Dublin, and Union County for the advancement of the NW 33 Smart Mobility Corridor project. The USDOT grant will provide funding for Dedicated Short Range Communications (DSRC) along the corridor for connected vehicle and autonomous vehicle testing and research. Once completed, the network will allow automotive testing, R&D, and manufacturing facilities to test smart transportation and autonomous vehicle technologies on US-33.

Letter of Transmittal

For the Year Ended December 31, 2016

- The NW 33 Innovation Corridor Council of Governments (COG) was established to oversee and manage the development of the NW 33 Innovation Corridor. Its overall purpose is to review, evaluate, and make recommendations relative to the planning and programming, and the location, financing, and scheduling of public facility projects within the region that affects the development of the US-33 Corridor area. Members of the COG include the cities of Marysville and Dublin, Union County, and the Marysville-Union County Port Authority.
- In June 2016, 25 attendees of the International Intelligent Communities Forum travelled to Marysville and toured several sites throughout the community as part of the Rural Exploration Tour. Destinations included Marysville City Hall and Partners Park, Union County Courthouse, Honda of America Mfg., Inc., and the Pottersburg Covered Bridge. The Intelligent Community Forum is an international gathering of several hundred mayors, chief administrative officers, chief information officers and economic development officers from cities, states and regions around the world.
- The UP/GO Trolley Service, a joint venture among the Union County Convention & Visitors Bureau, City of Marysville, Holiday Inn Express, Hampton Inn, Comfort Inn, and Super 8, Marysville Exempted Village School District, and Honda Marysville, officially launched in May. During the season, over 520 riders utilized the service from seven stations throughout Marysville.
- An update to the 2012 Uptown Revitalization Plan was completed by OHM Advisors. The main goals of the update are to identify re-development projects, update city code to strengthen Design Standards and property maintenance, and determine appropriate marketing/branding of the Uptown District.
- As part of the Uptown Revitalization Plan Update, the Union County Community Improvement Corporation hired a consultant, The Danter Company, to evaluate the potential to develop market-rate rental housing, upper-level lofts, and condominiums in Uptown Marysville. The study indicated that the residential market could support the development of 252 residential units within the Uptown District.
- Team Marysville continued to expand its revitalization program in 2016. The group conducted a number of retention visits to downtown merchants and coordinated special events such as Shop Hop, Holiday Hullabaloo, and Santa's Village. Historical preservation was also a priority as the group launched the Marysville Tour of Homes and Buildings in conjunction with National Historic Preservation Month. Team Marysville volunteers also toured the Uptown District with students from Creekview Intermediate and Edgewood Elementary School to educate them on the importance of protecting local landmarks.
- 2016 saw the first graduating class of The Young Entrepreneurs Academy of Union County (YEA). YEA is a year-long class that transforms local middle and high school students into entrepreneurs. Throughout the class, students develop business ideas, write business plans, conduct market research, pitch their plans to a panel of investors, and launch their own companies and social movements. The inaugural class graduated 18 students, representing 12 businesses.

***Letter of Transmittal
For the Year Ended December 31, 2016***

FUTURE ECONOMIC DEVELOPMENT

Future economic development plans are evaluated to determine if they meet the vision of the City of Marysville that is characterized in the 2010 Comprehensive Study. Among the projects:

Dickman Supply, Inc. – In June 2016, Dickman Supply, Inc. opened its new 15,000 square foot facility on Industrial Parkway in Marysville. Dickman Supply is an electrical and industrial supplier that first expanded to Marysville in 2013.

Kroger Marketplace – A new 126,000 square foot Kroger Marketplace opened in the Bethel Woods development adjacent to US Route 36. The project had an estimated construction cost of \$10 million that brought an additional 250 jobs to the area.

Rural King – Rural King renovated the former K-mart store opened its doors in April 2016.

US 33 Corridor Initiatives – As the US 33 corridor is one of the fastest growing corridors in Ohio, numerous projects are underway including the Crossroads Area Plan, NW 33 Innovation Corridor Fiber Collaborative, OSU Smart Mobility Initiative, and the NW 33 Development Team Meetings. Planning and studying this area is crucial to the overall future success of the region.

Joint Economic Development District – Work continues to establish a Joint Economic Development District (JEDD) between the City of Marysville and neighboring townships. The JEDDs, if established, will allow the above entities to fund important infrastructure upgrades (roadway, water/sewer, etc.).

Commercial Development – With residential development returning to pre-recession levels, so has the interest for commercial and retail development. New businesses have announced plans to open in the City or are already under construction including the Blue Bird Retirement Community, Walnut Crossing Assisted Living & Memory Care, Primrose School of Marysville and Burger King. The development of two new hotels including Comfort Suites and Fairfield Inn is also expected in the near future. Additionally, 18-acres of prime commercial property has become available adjacent to the Coleman’s Crossing shopping area since the completion of Meijer.

Mobile Manufacturing Lab Program (MMLP) - To address workforce development issues, the Union County Economic Development Partnership is working closely with Columbus State Community College, Clark State Community College, Marion Technical College, and the Central Ohio Technical College to apply for a RAPIDS grant from the Ohio Board of Regents to secure a Mobile Manufacturing Lab Program (MMLP). The MMLP is an enhanced mobile lab that will allow for incumbent worker training at company sites and for adult learning at local career centers and other community locations.

Marysville Avalon Theater – Efforts to renovate and re-open the historic Avalon Theatre in Uptown Marysville continue. The 1936 theatre has been vacant since 2009 and is in need of substantial structural repair and modernization. The building’s owners have secured a prospective theatre management team and continue to work with the City and State to identify funding sources. In April it was announced that the Avalon Uptown Theatre Project would receive \$300,000 in funding from the Ohio Capital Budget Appropriations Bill. The funding will allow the \$1.2 million project to begin.

***Letter of Transmittal
For the Year Ended December 31, 2016***

AWARDS AND ACKNOWLEDGEMENTS

Independent Audit

Included in this report is an unmodified audit opinion rendered on the City's financial statements for the year ended December 31, 2016, issued by Plattenburg, Certified Public Accountants. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a CAFR, and to meet requirements of certain Revenue Trust Agreements on Revenue Debt. In addition, an annual audit serves to maintain and strengthen the City's accounting and budgetary controls.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities that qualify. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both GAAP and applicable legal requirements respective to the reporting entity. A Certificate of Achievement is valid for a period of one year only.

The City received a Certificate of Achievement for the fiscal year ended December 31, 2015. We believe this, our seventh (7th) Comprehensive Annual Financial Report, meets the high standards set by the GFOA for a Certificate of Achievement for Excellence in Financial Reporting, and so therefore the City is submitting it to GFOA for certification.

Public Disclosure

The publication of this CAFR is indicative of the City's commitment to provide significantly enhanced financial information and accountability to its citizens. In addition to the citizens of Marysville, the recipients of this report include city, state, federal offices, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization requesting it. The extensive effort to prepare and distribute this report is indicative of the continued efforts of the City to improve its overall financial accounting, management and reporting capabilities.

***Letter of Transmittal
For the Year Ended December 31, 2016***

Acknowledgments

Sincere appreciation is extended to the many individuals who have worked diligently and contributed significant time and effort in gathering data for this report, particularly the staff of Donald J. Schonhardt & Associates, Inc., who through their continued knowledge and professionalism help make this annual project become a reality.

A special thank you is extended to the Members of City Council and the City Departments for the support and trust shown to the Administration and the Finance Department and for allocating the resources and time for the development of this report, which demonstrates the City's commitment to conform to reporting requirements established for municipal governments, and to maintain the sound financial position the City has enjoyed for many years. A final thank you goes to the Citizens of Marysville, Ohio, who continue to support the many decisions made by the City in its financial operations.

Finally, we would especially like to recognize City staff, all of whom exhibited dedication and professionalism throughout the many hours required in preparing this report.

Respectfully submitted,



Justin Nahvi
Director of Finance
City of Marysville, Ohio



Terry Emery
City Manager
City of Marysville, Ohio

CITY OF MARYSVILLE, OHIO

***List of Principal Officials
For the Year Ended December 31, 2016***

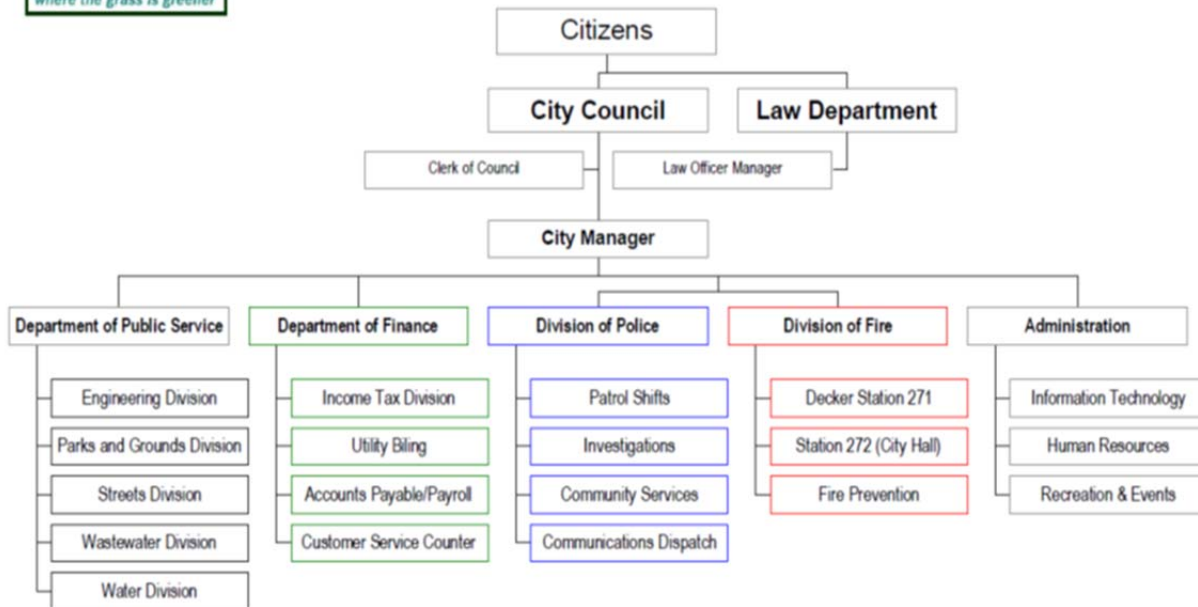
<i>ELECTED OFFICIALS</i>	<i>OFFICE</i>	<i>TERM EXPIRES</i>
J.R. Rausch	Council President	12/31/17
Nevin Taylor	Council Vice-President	12/31/19
Alan Seymour	Council Member	12/31/19
Henk Berbee	Council Member	12/31/17
Deborah Groat	Council Member	12/31/19
Mark Reams	Council Member	12/31/17
Tracy Richardson	Council Member	12/31/19

<i>ADMINISTRATIVE PERSONNEL</i>	<i>TITLE</i>	<i>TERM OF OFFICE</i>
Terry Emery	City Manager	Appointed
Justin Nahvi	Director of Finance	Appointed
Tim M. Aslaner	Law Director	12/31/17

City Address:

Marysville City Hall
209 South Main Street
Marysville, Ohio 43040

***City Organizational Chart
For the Year Ended December 31, 2016***





Government Finance Officers Association

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

Presented to

**City of Marysville
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Marysville

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 Marysville (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General 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 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming 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 29, 2017, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

Plattenburg & Associates, Inc.
Plattenburg & Associates, Inc.
Cincinnati, Ohio
June 29, 2017

The discussion and analysis of the City of Marysville's (City) financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2016. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2016 are as follows:

- In total, net position increased \$7,482,325, a 6.9% increase from 2015. The net position of governmental activities increased \$474,696, a slight increase from 2015; and the net position of business-type activities increased \$7,007,629 from 2015.
- Total revenues were \$58,121,748. \$25.6 million was general revenues, or 44% of the total revenues; and \$32.5 million was program specific revenues in the form of charges for services and sales, operating grants and contributions and capital grants and contributions, or roughly 56% of the total revenues.
- The City had \$27.3 million in program expenses related to governmental activities; only \$5.5 million of these expenses were offset by program specific revenues. General revenues (primarily taxes) of \$22.3 million were adequate to provide for the balance on these programs.
- Among major funds, the General Fund had \$23.2 million in revenues and \$16.6 million in expenditures. The General Fund's fund balance, including transfers, decreased \$1,141,325 to \$9,866,102.
- Net position for the proprietary funds increased by \$7,007,629.
- The City maintained a bond credit rating of Aa3, as issued by Moody's Investors Services.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements*, and an optional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Government-wide Statements

The government-wide statements report information about the City as a whole using accepted methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net-position (the difference between the City's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as property tax base, current property tax laws, conditions of the City's streets and general infrastructure and status of growth within the City.

The government-wide financial statements of the City are divided into two categories:

- Governmental Activities – Most of the City's programs and services are reported here including security of persons and property, public health and welfare services, leisure time activities, community environment, transportation and general government.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water, sewer, stormwater and sanitation services are reported as business-type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled in the financial statements.

CITY OF MARYSVILLE, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Unaudited

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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. All of the City's fiduciary activities are reported in the separate Fiduciary Statement of Assets and Liabilities.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a comparison of net position between 2016 and 2015:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$20,380,433	\$21,790,318	\$41,840,966	\$36,637,435	\$62,221,399	\$58,427,753
Capital assets, Net	69,771,847	66,337,713	192,390,281	197,348,101	262,162,128	263,685,814
Total assets	<u>90,152,280</u>	<u>88,128,031</u>	<u>234,231,247</u>	<u>233,985,536</u>	<u>324,383,527</u>	<u>322,113,567</u>
Deferred outflows of resources	6,318,373	2,166,813	5,962,259	1,187,878	12,280,632	3,354,691
Net pension liability	21,645,124	16,268,443	2,975,501	1,899,250	24,620,625	18,167,693
Other long-term liabilities	27,837,476	29,051,206	159,684,525	161,749,298	187,522,001	190,800,504
Other liabilities	6,079,082	4,798,840	944,911	1,968,090	7,023,993	6,766,930
Total liabilities	<u>55,561,682</u>	<u>50,118,489</u>	<u>163,604,937</u>	<u>165,616,638</u>	<u>219,166,619</u>	<u>215,735,127</u>
Deferred inflows of resources	2,916,306	2,658,386	57,493	33,329	2,973,799	2,691,715
Net position (deficit):						
Net investment in capital assets	38,722,222	35,308,591	33,175,505	35,897,563	71,897,727	71,206,154
Restricted	4,328,948	4,544,708	4,983,330	7,907,006	9,312,278	12,451,714
Unrestricted	(5,058,505)	(2,335,330)	38,372,241	25,718,878	33,313,736	23,383,548
Total net position	<u>\$37,992,665</u>	<u>\$37,517,969</u>	<u>\$76,531,076</u>	<u>\$69,523,447</u>	<u>\$114,523,741</u>	<u>\$107,041,416</u>

During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions— an Amendment of GASB Statement 27," 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.

***Management's Discussion and Analysis
For the Year Ended December 31, 2016***

Unaudited

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 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 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 new standards required by GASB 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.

***Management's Discussion and Analysis
For the Year Ended December 31, 2016***

Unaudited

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 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.

At fiscal year-end for governmental activities, capital assets represented 77% of total assets. Capital assets include land, land improvements, buildings and improvements, machinery and equipment, vehicles and infrastructure. Net investment in capital assets, at December 31, 2016 was \$38,722,222. These capital assets are used to provide services to the public 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, \$4,328,948, represents resources that are subject to external restriction on how they may be used. Excluding the effect of implementing GASB 68, the City has approximately \$10.4 million in unrestricted net position which may be used to meet the City's ongoing obligations to the public and creditors.

CITY OF MARYSVILLE, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Unaudited

Changes in Net position – The following table shows the changes in net position for the fiscal year 2016 and 2015:

	Governmental		Business-type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues:						
Charges for Services and Sales	\$3,682,541	\$3,954,274	\$26,923,590	\$21,995,413	\$30,606,131	\$25,949,687
Operating Grants and Contributions	926,520	913,154	0	0	926,520	913,154
Capital Grants and Contributions	934,011	307,759	0	642,000	934,011	949,759
General revenues:						
Property Taxes	1,551,468	1,529,783	0	0	1,551,468	1,529,783
Municipal Income Taxes	17,664,505	16,123,925	0	0	17,664,505	16,123,925
Other Local Taxes	456,741	384,363	0	0	456,741	384,363
Payments in Lieu of Taxes	1,736,882	1,687,738	3,272,352	2,356,351	5,009,234	4,044,089
Grants and Entitlements not Restricted to Specific Programs	244,263	424,023	0	0	244,263	424,023
Investment Earnings	29,111	132,256	111,654	139,876	140,765	272,132
Miscellaneous	588,110	316,489	0	0	588,110	316,489
Total revenues	27,814,152	25,773,764	30,307,596	25,133,640	58,121,748	50,907,404
Program Expenses:						
Security of Persons and Property	13,511,380	11,103,602	0	0	13,511,380	11,103,602
Public Health and Welfare Services	331,180	298,204	0	0	331,180	298,204
Leisure Time Activities	407,116	247,763	0	0	407,116	247,763
Community Environment	1,936,951	1,698,722	0	0	1,936,951	1,698,722
Transportation	5,216,711	4,145,044	0	0	5,216,711	4,145,044
General Government	4,895,555	3,958,514	0	0	4,895,555	3,958,514
Interest and Fiscal Charges	1,040,563	1,050,086	0	0	1,040,563	1,050,086
Sewer	0	0	15,005,676	16,798,276	15,005,676	16,798,276
Water	0	0	6,071,788	5,826,144	6,071,788	5,826,144
Stormwater	0	0	752,302	560,112	752,302	560,112
Sanitation	0	0	1,470,201	1,402,778	1,470,201	1,402,778
Total expenses	27,339,456	22,501,935	23,299,967	24,587,310	50,639,423	47,089,245
Total Change in Net Position	474,696	3,271,829	7,007,629	546,330	7,482,325	3,818,159
Beginning Net Position, Restated	37,517,969	34,246,140	69,523,447	68,977,117	107,041,416	103,223,257
Ending Net Position	\$37,992,665	\$37,517,969	\$76,531,076	\$69,523,447	\$114,523,741	\$107,041,416

***Management’s Discussion and Analysis
For the Year Ended December 31, 2016***

Unaudited

Governmental Activities

Net position of the City’s governmental activities had an increase of \$474,696 from 2015. Municipal income tax receipts increased \$1,540,580 from 2015 due to an increase in business employer withholdings, employer withholdings and self-employed taxes. The City receives an income tax based on a percentage of all salaries, wages, commissions and other compensation earned from residents living within the City and from nonresidents for work done or services performed or rendered in the City.

Charges for Services decreased by \$271,733 from 2015. This was primarily due to a decrease in Security of Persons and Property revenue, specifically for EMS receipts and fire contracts.

Capital grants and contributions increased by \$626,252 from 2015 due to the City receiving capital grants in 2016 for the annual paving maintenance program.

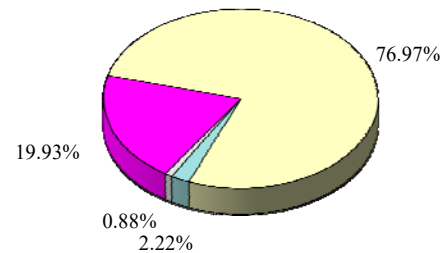
Security of Persons and Property expenses increased \$2,407,778 from 2015. This increase is related to increase in expenses associated with the Police and Fire Divisions. The Police Department hired additional officers and the Fire Division has experienced an increase in call volume.

Transportation expenses increased \$1,071,667 from 2015. This expense category represents the activity of the public works department. This increase is primarily due to more road improvements occurring in 2016 as compared to 2015.

General Government expenses increased \$937,041 from 2015. This is associated with the increases in expenditures as previously noted from the Security of Persons and Property as well as Transportation.

Property taxes and income taxes made up 5.6% and 63.5% respectively of revenues for governmental activities for the City in fiscal year 2016. The City’s reliance upon tax revenues is demonstrated by the following graph indicating 76.97% of total revenues from general tax revenues:

Revenue Sources	2016	Percent of Total
Grants and Entitlements not Restricted to Specific Programs	\$244,263	0.88%
Program Revenues	5,543,072	19.93%
General Tax Revenues	21,409,596	76.97%
General Other	617,221	2.22%
Total Revenue	<u>\$27,814,152</u>	<u>100.00%</u>



***Management's Discussion and Analysis
For the Year Ended December 31, 2016***

Unaudited

Business-Type Activities

Net position of the business-type activities increased by \$7,007,629 from 2015. This is due in part to an increase of \$4,329,148 in the net position of Water.

The City's business-type activities are its sanitation, sewer, water, and stormwater departments. The water and wastewater treatment plants provide services to a resident base in excess of 22,000. The City also provides wastewater treatment for the Village of Milford Center and several small unincorporated areas outside the City limits. The wastewater treatment plant generated operating revenues of \$14,199,970 and had operating expenses of \$9,638,461. The water plant generated operating revenues of \$10,291,048 and had operating expenses of \$4,838,350. The City's goal is to cover the costs of operations as well as building a cash balance in these funds equivalent to one-third of the department's annual operating budget. The City is also generating funds for additional capital expansion to ensure continued capacity and capacity improvements for future growth and development.

FINANCIAL ANALYSIS OF THE CITY'S GOVERNMENTAL FUNDS

The City's governmental funds reported a combined fund balance of \$8,836,486, which is a decrease of \$2,928,684 from last year's balance of \$11,765,170. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2016 and 2015:

	Fund Balance <u>December 31, 2016</u>	Fund Balance <u>December 31, 2015</u>	Increase <u>(Decrease)</u>
General	\$9,866,102	\$11,007,427	(\$1,141,325)
Capital Improvements Project (CIP)	(4,490,705)	(2,931,400)	(1,559,305)
Other Governmental	<u>3,461,089</u>	<u>3,689,143</u>	<u>(228,054)</u>
Total	<u><u>\$8,836,486</u></u>	<u><u>\$11,765,170</u></u>	<u><u>(\$2,928,684)</u></u>

General Fund – The City's General Fund balance decreased due to many factors. The tables that follow assist in illustrating the financial activities of the General Fund:

	2016 <u>Revenues</u>	2015 <u>Revenues</u>	Increase <u>(Decrease)</u>
Taxes (Income, Property and Other)	\$19,442,027	\$17,825,971	\$1,616,056
Intergovernmental Revenue	425,821	385,073	40,748
Charges for Services	2,322,013	2,190,434	131,579
Licenses and Permits	155,816	224,158	(68,342)
Investment Earnings	21,041	125,077	(104,036)
Fines and Forfeitures	782,638	747,678	34,960
All Other Revenue	<u>7,673</u>	<u>51,275</u>	<u>(43,602)</u>
Total	<u><u>\$23,157,029</u></u>	<u><u>\$21,549,666</u></u>	<u><u>\$1,607,363</u></u>

CITY OF MARYSVILLE, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2016***

Unaudited

General Fund revenues in 2016 increased approximately 7.5% compared to revenues in fiscal year 2015. The most significant factor contributing to this increase was in taxes reflecting the overall increase in business, employee withholdings, and self-employed income taxes.

	2016	2015	Increase
	Expenditures	Expenditures	(Decrease)
Security of Persons and Property	\$11,485,113	\$11,054,955	\$430,158
Public Health and Welfare Services	335,411	327,318	8,093
Leisure Time Activities	0	17,259	(17,259)
Community Environment	780,002	768,263	11,739
General Government	4,013,563	3,736,268	277,295
Total	<u>\$16,614,089</u>	<u>\$15,904,063</u>	<u>\$710,026</u>

General Fund expenditures increased by \$710,026 or about 4.5% when compared to the prior year of 2015. The largest increase was in Security of Persons and Property, an increase of \$430,158. This is due to an increase in expenditures associated with the Police and Fire Divisions. The Police Department hired additional officers and the Fire Division has experienced an increase in call volume.

The Capital Improvement Project (CIP) fund balance decreased \$1,559,305 from 2015. This is due to receiving more property tax and expending less in debt expenditures in 2016.

***Management's Discussion and Analysis
For the Year Ended December 31, 2016***

Unaudited

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal year 2016 the City amended its General Fund budget several times.

In the General Fund, the final budget basis for revenue was \$21.4 million, the same as the original conservative budget estimates of \$21.4 million. Municipal Income Tax revenues exceeded the final budget mainly due to an increase in employer withheld taxes and self-employed residents. Also, the General Fund originally budgeted \$22.9 million for expenditures, including transfers, and the final budgeted expenditures were approximately \$27 million. Transfer out exceeded the original budget as the City was able to not only expend more funds on capital projects and but also reduce principal payments on outstanding debt.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2016 the City had \$262,162,128 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, machinery and equipment, vehicles and construction in progress. Of this total, \$69,771,847 was related to governmental activities and \$192,390,281 to the business-type activities. The following table shows fiscal year 2016 and 2015 balances:

	Governmental Activities		Increase (Decrease)
	2016	2015	
Land	\$6,232,344	\$1,381,059	\$4,851,285
Construction in Progress	2,526,801	1,971,327	555,474
Buildings	29,382,463	29,376,691	5,772
Improvements Other Than Buildings	7,232,346	6,591,251	641,095
Machinery and Equipment	2,015,629	1,777,515	238,114
Vehicles	6,183,207	6,276,583	(93,376)
Infrastructure	92,803,084	91,393,304	1,409,780
Less: Accumulated Depreciation	<u>(76,604,027)</u>	<u>(72,430,017)</u>	<u>(4,174,010)</u>
Totals	<u>\$69,771,847</u>	<u>\$66,337,713</u>	<u>\$3,434,134</u>

CITY OF MARYSVILLE, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Unaudited

	Business-Type Activities		Increase (Decrease)
	2016	2015	
Land	\$4,195,515	\$4,195,515	\$0
Construction in Progress	4,616,495	7,007,594	(2,391,099)
Buildings	108,182,972	108,182,972	0
Improvements Other Than Buildings	28,092,232	28,027,079	65,153
Machinery and Equipment	2,490,300	2,442,246	48,054
Vehicles	2,354,481	2,252,583	101,898
Infrastructure	103,983,639	100,353,051	3,630,588
Less: Accumulated Depreciation	(61,525,353)	(55,112,939)	(6,412,414)
Totals	\$192,390,281	\$197,348,101	(\$4,957,820)

Governmental Activities' increases were the greatest in Land through the purchase of three parcels associated with the Innovation Park project. Business-type Activities' increases were the greatest in Infrastructure as projects were completed and moved from construction in progress. Improvements other than Buildings showed increases as the AMR system was added as an asset. Additional information on the City's capital assets can be found in Note 10.

Debt

At December 31, 2016, the City had \$183.7 million in bonds outstanding, \$5 million due within one year. The following table summarizes the City's debt outstanding as of December 31, 2016 and 2015:

	2016	2015
Governmental Activities:		
General Obligation Bonds	\$24,864,846	\$26,516,721
Long-Term Loan	1,010,000	1,110,000
Compensated Absences	1,522,851	1,172,084
Capital Leases	439,779	252,401
Net Pension Liability	21,645,124	16,268,443
Total Governmental Activities	49,482,600	45,319,649
Business-Type Activities:		
General Obligation Bonds	\$10,070,000	\$10,270,000
Mortgage Revenue Bonds	148,730,821	150,737,015
OPWC Loans Payable	413,955	443,523
Compensated Absences	469,749	298,760
Net Pension Liability	2,975,501	1,899,250
Total Business-Type Activities	162,660,026	163,648,548
Totals	\$212,142,626	\$208,968,197

The general obligation bonds supported by governmental activities were for multiple City improvements financed with bond anticipation notes during the late 1990s. Many of these projects were for the extension of infrastructure and services to the large annexation of land in 1998. These monies were also used to refurbish several City streets (Grove Street, Raymond Road) and for the construction of the Public Service Center. These bonds will be repaid by the general operating revenues (income and property taxes) of the City.

The general obligation bonds supported by business-type activities were for plant expansion and renovation of the water and sewer utilities. These bonds were retired from the City's Water and Sewer funds during 2013. The mortgage revenue bonds were issued primarily for (1) refinancing the purchase of the water treatment plant, vehicles, and related infrastructure from the Ohio Water Company in 1991, (2) refinancing the expansion of the wastewater treatment plant in 1992, (3) infrastructure expansion required by the large annexation of land in 1998, and (4) construction of a Water Reclamation Facility and trunk sewer in 2006 through 2009. These bonds are paid by water and sewer revenues collected from the City's utility customers for provision of water for consumption and wastewater treatment. Additional information on the City's long-term debt can be found in Note 15.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

From August to October of the current year, the City's five-year budget is prepared. This process starts with the budgeted current figures and attempts to revise these figures (if applicable) for the remainder of the year. Predictions are made for the next five years based on assumptions provided by the Administration. The five-year budget takes a long-term look at the direction of the City. Each department director prepares the budgeted expenditures that relate to the applicable department. The finance department prepares the budgeted revenues. The City Administrator and Mayor then review all figures in detail, and changes are made as necessary.

The budget is then presented to City Council during a workshop, typically held in late October. City Council reviews the proposed revenues and expenditures for each fund. Changes are then made as necessary. The final budget is then presented to City Council for their approval.

City Council continues to pursue new revenue sources, while reviewing the possibility of increasing existing sources. A close watch of current economic conditions is an ongoing process each year to determine if increased revenues, or reductions in expenditures, are necessary in order to maintain fiscal stability.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the City's finances and to reflect the City's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Justin Nahvi, City Finance Director, 209 South Main Street, Marysville, Ohio, 43040, (937) 645-7364, or e-mail at jnahvi@marysvilleohio.org.



CITY OF MARYSVILLE, OHIO

**Statement of Net Position
December 31, 2016**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 11,407,018	\$ 28,836,819	\$ 40,243,837
Cash and Cash Equivalents with Fiscal Agent	88,470	0	88,470
Investments	0	1,546,020	1,546,020
Receivables:			
Municipal Income Taxes	3,552,224	0	3,552,224
Accounts	1,151,222	3,288,996	4,440,218
Intergovernmental	1,062,678	853	1,063,531
Payments in Lieu of Taxes	1,235,775	3,062,819	4,298,594
Interest	184	1,567	1,751
Property Taxes	1,643,864	0	1,643,864
Special Assessments	102,125	0	102,125
Prepaid Items	136,873	120,562	257,435
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	0	4,983,330	4,983,330
Capital Assets:			
Capital Assets Not Being Depreciated	8,759,145	8,812,010	17,571,155
Capital Assets Being Depreciated, Net	61,012,702	183,578,271	244,590,973
Total Assets	90,152,280	234,231,247	324,383,527
Deferred Outflows of Resources:			
Pension	6,318,373	1,140,062	7,458,435
Deferred Loss on Early Retirement of Debt	0	4,822,197	4,822,197
Total Deferred Outflows of Resources	6,318,373	5,962,259	12,280,632
Liabilities:			
Accounts Payable	470,492	357,509	828,001
Accrued Wages and Benefits	161,188	41,795	202,983
Intergovernmental Payable	164,606	31,594	196,200
Contracts Payable	294,645	7,551	302,196
Retainage Payable	116,043	0	116,043
Accrued Interest Payable	137,108	506,462	643,570
General Obligation Notes Payable	4,735,000	0	4,735,000
Long-Term Liabilities:			
Due Within One Year	2,877,245	3,780,579	6,657,824
Net Pension Liability	21,645,124	2,975,501	24,620,625
Due in More Than One Year	24,960,231	155,903,946	180,864,177
Total Liabilities	55,561,682	163,604,937	219,166,619
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	2,781,047	0	2,781,047
Pension	135,259	57,493	192,752
Total Deferred Inflows of Resources	2,916,306	57,493	2,973,799

CITY OF MARYSVILLE, OHIO

	Governmental Activities	Business-Type Activities	Total
Net Position:			
Net Investment in Capital Assets	38,722,222	33,175,505	71,897,727
Restricted For:			
Capital Projects	449,303	0	449,303
Debt Service	1,075,752	4,983,330	6,059,082
Street Repair and Maintenance	638,496	0	638,496
State Highway Improvements	126,281	0	126,281
Court Improvements	1,106,471	0	1,106,471
Alcohol Education and Enforcement	193,193	0	193,193
Other Purposes	739,452	0	739,452
Unrestricted (Deficit)	(5,058,505)	38,372,241	33,313,736
Total Net Position	\$ 37,992,665	\$ 76,531,076	\$ 114,523,741

See accompanying notes to the basic financial statements

CITY OF MARYSVILLE, OHIO

**Statement of Activities
For the Year Ended December 31, 2016**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property - Police	\$ 6,241,757	\$ 5,145	\$ 11,848	\$ 0
Security of Persons and Property - Fire	6,368,568	1,117,984	4,500	0
Security of Persons and Property - Other	901,055	1,017,782	0	0
Public Health and Welfare Services	331,180	59,773	0	0
Leisure Time Activities	407,116	1,066,751	0	0
Community Environment	1,936,951	0	0	441,114
Transportation	5,216,711	12,407	910,172	492,897
General Government	4,895,555	402,699	0	0
Interest and Fiscal Charges	1,040,563	0	0	0
Total Governmental Activities	27,339,456	3,682,541	926,520	934,011
Business-Type Activities:				
Sewer	15,005,676	14,199,970	0	0
Water	6,071,788	10,291,048	0	0
Stormwater	752,302	747,639	0	0
Sanitation	1,470,201	1,684,933	0	0
Total Business-Type Activities	23,299,967	26,923,590	0	0
Totals	\$ 50,639,423	\$ 30,606,131	\$ 926,520	\$ 934,011

General Revenues:

Property Taxes Levied For:

General Purposes

Police Pension

Fire Pension

Municipal Income Taxes

Other Local Taxes

Payments in Lieu of Taxes

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF MARYSVILLE, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (6,224,764)	\$ 0	\$ (6,224,764)
(5,246,084)	0	(5,246,084)
116,727	0	116,727
(271,407)	0	(271,407)
659,635	0	659,635
(1,495,837)	0	(1,495,837)
(3,801,235)	0	(3,801,235)
(4,492,856)	0	(4,492,856)
(1,040,563)	0	(1,040,563)
<u>(21,796,384)</u>	<u>0</u>	<u>(21,796,384)</u>
0	(805,706)	(805,706)
0	4,219,260	4,219,260
0	(4,663)	(4,663)
0	214,732	214,732
<u>0</u>	<u>3,623,623</u>	<u>3,623,623</u>
<u>\$ (21,796,384)</u>	<u>\$ 3,623,623</u>	<u>\$ (18,172,761)</u>
1,349,872	0	1,349,872
100,798	0	100,798
100,798	0	100,798
17,664,505	0	17,664,505
456,741	0	456,741
1,736,882	3,272,352	5,009,234
244,263	0	244,263
29,111	111,654	140,765
588,110	0	588,110
<u>22,271,080</u>	<u>3,384,006</u>	<u>25,655,086</u>
474,696	7,007,629	7,482,325
<u>37,517,969</u>	<u>69,523,447</u>	<u>107,041,416</u>
<u>\$ 37,992,665</u>	<u>\$ 76,531,076</u>	<u>\$ 114,523,741</u>

CITY OF MARYSVILLE, OHIO

**Balance Sheet
Governmental Funds
December 31, 2016**

	General	Capital Improvements Project (CIP)	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 7,210,107	\$ 283,502	\$ 3,913,409	\$ 11,407,018
Cash and Cash Equivalents with Fiscal Agent	88,470	0	0	88,470
Receivables:				
Municipal Income Taxes	3,552,224	0	0	3,552,224
Accounts	572,213	0	579,009	1,151,222
Intergovernmental	354,699	0	707,979	1,062,678
Payments in Lieu of Taxes	0	0	1,235,775	1,235,775
Interest	172	0	12	184
Property Taxes	1,424,246	0	219,618	1,643,864
Special Assessments	25,221	0	76,904	102,125
Interfund Loans Receivables	122,620	0	0	122,620
Prepaid Items	114,049	4,596	18,228	136,873
Total Assets	\$ 13,464,021	\$ 288,098	\$ 6,750,934	\$ 20,503,053
Liabilities:				
Accounts Payable	\$ 218,108	\$ 21,197	\$ 231,187	\$ 470,492
Accrued Wages and Benefits Payable	150,240	0	10,948	161,188
Intergovernmental Payable	155,652	0	8,954	164,606
Contracts Payable	0	0	294,645	294,645
Retainage Payable	0	0	116,043	116,043
Interfund Loans Payable	0	0	122,620	122,620
Accrued Interest Payable	0	22,606	0	22,606
General Obligation Notes Payable	0	4,735,000	0	4,735,000
Total Liabilities	524,000	4,778,803	784,397	6,087,200
Deferred Inflows of Resources:				
Unavailable Amounts	1,735,119	0	1,063,201	2,798,320
Property Tax for Next Fiscal Year	1,338,800	0	1,442,247	2,781,047
Total Deferred Inflows of Resources	3,073,919	0	2,505,448	5,579,367
Fund Balances:				
Nonspendable	114,049	4,596	18,228	136,873
Restricted	0	0	3,209,563	3,209,563
Committed	1,111,082	0	299,329	1,410,411
Assigned	382,065	0	0	382,065
Unassigned	8,258,906	(4,495,301)	(66,031)	3,697,574
Total Fund Balances	9,866,102	(4,490,705)	3,461,089	8,836,486
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 13,464,021	\$ 288,098	\$ 6,750,934	\$ 20,503,053

See accompanying notes to the basic financial statements

CITY OF MARYSVILLE, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2016***

Total Governmental Fund Balances		\$	8,836,486
<i>Amounts reported for governmental activities in the statement of net position are different because</i>			
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.			69,771,847
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Municipal Income Taxes	1,158,369		
Property Taxes	98,592		
Charges for Services	260,273		
Special Assessments	102,125		
Intergovernmental	1,129,367		
Other Local Taxes	<u>49,594</u>		2,798,320
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:			
Deferred Outflows - Pension	6,318,373		
Deferred Inflows - Pension	(135,259)		
Net Pension Liability	<u>(21,645,124)</u>		(15,462,010)
Accrued interest on outstanding debt is not due and payable in the current period and, therefore, is not reported in the funds: it is reported when due.			(114,502)
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	(24,864,846)		
Capital Leases Payable	(439,779)		
Long-Term Loans Payable	(1,010,000)		
Compensated Absences Payable	<u>(1,522,851)</u>		(27,837,476)
<i>Net Position of Governmental Activities</i>		\$	<u>37,992,665</u>

See accompanying notes to the basic financial statements

CITY OF MARYSVILLE, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016**

	General	Capital Improvements Project (CIP)	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 1,319,204	\$ 0	\$ 201,596	\$ 1,520,800
Municipal Income Tax	17,719,893	0	0	17,719,893
Other Local Taxes	402,930	0	0	402,930
Payments in Lieu of Taxes	0	0	1,736,882	1,736,882
Intergovernmental Revenues	425,821	0	1,727,761	2,153,582
Charges for Services	2,322,013	0	370,466	2,692,479
Licenses and Permits	155,816	0	111,769	267,585
Investment Earnings	21,041	0	8,070	29,111
Special Assessments	0	0	1,402	1,402
Fines and Forfeitures	782,638	0	177,901	960,539
All Other Revenue	7,673	0	252,482	260,155
Total Revenue	23,157,029	0	4,588,329	27,745,358
Expenditures:				
Current:				
Security of Persons and Property - Police	5,343,598	0	146,135	5,489,733
Security of Persons and Property - Fire	5,346,158	0	117,234	5,463,392
Security of Persons and Property - Other	795,357	0	46,701	842,058
Public Health and Welfare Services	335,411	0	0	335,411
Leisure Time Activities	0	0	207,149	207,149
Community Environment	780,002	0	890,159	1,670,161
Transportation	0	0	2,873,540	2,873,540
General Government	4,013,563	0	228,681	4,242,244
Capital Outlay	0	5,333,177	1,810,840	7,144,017
Debt Service:				
Principal Retirement	0	0	1,720,000	1,720,000
Interest and Fiscal Charges	0	22,606	1,055,902	1,078,508
Total Expenditures	16,614,089	5,355,783	9,096,341	31,066,213
Excess (Deficiency) of Revenues Over Expenditures	6,542,940	(5,355,783)	(4,508,012)	(3,320,855)

CITY OF MARYSVILLE, OHIO

	General	Capital Improvements Project (CIP)	Other Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses):				
Sale of Capital Assets	13,462	0	0	13,462
Inception of Capital Lease	378,709	0	0	378,709
Transfers In	0	3,796,478	4,279,958	8,076,436
Transfers Out	(8,076,436)	0	0	(8,076,436)
Total Other Financing Sources (Uses)	<u>(7,684,265)</u>	<u>3,796,478</u>	<u>4,279,958</u>	<u>392,171</u>
Net Change in Fund Balances	(1,141,325)	(1,559,305)	(228,054)	(2,928,684)
Fund Balances (Deficit) at Beginning of Year	<u>11,007,427</u>	<u>(2,931,400)</u>	<u>3,689,143</u>	<u>11,765,170</u>
Fund Balances (Deficit) End of Year	<u>\$ 9,866,102</u>	<u>\$ (4,490,705)</u>	<u>\$ 3,461,089</u>	<u>\$ 8,836,486</u>

See accompanying notes to the basic financial statements

CITY OF MARYSVILLE, 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, 2016***

Net Change in Fund Balances - Total Governmental Funds \$ (2,928,684)

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital Outlay	7,736,766	
Depreciation	<u>(4,302,632)</u>	3,434,134

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Municipal Income Taxes	(55,388)	
Property Taxes	30,668	
Charges for Services	69,196	
Special Assessments	5,833	
Intergovernmental	(44,571)	
Other Local Taxes	<u>49,594</u>	55,332

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 1,698,547

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (3,004,433)

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position. In addition, repayment of bond, note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Inception of Capital Lease	(378,709)	
General Obligation Bonds Principal	1,651,875	
Long-Term Loan Principal	100,000	
Capital Lease Principal	<u>191,331</u>	1,564,497

Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position. Premiums are reported as revenues when the debt is first issued; however, these amounts are deferred and amortized on the statement of net position.

Accrued Interest Payable		6,070
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Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Increase in Compensated Absences Payable		<u>(350,767)</u>
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Change in Net Position of Governmental Activities **\$ 474,696**

See accompanying notes to the basic financial statements

CITY OF MARYSVILLE, 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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 1,331,650	\$ 1,331,650	\$ 1,319,204	\$ (12,446)
Municipal Income Tax	16,250,250	16,250,250	17,456,251	1,206,001
Other Local Taxes	360,000	360,000	448,810	88,810
Intergovernmental Revenue	414,807	373,807	369,013	(4,794)
Charges for Services	2,172,165	2,172,165	2,125,550	(46,615)
Licenses and Permits	144,000	144,000	155,816	11,816
Investment Earnings	70,040	70,040	112,188	42,148
Fines and Forfeitures	651,000	651,000	786,598	135,598
All Other Revenues	21,000	21,000	13,141	(7,859)
Total Revenues	<u>21,414,912</u>	<u>21,373,912</u>	<u>22,786,571</u>	<u>1,412,659</u>
Expenditures:				
Current:				
Security of Persons and Property	11,942,433	12,649,303	12,029,151	620,152
Public Health and Welfare Services	356,000	403,159	385,498	17,661
Community Environment	908,218	973,930	918,157	55,773
General Government	4,229,905	4,567,637	4,221,148	346,489
Total Expenditures	<u>17,436,556</u>	<u>18,594,029</u>	<u>17,553,954</u>	<u>1,040,075</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,978,356	2,779,883	5,232,617	2,452,734
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	13,462	13,462
Transfers In	65,000	65,000	0	(65,000)
Transfers Out	(4,999,005)	(8,307,505)	(8,076,436)	231,069
Advances In	0	0	384,525	384,525
Advances Out	(507,145)	(507,145)	(507,145)	0
Total Other Financing Sources (Uses):	<u>(5,441,150)</u>	<u>(8,749,650)</u>	<u>(8,185,594)</u>	<u>564,056</u>
Net Change In Fund Balance	(1,462,794)	(5,969,767)	(2,952,977)	3,016,790
Fund Balance at Beginning of Year	8,552,331	8,552,331	8,552,331	0
Prior Year Encumbrances	1,086,965	1,086,965	1,086,965	0
Fund Balance at End of Year	<u>\$ 8,176,502</u>	<u>\$ 3,669,529</u>	<u>\$ 6,686,319</u>	<u>\$ 3,016,790</u>

See accompanying notes to the basic financial statements

CITY OF MARYSVILLE, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Sewer	Water	Stormwater
Assets:			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 8,842,207	\$ 18,825,592	\$ 759,993
Investments	1,546,020	0	0
Receivables:			
Accounts	1,676,710	1,077,462	147,460
Intergovernmental	358	363	73
Payments in Lieu of Taxes Receivable	3,062,819	0	0
Interest	1,312	255	0
Prepaid Items	61,669	55,774	2,370
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	4,983,330	0	0
Total Current Assets	20,174,425	19,959,446	909,896
<i>Non Current Assets:</i>			
Land	2,533,015	1,662,500	0
Construction in Progress	155,999	4,066,698	392,032
Depreciable Capital Assets, Net	141,846,617	40,482,397	1,101,225
Total Non Current Assets	144,535,631	46,211,595	1,493,257
Total Assets	164,710,056	66,171,041	2,403,153
Deferred Outflows of Resources:			
Pension	491,924	521,821	64,633
Deferred Loss on Early Retirement of Debt	3,641,859	1,180,338	0
Total Deferred Outflows of Resources	4,133,783	1,702,159	64,633
Liabilities:			
<i>Current Liabilities:</i>			
Accounts Payable	136,724	100,429	23,851
Accrued Wages and Benefits	19,527	18,771	690
Intergovernmental Payable	13,827	14,279	1,038
Contracts Payable	5,100	2,451	0
Compensated Absences Payable - Current	104,808	88,518	1,897
General Obligation Bonds - Current	205,000	0	0
Mortgage Revenue Bonds - Current	2,181,140	1,166,082	0
Ohio Public Works Commission Loan - Current	0	29,568	0
Total Current Liabilities	2,666,126	1,420,098	27,476

CITY OF MARYSVILLE, OHIO

<u>Sanitation</u>		<u>Total</u>	
\$	409,027	\$	28,836,819
	0		1,546,020
	387,364		3,288,996
	59		853
	0		3,062,819
	0		1,567
	749		120,562
	0		4,983,330
	797,199		41,840,966
	0		4,195,515
	1,766		4,616,495
	148,032		183,578,271
	149,798		192,390,281
	946,997		234,231,247
	61,684		1,140,062
	0		4,822,197
	61,684		5,962,259
	96,505		357,509
	2,807		41,795
	2,450		31,594
	0		7,551
	3,566		198,789
	0		205,000
	0		3,347,222
	0		29,568
	105,328		4,219,028

(Continued)

CITY OF MARYSVILLE, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Sewer	Water	Stormwater
<i>Long Term Liabilities:</i>			
Compensated Absences Payable	125,787	134,114	1,772
Net Pension Liability	1,282,935	1,358,630	170,050
Accrued Interest Payable	446,312	60,150	0
General Obligation Bonds Payable	9,865,000	0	0
Revenue Bonds Payable	125,190,871	20,192,728	0
OPWC Loans Payable	0	384,387	0
<i>Total Long-Term Liabilities</i>	<u>136,910,905</u>	<u>22,130,009</u>	<u>171,822</u>
Total Liabilities	<u>139,577,031</u>	<u>23,550,107</u>	<u>199,298</u>
Deferred Inflows of Resources:			
Pension	<u>24,789</u>	<u>26,252</u>	<u>3,286</u>
Net Position:			
Net Investment in Capital Assets	7,093,620	24,438,830	1,493,257
Restricted For:			
Debt Service	4,983,330	0	0
Unrestricted	<u>17,165,069</u>	<u>19,858,011</u>	<u>771,945</u>
Total Net Position	<u>\$ 29,242,019</u>	<u>\$ 44,296,841</u>	<u>\$ 2,265,202</u>

See accompanying notes to the basic financial statements

CITY OF MARYSVILLE, OHIO

<u>Sanitation</u>	<u>Total</u>
9,287	270,960
163,886	2,975,501
0	506,462
0	9,865,000
0	145,383,599
0	384,387
<u>173,173</u>	<u>159,385,909</u>
<u>278,501</u>	<u>163,604,937</u>
<u>3,166</u>	<u>57,493</u>
149,798	33,175,505
0	4,983,330
<u>577,216</u>	<u>38,372,241</u>
<u>\$ 727,014</u>	<u>\$ 76,531,076</u>

CITY OF MARYSVILLE, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Sewer	Water	Stormwater
Operating Revenues:			
Charges for Services	\$ 14,199,970	\$ 10,291,048	\$ 747,639
Total Operating Revenues	<u>14,199,970</u>	<u>10,291,048</u>	<u>747,639</u>
Operating Expenses:			
Personal Services	1,885,608	1,831,805	258,873
Contractual Services	1,688,862	561,210	289,911
Materials and Supplies	518,020	672,791	93,259
Utilities	878,191	135,156	1,072
Depreciation	4,667,780	1,637,388	109,187
Total Operating Expenses	<u>9,638,461</u>	<u>4,838,350</u>	<u>752,302</u>
Operating Income (Loss)	4,561,509	5,452,698	(4,663)
Nonoperating Revenue (Expenses):			
Investment Earnings	1,766	109,888	0
Interest Expense	(5,367,215)	(1,233,438)	0
Payments in Lieu of Taxes	3,272,352	0	0
Total Nonoperating Revenues (Expenses)	<u>(2,093,097)</u>	<u>(1,123,550)</u>	<u>0</u>
Change in Net Position	2,468,412	4,329,148	(4,663)
Net Position Beginning of Year	26,773,607	39,967,693	2,269,865
Net Position End of Year	<u>\$ 29,242,019</u>	<u>\$ 44,296,841</u>	<u>\$ 2,265,202</u>

See accompanying notes to the basic financial statements

CITY OF MARYSVILLE, OHIO

<u>Sanitation</u>	<u>Total</u>
\$ 1,684,933	\$ 26,923,590
<u>1,684,933</u>	<u>26,923,590</u>
244,277	4,220,563
1,142,616	3,682,599
49,383	1,333,453
4,459	1,018,878
<u>29,466</u>	<u>6,443,821</u>
<u>1,470,201</u>	<u>16,699,314</u>
214,732	10,224,276
0	111,654
0	(6,600,653)
<u>0</u>	<u>3,272,352</u>
<u>0</u>	<u>(3,216,647)</u>
214,732	7,007,629
<u>512,282</u>	<u>69,523,447</u>
<u>\$ 727,014</u>	<u>\$ 76,531,076</u>

CITY OF MARYSVILLE, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Sewer	Water	Stormwater
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$13,565,715	\$9,923,812	\$701,864
Cash Payments for Goods and Services	(3,161,772)	(1,372,541)	(390,214)
Cash Payments to Employees	(1,657,701)	(1,656,194)	(243,233)
Net Cash Provided			
by Operating Activities	8,746,242	6,895,077	68,417
<u>Cash Flows from Capital and</u>			
<u> Related Financing Activities:</u>			
Acquisition and Construction of Assets	(305,331)	(1,547,166)	(373,064)
Payments in Lieu of Taxes	2,945,902	0	0
Premium on Mortgage Revenue Bonds Issued	3,265,785	2,094,892	0
Mortgage Revenue Bonds Issued	77,320,000	19,560,000	0
Principal Paid on General Obligation Notes	(200,000)	0	0
Principal Paid on Mortgage Revenue Bonds	(2,970,000)	(585,000)	0
Payments to Refunding Bond Escrow Agent	(83,254,632)	(21,303,469)	0
Principal Paid on			
Ohio Public Works Commission Loan	0	(29,568)	0
Interest Paid on All Debt	(6,054,308)	(1,344,092)	0
Net Cash Used for Capital			
and Related Financing Activities	(9,252,584)	(3,154,403)	(373,064)
<u>Cash Flows from Investing Activities:</u>			
Fair Value Markdown of Investments	(91,753)	0	0
Investments Purchased	(212,909)	0	0
Receipts of Interest	68,993	112,312	0
Net Cash Provided (Used)			
by Investing Activities	(235,669)	112,312	0
Net Increase (Decrease) in Cash and Cash Equivalents	(742,011)	3,852,986	(304,647)
Cash and Cash Equivalents at Beginning of Year	14,567,548	14,972,606	1,064,640
Cash and Cash Equivalents at End of Year	\$13,825,537	\$18,825,592	\$759,993

CITY OF MARYSVILLE, OHIO

<u>Sanitation</u>	<u>Totals</u>
\$1,456,041	\$25,647,432
(1,224,449)	(6,148,976)
<u>(216,431)</u>	<u>(3,773,559)</u>
15,161	15,724,897
(800)	(2,226,361)
0	2,945,902
0	5,360,677
0	96,880,000
0	(200,000)
0	(3,555,000)
0	(104,558,101)
0	(29,568)
<u>0</u>	<u>(7,398,400)</u>
<u>(800)</u>	<u>(12,780,851)</u>
0	(91,753)
0	(212,909)
<u>0</u>	<u>181,305</u>
<u>0</u>	<u>(123,357)</u>
14,361	2,820,689
394,666	30,999,460
<u>\$409,027</u>	<u>\$33,820,149</u>

(Continued)

CITY OF MARYSVILLE, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Sewer	Water	Stormwater
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income (Loss)	\$4,561,509	\$5,452,698	(\$4,663)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	4,667,780	1,637,388	109,187
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(634,613)	(367,552)	(45,848)
Increase in Deferred Outflows of Resources	(326,869)	(332,883)	(42,394)
Decrease (Increase) in Prepays	(687)	8,689	(1,190)
Decrease in Accounts Payable	(74,178)	(11,892)	(5,306)
Decrease in Accrued			
Wages and Benefits	(32,476)	(41,131)	(5,799)
Increase (Decrease) in			
Compensated Absences	90,009	80,822	(6,205)
Increase in Net Pension Liability	484,819	458,529	69,211
Increase in Deferred Inflows of Resources	10,948	10,409	1,424
Total Adjustments	<u>4,184,733</u>	<u>1,442,379</u>	<u>73,080</u>
Net Cash Provided by Operating Activities	<u>\$8,746,242</u>	<u>\$6,895,077</u>	<u>\$68,417</u>

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2016, the Sewer Fund and the Water Fund had outstanding liabilities of liabilities of \$19,960, \$52,195, for the purchase of certain capital assets.

See accompanying notes to the basic financial statements

CITY OF MARYSVILLE, OHIO

<u>Sanitation</u>	<u>Totals</u>
\$214,732	\$10,224,276
29,466	6,443,821
(228,951)	(1,276,964)
(40,404)	(742,550)
431	7,243
(27,548)	(118,924)
(4,003)	(83,409)
6,363	170,989
63,692	1,076,251
1,383	24,164
<u>(199,571)</u>	<u>5,500,621</u>
<u>\$15,161</u>	<u>\$15,724,897</u>

CITY OF MARYSVILLE, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2016***

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	\$ 230,924
Total Assets	<u>230,924</u>
Liabilities:	
Due to Others	<u>230,924</u>
Total Liabilities	<u>\$ 230,924</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Marysville is a charter municipal corporation founded in 1837, with the charter adopted by the electors on December 1, 1960, and most recently updated on November 3, 2009. The City may exercise all powers of home rule granted under Article XVIII, Section 3 of the Ohio Constitution not in conflict with applicable general laws of Ohio.

The City operates under a council/mayor/administrator form of government. Services provided include general administration as well as police, fire, ambulance, municipal court, engineering, planning and zoning, street maintenance and repair, parks and recreation, a cemetery, and sanitation, sewer, water, and storm-water utilities.

The financial statements are presented as of December 31, 2016 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying basic financial statements comply with the provisions of the 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*," in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, agencies, boards and commissions that are part of the primary government, which include the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and other governmental services. In addition, the City owns and operates a water treatment and distribution system, a wastewater treatment and collection system and provides refuse collection services all of which are reported as enterprise funds.

The City is associated with the Marysville/Union County Joint Recreation District, the Union County Community Improvement Corporation, the Mid-Ohio Regional Planning Commission, the Union County Council of Governments and the Marysville/Union County Port Authority; each is a jointly governed organization. These organizations are more fully described in Note 20 to the basic financial statements.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting

The accounting policies and financial reporting practices of the City conform to generally accepted accounting principles as applicable to governmental units.

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures (expenses). The various funds are summarized by type in the basic financial statements. The following fund types are used by the City:

Governmental Funds

Governmental Funds - Governmental funds are those funds through which most governmental functions are typically financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities and deferred inflows of resources (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's major governmental funds:

General Fund - This fund is used to account for all financial resources except those accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the limitations of the City Charter.

Capital Improvements Project Fund (CIP) – This fund is used to account for the accumulation of funds for the acquisition of capital assets and/or the construction of major capital facilities.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Proprietary Funds

All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Net Position. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, whereby the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's major enterprise funds are:

Sewer Fund – This fund is used to account for the operation of the City's sanitary sewer service.

Water Fund – This fund is used to account for the operation of the City's water service.

Stormwater Fund – This fund is used to account for the operation of the City's surface water drainage system.

Sanitation Fund – This fund is used to account for the operation of the City's sanitation (refuse) pickup and disposal service.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary 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 therefore not available to support the City's own programs. The agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operation. These funds operate on a full accrual basis of accounting. The City has three agency funds. These funds are used to account for monies received by the City in situations where the City's role is purely custodial in nature. The four funds are the Municipal Court Fund, which accounts for monies that flow through the municipal court office, the Law Library Fund, which is used to account for monies collected from traffic fines until they are remitted to other entities, the Unclaimed Monies Fund, where the City is holding unclaimed funds due to others and the Union County Port Authority Fund.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Fund Financial Statements – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements, and relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the modified accrual basis when the exchange takes place and the resources are available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, payments in lieu of taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. 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 specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenue considered susceptible to accrual at year end includes income taxes withheld by employers, interest on investments, state levied locally shared taxes (including motor vehicle license fees and local government assistance). Licenses, permits, charges for service and other miscellaneous revenues are recorded as revenue when received in cash because generally this revenue is not measurable until received.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Special assessment installments, which are measurable, but not available at December 31, are recorded as deferred inflow of resources – unavailable amount. Property taxes measurable as of December 31, 2016, but which are not intended to finance 2016 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflow of resources as further described in Note 6 “Taxes”.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds and fiduciary funds. Revenues are recognized when they are earned and expenses recognized when incurred.

E. Deferred Inflows/Outflows of Resources

In addition to assets, the statements of net position will sometimes 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 (expenses/expenditures) until then. The City’s statement of net position includes a deferred outflow amount related to pension.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City’s statement of net position includes a deferred inflow amount related to pension. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for delinquent property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The only funds required to be reported in the basic financial statements are the General Fund and any major special revenue funds. The primary level of budgetary control is at the object level within each department. Budgetary modifications may be made only by ordinance of the City Council.

1. Tax Budget

The Director of Finance and the City Manager submit an annual tax budget for the following fiscal year to City Council by July 15 for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

The budget commission has waived the filing of the budget.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Process (Continued)

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by October 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2016.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level, the legal level of control. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified by the County Budget Commission. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of City Council. During 2016, several supplemental appropriations were necessary to budget the use of contingency funds, intergovernmental grant proceeds and capital improvement projects. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--General Fund" are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as part of fund balances in the accompanying basic financial statements.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Process (Continued)

5. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

6. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. On the budgetary basis investment earnings are recognized when realized, whereas on a GAAP basis unrealized gains and losses are recognized when investments are adjusted to fair value.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Process (Continued)

6. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund:

<u>Net Change In Fund Balance</u>	
	<u>General Fund</u>
GAAP Basis (as reported)	(\$1,141,325)
Increase (Decrease):	
Accrued Revenues at December 31, 2016 received during 2017	(2,977,476)
Accrued Revenues at December 31, 2015 received during 2016	2,395,632
Accrued Expenditures at December 31, 2016 paid during 2017	524,000
Accrued Expenditures at December 31, 2015 paid during 2016	(1,289,246)
2015 Prepays for 2016	111,390
2016 Prepays for 2017	(114,049)
2015 Adjustment to Fair Value	16,629
2016 Adjustment to Fair Value	72,137
Outstanding Encumbrances	(552,629)
2015 Cash With Fiscal Agent	79,930
2016 Cash With Fiscal Agent	(88,470)
Perspective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	10,500
Budget Basis	<u><u>(\$2,952,977)</u></u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, the State Treasury Asset Reserve (STAR Ohio) and certificates of deposit with original maturity dates of three months or less. The STAR Ohio is considered an investment for purposes of GASB Statement No. 3, but it is reported as a cash equivalent in the basic financial statements because it is a highly liquid instrument which is readily convertible to cash. The City also invests in STAR Plus, a federally insured cash account powered by the Federally Insured Cash Account (FICA) program. STAR Plus enables political subdivisions to generate a competitive yield on cash deposits in a network of carefully selected FDIC-insured banks via a single, convenient account. All deposits with STAR Plus have full FDIC insurance, with no term commitment on deposits. The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. For purposes of the Statement of Cash Flows, the proprietary funds' shares of equity in pooled certificates of deposit are considered to be cash equivalents. See Note 6, "Cash, Cash Equivalents and Investments." Investment earnings of \$17,395 earned by other funds were credited to the General Fund as required by local statute.

H. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon percentages mandated by City ordinance. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City records all its investments at fair value except for nonparticipating investment contracts (certificates of deposit) which are reported at cost, which approximates fair value. All investments, other than certificates of deposit, are considered, including those with a maturity of one year or less, and included in the calculation of the change in fair value. Fair value is determined by quoted market prices. See Note 5, "Cash, Cash Equivalents and Investments."

The City has invested funds in the STAR Ohio during 2016. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2016.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2016, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements. All infrastructure acquired prior to the implementation of GASB Statement No. 34, “*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*”, has been reported.

2. Property, Plant and Equipment – Business Type Activities

Contributed capital assets are recorded at fair market value at the date received. Capital assets include land, construction in progress, buildings, building improvements, machinery, equipment, vehicles and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective funds.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Governmental and Business-Type Activities Estimated Lives (in years)
Buildings	40
Improvements other than Buildings/Infrastructure	10 - 15
Infrastructure	10 - 40
Machinery and Equipment	5 - 10
Vehicles	5 - 10

K. Long-Term Debt

Long-term liabilities are being repaid from the following funds:

Obligation	Fund
General Obligation Bonds	Debt Service Fund
Mortgage Revenue Bonds	Water Fund Sewer Fund
Capital Leases	General Fund
Long-Term Loan Payable	Debt Service Fund
Long-Term Notes Payable	Sewer Fund
Ohio Public Works Commission Loans	Water Fund Sewer Fund
Compensated Absences	General Fund Street Maintenance Fund Water Fund Sewer Fund Sanitation Fund Stormwater Fund

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences

Employees of the City earn vacation leave at various rates within limits specified under collective bargaining agreements or under statute.

The rate of cash compensation for sick leave payout varies within specified limits under collective bargaining agreements or under law. Employees are paid 25% of the accumulated sick time upon retirement. Employees are eligible for retirement at any age with at least 10 years of service. Compensation for sick leave is paid at the employee's full rate of pay at the time of termination or retirement.

In accordance with GASB Statement No. 16, "*Accounting for Compensated Absences*," the City records a liability for vacation time and sick leave when the obligation is attributable to services previously rendered or to rights that vest or accumulate, and when payment of the obligation is probable and can be reasonably determined.

For governmental funds, that portion of unpaid compensated absences that has matured is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide Statement of Net Position, "Compensated Absences Payable" is recorded within the "Due Within One Year" account and the long-term portion of the liability is recorded within the "Due in More Than One Year" account. Compensated absences are expensed in the proprietary funds when earned and the related liability is reported within the fund.

M. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflow of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

Restricted – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

Assigned – Assigned fund balance consists of amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City has no formal policy authorizing a body or official to assign amounts for specific purposes.

Unassigned – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. The City has a target minimum fund balance policy for the General Fund of \$3.5 million.

O. 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. 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 financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. In addition, interfund transfers between governmental funds are eliminated for reporting on the government-wide financial statements. Only transfers between governmental activities and business-type activities are reported on the Statement of Activities.

Q. Estimates

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

R. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water treatment and distribution, wastewater collection and treatment, maintenance of storm water collection systems, and collection of solid waste refuse. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2016.

U. Fair Value

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2016, the City has implemented GASB Statement No. 72, “Fair Value Measurement and Application”, GASB Statement No. 73 “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68”, GASB Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”, GASB Statement No. 77 “Tax Abatement Disclosures” and GASB Statement No. 79, “Certain External Investment Pools and Pool Participants”.

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of GASB Statement No. 72 did not have an effect on the financial statements of the City.

GASB Statement No. 73 improves the usefulness of information about pensions included in the general purposes external financial reports of state and local governments for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the City.

GASB Statement No. 76 identifies - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the City.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The implementation of GASB Statement No. 77 did not have an effect on the financial statements of the City.

GASB Statement No. 79 establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The implementation of GASB Statement No. 79 did not have an effect on the financial statements of the City.

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficits

The fund deficits at December 31, 2016 of \$4,490,705 in the Capital Improvements Project (CIP) Fund, \$27,047 in the Town Run Restoration Fund and \$35,472 in the ODNR Grant Fund (capital projects funds) arise from the recording of general obligation notes payable within the individual fund and the recording of two interfund loans payable respectively. The fund deficit of \$3,512 in the Debt Service Fund arose from the recording of an interfund loan payable within the fund. The General Fund provides transfers when cash is required, not when accruals occur.

CITY OF MARYSVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 4 – FUND BALANCE CLASSIFICATION

Fund balance is classified as nonspendable, restricted, committed, assigned and unassigned 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 constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	Capital Improvements Project (CIP) Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepaid Items	\$114,049	\$4,596	\$18,228	\$136,873
Restricted:				
Coleman's Crossing TIF	0	0	541,862	541,862
Street Maintenance	0	0	431,274	431,274
Police Pension	0	0	12,682	12,682
Fire Pension	0	0	12,682	12,682
Police Grant	0	0	10,893	10,893
Fire Grant	0	0	11,913	11,913
Law Enforcement Trust	0	0	143,848	143,848
Mandatory Drug Fine	0	0	107,425	107,425
Alcohol Treatment and Education	0	0	31,313	31,313
Indigent Drivers Treatment	0	0	161,880	161,880
State Highway Improvements	0	0	98,568	98,568
Federal Law Enforcement	0	0	2,474	2,474
Court Computer and Research	0	0	287,161	287,161
Municipal Court Computer	0	0	162,864	162,864
Municipal Court Special Projects	0	0	413,323	413,323
Court Probation Fee	0	0	243,123	243,123
CHIP Grant	0	0	24,334	24,334
Safe Routes to School	0	0	4,784	4,784
Municipal Court Local Interlock	0	0	137,130	137,130
Municipal Court State Interlock	0	0	184,550	184,550
Scottslawn Road Widening	0	0	96,914	96,914
City Development Grant	0	0	88,566	88,566
Total Restricted	<u>0</u>	<u>0</u>	<u>3,209,563</u>	<u>3,209,563</u>
Committed:				
Univenture Financial Incentive	43,295	0	0	43,295
Capital Reserve	1,000,000	0	0	1,000,000
Accrued Leave	67,787	0	0	67,787
Swimming Pool	0	0	98,586	98,586
City Events	0	0	44,589	44,589
Parkland Development	0	0	47,749	47,749
Eljer Park	0	0	31,523	31,523
Cemetery Maintenance	0	0	22,264	22,264
Cemetery Endowment	0	0	10,712	10,712
Pedestrian Bridge	0	0	43,906	43,906
Total Committed	<u>1,111,082</u>	<u>0</u>	<u>299,329</u>	<u>1,410,411</u>
Assigned:				
Purchase Orders	382,065	0	0	382,065
Unassigned	<u>8,258,906</u>	<u>(4,495,301)</u>	<u>(66,031)</u>	<u>3,697,574</u>
Total Fund Balances	<u>\$9,866,102</u>	<u>(\$4,490,705)</u>	<u>\$3,461,089</u>	<u>\$8,836,486</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash and investments.

Statutes require the classification of funds held by the City into three categories:

Category 1 consists of "active" funds - those funds required to be kept in "cash" or "near cash" status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds not needed for immediate use but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- 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 or interest by the United States;

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

- 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;
- 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;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).
- Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time.

A. Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City's policy is to place deposits with major local banks. All deposits, except for deposits held by fiscal and escrow agents or trustees, are collateralized with eligible securities. The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Collateral permitted by Chapter 135 of the ORC is limited to obligations of the United States and its agencies, bonds of any state, and bonds and other obligations of any country, municipal corporation or other legally constituted authority of the State of Ohio, or any instrumentality of such county, municipal corporation or other authority. Such collateral, as permitted by Chapter 135 of the ORC is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at a Federal Reserve Bank in the name of the City.

CITY OF MARYSVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits (Continued)

At year end the carrying amount of the City's deposits was \$16,674,106 and \$16,959,890 of the City's bank balance of \$18,520,226 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, not in the City's name.

B. Investments

The City's investments at December 31, 2016 are summarized below:

	Fair Value	Credit Rating	Fair Value Hierarchy	Investment Maturities (in Years)		
				less than 1	1-3	3-5
STAR Ohio *	\$193,195	AAAm ¹	N/A	\$193,195	\$0	\$0
FNMA	13,100,336	AAA ¹ / Aaa ²	Level 2	955,134	5,341,010	6,804,192
FHLMC	4,545,809	AAA ¹ / Aaa ²	Level 2	500,485	2,076,444	1,968,880
FHLB	8,036,784	AAA ¹ / Aaa ²	Level 2	1,294,843	6,741,941	0
FFCB	250,000	AAA ¹ / Aaa ²	Level 2	250,000	0	0
Negotiable CD's	2,746,331	AAA ¹ / Aaa ²	Level 2	501,896	752,557	1,491,878
Total Investments	<u>\$28,872,455</u>			<u>\$3,695,553</u>	<u>\$14,911,952</u>	<u>\$10,264,950</u>

* STAR Ohio is reported at its share price (Net Asset Value per Share).

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. While the City has no policy, it limits its investments to mutual funds, negotiable CD's, U.S. Government Agency Securities, Commercial Paper, Banker's Acceptances and STAR Ohio. Investments in U.S. Government Agency Securities and negotiable certificates of deposit were rated AAA by Standard and Poor's. Investments in STAR Ohio were rated AAAM by Standard & Poor's. Investments in commercial paper were rated A-1+ by Standard and Poor's.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued)

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 investments or collateral securities that are in the possession of an outside party. For deposits, custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a policy for custodial credit risk.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The City’s investment policy allows investments in money market accounts, certificates of deposit or within financial institutions within the State of Ohio as designated by the Federal Reserve Board. The City has invested 45% of its investments in FNMA, 16% in FHLMC, 28% in FHLB, 1% in FFCB, 9% in negotiable CD’s and 1% in STAR Ohio.

NOTE 6 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2016 were levied after October 1, 2015 on assessed values as of January 1, 2015, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be reappraised every six years, and equalization adjustments are made in the third year following reappraisal. The last revaluation was completed in 2013 and the equalization adjustment was completed in 2016. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder is payable by June 20.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 6 - TAXES (Continued)

A. Property Taxes (Continued)

Public utility real property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100% of its true value. 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 Marysville. The County Auditor periodically remits to the City its portion of the taxes collected.

The full tax rate for the City's operations for the year ended December 31, 2016 was \$5.20 per \$1,000 of assessed value. The assessed value upon which the 2016 receipts were based was \$374,110,230. This amount constitutes \$363,040,900 in real property assessed value and \$11,069,330 in public utility assessed value.

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 .52% (5.20 mills) of assessed value.

B. Income Tax

The City levies an income tax of 1.5 percent on all income earned within the City as well as on incomes of residents earned outside the City. Prior to January 1, 2005, the City allowed a credit of up to 50 percent of the tax paid to another municipality, not to exceed the amount owed for incomes of residents earned outside the City. Effective January 1, 2005 this credit was repealed making the tax owed by all residents of the City a full 1.5% of earned income. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City on a monthly or quarterly basis depending on the amount being withheld. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. Income tax revenues and expenditures for collecting, administering, and enforcing the tax are recorded in the General Fund. Filing is required and returns are due by April 15.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 7 – TAX ABATEMENT DISCLOSURES

As of December 31, 2016, the City of Marysville provides tax incentives under two programs: Enterprise Zone (EZ) and Community Reinvestment Area (CRA).

Real Estate Tax Abatements

Pursuant to Ohio Revised Code Chapter 5709, the City established a Community Reinvestment area in 2002 and an Enterprise Zone in 1990, both of which included certain land within the boundaries of the City of Marysville. The City of Marysville authorizes incentives through the passage of public ordinances, based upon each businesses investment criteria, and through a contractual application process with each business, including proof that the improvements have been made. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of the CRA and EZ gave the City the ability to maintain and expand businesses located in the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate for office and industrial uses. The City of Marysville also enters into various contracts with the benefitting business and the Marysville City School District for payments in lieu of taxes when required by Section 5709.82 of the Ohio Revised Code.

Income Tax Abatement Programs

The City of Marysville created the Income Tax Abatement program in 2006. The purpose of the program is to maintain Marysville's competitiveness as a site for location of new businesses and the expansion of existing businesses. Pursuant to Ohio Revised Code Chapter 718 and City ordinance, the City provides an incentive to the company based upon the company's gross annual payroll, the amount of income tax generated annually and the number of jobs created or retained by the business. The abatement is administered as a refund based upon the company's payroll taxes. Also, the time period of the incentive in years, is determined by how many new jobs are to be created by the company. The cap on the incentive is 50% of the income tax collected per year, with an incentive period of no more than 10 years.

City Council's Incentive Criteria for Decision Making

The City of Marysville has offered tax incentives and Community Reinvestment Act (CRA) and Enterprise Zone abatements to various businesses based upon substantial project investment in the City. As a general guideline, the City considers CRA applications for projects that have a residential building that is less than two units and is owner occupied, the building meets zoning and building regulations, the CRA encourages private investment that will repair, construct and improve a building and it creates new employment opportunities. The minimum property tax abatement is seven years for new improvements of at least \$7,500 and the maximum property tax abatement is fifteen years with at least \$350,000 worth of new improvements. For EZ applications, the City of Marysville generally requires projects to have at least \$700,000 dollar real estate investment into a property, along with the retention and creation of at least 15 jobs with a minimum payroll of at least \$750,000.

CITY OF MARYSVILLE, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 7 – TAX ABATEMENT DISCLOSURES (Continued)

Below is the information relevant to the disclosure of those programs for the year ended December 31, 2016.

Tax Abatement	Total Amount of Taxes Abated (Incentives Abated For the Year 2016 In Actual Dollars)
<i>Fiesta Grande (2012 - 2019) (CRA)</i>	
- Gross Dollar amount of taxes abated during 2016	\$583
<i>Scott's Manufacturing (2010 - 2019) (EZ)</i>	
- Gross Dollar amount of taxes abated during 2016	63,190
<i>Heritage Co-Op (2015 - 2024) (EZ)</i>	
- Gross Dollar amount of taxes abated during 2016	68,018
<i>KTH Parts Industries (2016 - 2026) (EZ)</i>	
- Gross Dollar amount of taxes abated during 2016	18,873
<i>Richwood Bank (2012 - 2022) (EZ)</i>	
- Gross Dollar amount of taxes abated during 2016	10,573
<i>AutoTool (2012 - 2022) (EZ)</i>	
- Gross Dollar amount of taxes abated during 2016	41,032
<i>Sumitomo (2015 - 2025) (EZ)</i>	
- Gross Dollar amount of taxes abated during 2016	193,502
<i>Evolution AG (2014 - 2022) (EZ)</i>	
- Gross Dollar amount of taxes abated during 2016	6,391
<i>Greenville Technology (2015 - 2024) (Income Tax)</i>	
- Gross Dollar amount of taxes abated during 2016	21,500
Total	<u>\$423,662</u>

CITY OF MARYSVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 8 - RECEIVABLES

Receivables at December 31, 2016 consisted of taxes, payments in lieu of taxes, interest, accounts receivable, special assessments and intergovernmental receivables arising from shared revenues.

NOTE 9 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2016:

	<u>Transfers Out:</u>
	General
<u>Transfers In:</u>	<u>Fund</u>
Capital Improvements Project Fund	\$3,796,478
Other Governmental Funds	<u>\$4,279,958</u>
Total	<u><u>\$8,076,436</u></u>

Transfers are used to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

All transfers were made in accordance with the Ohio Revised Code sections 5705.14, 5705.15, and 5705.16.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 10 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2016:

<i>Historical Cost:</i>				
Class	December 31, 2015	Additions	Deletions	December 31, 2016
<i>Capital assets not being depreciated:</i>				
Land	\$1,381,059	\$4,851,285	\$0	\$6,232,344
Construction in Progress	1,971,327	1,714,592	(1,159,118)	2,526,801
Subtotal	3,352,386	6,565,877	(1,159,118)	8,759,145
<i>Capital assets being depreciated:</i>				
Buildings	29,376,691	5,772	0	29,382,463
Improvements Other Than Buildings	6,591,251	641,095	0	7,232,346
Machinery and Equipment	1,777,515	238,114	0	2,015,629
Vehicles	6,276,583	35,246	(128,622)	6,183,207
Infrastructure	91,393,304	1,409,780	0	92,803,084
Subtotal	135,415,344	2,330,007	(128,622)	137,616,729
Total Cost	\$138,767,730	\$8,895,884	(\$1,287,740)	\$146,375,874
<i>Accumulated Depreciation:</i>				
Class	December 31, 2015	Additions	Deletions	December 31, 2016
Buildings	(\$3,598,222)	(\$743,810)	\$0	(\$4,342,032)
Improvements Other Than Buildings	(2,523,613)	(391,649)	0	(2,915,262)
Machinery and Equipment	(978,776)	(218,421)	0	(1,197,197)
Vehicles	(3,360,729)	(422,030)	128,622	(3,654,137)
Infrastructure	(61,968,677)	(2,526,722)	0	(64,495,399)
Total Depreciation	(\$72,430,017)	(\$4,302,632) *	\$128,622	(\$76,604,027)
<i>Net Value:</i>	\$66,337,713			\$69,771,847

* Depreciation expenses were charged to governmental functions as follows:

General Government	\$595,618
Security of Persons and Property - Police	480,015
Security of Persons and Property - Fire	361,001
Security of Persons and Property - Other	2,400
Public Health and Welfare Services	3,232
Transportation	2,388,493
Community Environment	262,730
Leisure Time Activities	209,143
Total Depreciation Expense	\$4,302,632

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 10 - CAPITAL ASSETS (continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2016:

Historical Cost:

Class	December 31, 2015	Additions	Deletions	December 31, 2016
<i>Capital assets not being depreciated:</i>				
Land	\$4,195,515	\$0	\$0	\$4,195,515
Construction in Progress	7,007,594	864,677	(3,255,776)	4,616,495
Subtotal	11,203,109	864,677	(3,255,776)	8,812,010
<i>Capital assets being depreciated:</i>				
Buildings	108,182,972	0	0	108,182,972
Improvements Other Than Buildings	28,027,079	65,153	0	28,092,232
Machinery and Equipment	2,442,246	48,054	0	2,490,300
Vehicles	2,252,583	133,305	(31,407)	2,354,481
Infrastructure	100,353,051	3,630,588	0	103,983,639
Subtotal	241,257,931	3,877,100	(31,407)	245,103,624
Total Cost	\$252,461,040	\$4,741,777	(\$3,287,183)	\$253,915,634

Accumulated Depreciation:

Class	December 31, 2015	Additions	Deletions	December 31, 2016
Buildings	(\$19,784,706)	(\$2,688,398)	\$0	(\$22,473,104)
Improvements Other Than Buildings	(5,092,120)	(835,420)	0	(5,927,540)
Machinery and Equipment	(1,527,824)	(213,836)	0	(1,741,660)
Vehicles	(1,568,724)	(138,434)	31,407	(1,675,751)
Infrastructure	(27,139,565)	(2,567,733)	0	(29,707,298)
Total Depreciation	(\$55,112,939)	(\$6,443,821)	\$31,407	(\$61,525,353)
<i>Net Value:</i>	\$197,348,101			\$192,390,281

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 11 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

Ohio Revised Code limits the City’s obligation for this 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 the 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 is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* 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 plan; therefore, the following disclosure focuses on the traditional pension plan.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

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

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

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
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	<u>State and Local</u>
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	<u>2.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$673,192 for 2016.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF 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 OPF may retire and receive a lifetime monthly pension. OPF 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 July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

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

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 MARYSVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

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>
2016 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %
2016 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:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$1,290,809 for 2016. Of this amount, \$79,291 is reported as an accrued wages and benefits.

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

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of Net Pension Liability	\$7,485,699	\$17,134,926	\$24,620,625
Proportionate Share of Net Pension Liability - 2016	0.043217%	0.266357%	
Proportionate Share of Net Pension Liability - 2015	<u>0.041447%</u>	<u>0.254202%</u>	
Percentage Change	<u>0.001770%</u>	<u>0.012155%</u>	
Pension Expense	\$1,123,760	\$2,280,410	\$3,404,170

CITY OF MARYSVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$2,200,333	\$3,266,963	\$5,467,296
Change in Proportionate Share	0	27,138	27,138
City contributions subsequent to the measurement date	673,192	1,290,809	1,964,001
Total Deferred Outflows of Resources	<u>\$2,873,525</u>	<u>\$4,584,910</u>	<u>\$7,458,435</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$140,888	\$48,114	\$189,002
Change in Proportionate Share	3,750	0	3,750
Total Deferred Inflows of Resources	<u>\$144,638</u>	<u>\$48,114</u>	<u>\$192,752</u>

\$1,964,001 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 in the year ending December 31, 2017. 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:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2017	\$481,232	\$822,465	\$1,303,697
2018	516,415	822,465	1,338,880
2019	560,106	822,465	1,382,571
2020	497,942	673,791	1,171,733
2021	0	88,070	88,070
2022	0	16,731	16,731
Total	<u>\$2,055,695</u>	<u>\$3,245,987</u>	<u>\$5,301,682</u>

Actuarial Assumptions - OPERS

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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 in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

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

The most recent experience study was completed for the five year period ended December 31, 2010.

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.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. 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 money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other investments	18.00	4.59
Total	100.00 %	5.27 %

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension 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 calculated using the current period discount rate assumption of 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$11,926,544	\$7,485,699	\$3,739,983

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’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, 2015, are presented below:

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

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 January 1, 2012.

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2015 are summarized below:

CITY OF MARYSVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Asset Class	Target Allocation	Long Term Expected Real Rate of Return	30 Year Expected real rate of return **
Cash and Cash Equivalents	0.00 %	0.00 %	0.00
Domestic Equity	16.00	4.47	7.80
Non-US Equity	16.00	4.47	8.00
Core Fixed Income *	20.00	1.62	5.35
Global Inflation Protected *	20.00	1.33	4.73
High Yield	15.00	3.39	7.21
Real Estate	12.00	3.93	7.43
Private Markets	8.00	6.98	10.73
Timber	5.00	4.92	7.35
Master Limited Partnerships	8.00	7.03	10.75
Total	120.00 %		

* levered 2x

** numbers include inflation

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

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) 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	\$22,598,671	\$17,134,926	\$12,506,595

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 12 – POST-EMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (“OPERS”)

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.

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, 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. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for post-employment 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 is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the ORC.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2016, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 12 – POST-EMPLOYMENT BENEFITS (Continued)

A. Ohio Public Employees Retirement System (“OPERS”) (Continued)

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the RMA for participants in the Member-Directed Plan for 2016 was 4.0%.

The City's contributions for health care to the OPERS for the years ending December 31, 2016, 2015, and 2014 were \$112,199, \$118,483 and \$110,798, respectively, which were equal to the required contributions for each year.

B. Ohio Police and Fire Pension Fund (“OP&F”)

Plan Description – The City contributes to the OP&F sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides health care 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-retirement health care coverage for 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 is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC permits, but does not mandate, OP&F to provide OPEB benefits. Authority to establish and amend benefits is provided in Chapter 742 of the ORC.

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F’s website at www.op-f.org.

Funding Policy – The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 12 – POST-EMPLOYMENT BENEFITS (Continued)

B. Ohio Police and Fire Pension Fund (“OP&F”) (Continued)

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 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 to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2016, the portion of employer contributions allocated to health care was 0.5% of covered payroll for both police officers and firefighters. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees 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 for health care to the OP&F for the years ended December 31, 2016, 2015, and 2014 were \$14,524, \$10,889 and \$11,176 for police and \$15,721, \$12,316 and \$13,612 for firefighters, respectively, which were equal to the required contributions for each year.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 13 – COMPENSATED ABSENCES

In accordance with GASB Statement No. 16, "*Accounting for Compensated Absences*," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

At December 31, 2016, the City's accumulated, unpaid compensated absences amounted to \$1,992,600, of which \$1,522,851 is recorded as a liability of the Governmental Activities and \$469,749 is recorded as a liability of the Business-Type Activities.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 14 - NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to and payable no later than those principal maturities required if the bonds had been issued at the expiration of the initial five year period.

	Issue Date	Balance December 31, 2015	Issued (Retired)	Balance December 31, 2016
Governmental Activities:				
Capital Projects Fund Note Payable:				
1.25% Fire Station Improvement	8/28/15	\$1,950,000	(\$1,950,000)	\$0
1.25% MSC BAN	8/28/15	1,200,000	(1,200,000)	0
1.38% Fire Station Improvement	8/28/16	0	2,335,000	2,335,000
1.38% MSC BAN	8/28/16	0	2,400,000	2,400,000
Total Capital Project Fund Notes Payable:		<u>3,150,000</u>	<u>1,585,000</u>	<u>4,735,000</u>
Total Governmental Notes Payable		<u>\$3,150,000</u>	<u>\$1,585,000</u>	<u>\$4,735,000</u>

The 2015 Fire Station Improvement notes of \$1,950,000 bearing a rate of 1.25% matured on August 28, 2016 and were reissued as 2016 Fire Station Improvement Notes of \$2,335,000 bearing a rate of 1.38%. The notes were issued for the purpose of paying costs associated with designing, constructing, furnishing, and equipping a new fire station. These notes will be retired from the City's Capital Improvement Fund.

CITY OF MARYSVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 14 - NOTES PAYABLE (Continued)

The 2015 MSCBAN Notes of \$1,200,000 bearing a rate of 1.25% matured on August 28, 2016 and were reissued as 2016 MSCBAN Notes of \$2,400,000 bearing a rate of 1.38%. The notes were issued to finance the cost of construction of the new Municipal Service Complex. These notes will be retired from the City's Capital Improvement Fund.

NOTE 15 - LONG-TERM DEBT

Long-term debt of the City at December 31, 2016 was as follows:

Date Purchased	Description	Balance December 31, 2015	Additions	(Reductions)	Balance December 31, 2016	Amount Due Within One Year
Governmental Activities:						
General Obligation Bonds:						
2007	Various Purpose Refunding Bonds	\$3,475,000	\$0	(\$635,000)	\$2,840,000	\$665,000
	Premium	113,961	0	(21,706)	92,255	21,706
2011	Facility Construction Bonds	12,400,000	0	(585,000)	11,815,000	605,000
	Premium	20,484	0	(1,365)	19,119	1,365
2014	TIF Bonds	10,340,000	0	(400,000)	9,940,000	415,000
	Premium	167,276	0	(8,804)	158,472	8,804
Total General Obligation Bonds		26,516,721	0	(1,651,875)	24,864,846	1,716,875
Long-Term Loan:						
2014	Park Construction/Improvement	1,110,000	0	(100,000)	1,010,000	110,000
Other Long-Term Obligations:						
	Compensated Absences Payable	1,172,084	1,522,851	(1,172,084)	1,522,851	865,329
	Capital Leases Payable	252,401	378,709	(191,331)	439,779	185,041
	Net Pension Liability	16,268,443	5,376,681	0	21,645,124	0
Total Other Long-Term Obligations		17,692,928	7,278,241	(1,363,415)	23,607,754	1,050,370
Total Governmental Activities Long-Term Debt		\$45,319,649	\$7,278,241	(\$3,115,290)	\$49,482,600	\$2,877,245

2007 Various Improvement Refunding Bonds

The Various Improvement general obligation bonds are serial bonds issued for the purpose of advance refunding a portion of the 2000 Various Improvement Bonds issued November 1, 2000 (\$6,225,000). The refunding was undertaken for the purpose of reducing interest rates and debt service on the prior bonds. The 2007 bonds are not subject to redemption prior to maturity. The bonds mature on December 1, 2007 through December 1, 2017, and December 1, 2020 in the amount of \$6,515,000, at a redemption price equal to 100 percent of the principal plus accrued interest to the redemption date. The amount of \$6,673,981 from the 2007 bonds was placed in an escrow fund to defease the 2000 bonds which was redeemed each June 1 and December 1 annually between 2007 and 2010. Bonds bear an interest rate from 4.00 to 5.00%. These bonds will be retired from the City's Debt Service Fund. \$2,932,255 was outstanding as of December 31, 2016.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 15- LONG-TERM DEBT (Continued)

2011 Facility Construction Bonds

The Facility Construction general obligation bonds are serial bonds issued for the purpose of paying costs associated with designing, constructing, furnishing, and equipping a new police station and municipal courthouse facility. The bonds mature on December 1, 2020 through December 1, 2031, and December 1, 2020 in the amount of \$14,585,000, at a redemption price equal to 100 percent of the principal plus accrued interest to the redemption date. Bonds bear an interest rate from 2.00 to 4.375%. These bonds will be retired from the City's Debt Service Fund. \$11,834,119 was outstanding as of December 31, 2016.

2014 Coleman's Crossing Tax Increment Financing Bonds

The Coleman's Tax Increment Financing general obligation bonds are serial bonds issued for the purpose of financing certain public improvements within the Coleman's Crossing Tax Increment Financing District. The bonds mature on December 1, 2034 in the amount of \$10,730,000, at a redemption price equal to 100 percent of the principal plus accrued interest to the redemption date. Bonds bear an interest rate from 3.00 to 4.00%. These bonds will be retired from the City's Coleman's Crossing TIF Fund. \$10,098,472 was outstanding as of December 31, 2016.

2014 Partners' Park Construction Loan

The Park Construction Loan is a loan issued for the purpose of constructing a new park called the Partners' Park in the City of Marysville. Local businesses have agreed to make payments to the City over the next nine years in order to pay off the balance of the loan along with the City of Marysville. The final payment on the loan is scheduled for 2024 and the loan carries an interest rate of 3.99%. The loan had an outstanding balance of \$1,010,000 at December 31, 2016.

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CITY OF MARYSVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 15- LONG-TERM DEBT (Continued)

Date Purchased	Description	Balance December 31, 2015	Additions	(Reductions)	Balance December 31, 2016	Amount Due Within One Year
Business-Type Activities:						
General Obligation Bond:						
2015	Sewer System	\$10,270,000	\$0	(\$200,000)	\$10,070,000	\$205,000
Mortgage Revenue Bonds:						
2015	Sewer System Refunding	31,380,000	0	(930,000)	30,450,000	955,000
	Premium on Sale of Bonds	1,672,542	0	(79,645)	1,592,897	79,645
2015	Sewer System Refunding	14,875,000	0	(230,000)	14,645,000	235,000
	Premium on Sale of Bonds	959,428	0	(45,687)	913,741	45,687
2006	Sewer System	49,985,000	0	(49,985,000)	0	0
	Premium on Sale of Bonds	734,861	0	(734,861)	0	0
2007	Sewer System	30,215,000	0	(29,830,000)	385,000	385,000
	Premium on Sale of Bonds	412,053	0	(412,053)	0	0
2016	Sewer System Refunding	0	68,275,000	(1,120,000)	67,155,000	60,000
	Premium on Sale of Bonds	0	2,251,252	(80,412)	2,170,840	80,412
2016	Sewer System Refunding	0	9,045,000	0	9,045,000	285,000
	Premium on Sale of Bonds	0	1,014,533	0	1,014,533	55,396
2007	Water System	20,510,000	0	(20,310,000)	200,000	200,000
	Discount on Sale of Bonds	(6,869)	0	6,869	0	0
2016	Water System Refunding	0	19,560,000	(405,000)	19,155,000	875,000
	Premium on Sale of Bonds	0	2,094,892	(91,082)	2,003,810	91,082
Total Mortgage Revenue Bonds		150,737,015	102,240,677	(104,246,871)	148,730,821	3,347,222
Ohio Public Works Commission Loan:						
	Cherry Street and Ninth Street Water	443,523	0	(29,568)	413,955	29,568
Other Long-Term Obligations:						
	Compensated Absences Payable	298,760	469,749	(298,760)	469,749	198,789
	Net Pension Liability	1,899,250	1,076,251	0	2,975,501	0
Total Other Long-Term Obligations		2,198,010	1,546,000	(298,760)	3,445,250	198,789
Total Business-Type Activities Long-Term Debt		\$163,648,548	\$103,786,677	(\$104,775,199)	\$162,660,026	\$3,780,579

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 15- LONG-TERM DEBT (Continued)

2006 Sewer System Mortgage Revenue Refunding Bonds

The Sewer System Mortgage Revenue Bonds are term bonds issued to advance refund \$13,345,000, including a call premium of \$693,172, of mortgage revenue bonds issued in 2005 and to currently refund \$55,000,000 of outstanding mortgage revenue bond anticipation notes issued in 2005 and to provide additional resources for constructing and installing certain sewer treatment system improvements. The amount of \$13,410,965 from the 2006 bonds was placed in an escrow fund to defease the 2005 bonds. The refunding bonds were not included in the City's debt since the City has in-substance satisfied its obligations through the advance refunding. The bonds bear an interest rate from 4.00 to 5.25%. These bonds were advanced refunded from the City's Sewer Fund in 2016.

2015 Sewer System General Obligation Bonds

The Sewer System general obligation bonds are serial bonds issued to provide additional resources for constructing and installing certain sewer treatment system improvements. The bonds mature on December 1, 2047 in the amount of \$10,270,000, at a redemption price equal to 100 percent of the principal plus accrued interest to the redemption date. Bonds bear an interest rate from 2.00 to 4.00%. These bonds will be retired from the City's Sewer Fund. \$10,070,000 was outstanding as of December 31, 2016.

2015 Sewer System Mortgage Revenue Refunding Bonds

The Sewer System Mortgage Revenue Bonds are term bonds issued to advance refund \$31,470,000, including a call premium of \$2,757,302, of mortgage revenue bonds issued in 2006 and to currently refund \$14,875,000 of outstanding mortgage revenue bond anticipation notes issued in 2014 and to provide additional resources for constructing and installing certain sewer treatment system improvements. Refinancing of the bonds resulted in a cash savings of \$2,972,847 (net present value savings of \$2,197,225) or 7.52%. The amount of \$32,723,026 from the 2006 bonds was placed in an escrow fund to defease the 2006 bonds. The refunding bonds are not included in the City's debt since the City has in-substance satisfied its obligations through the advance refunding. The bonds bear an interest rate from 3.00 to 5.00%. These bonds will be retired from the City's Sewer Fund.

2007 Sewer System Mortgage Revenue Bonds

The Sewer System Mortgage Revenue Bonds were issued to provide funds for the acquisition, construction, expansion, rehabilitation, and improvement of the City's municipal wastewater collection and treatment system. The bonds bear an interest rate from 4.00 to 5.00%. A large portion of these bonds were advanced refunded from the City's Sewer Fund in 2016 with \$385,000 still outstanding as of December 31, 2016.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 15- LONG-TERM DEBT (Continued)

2015 Sewer System Mortgage Revenue Bonds (Continued)

Fund assets, whose uses are restricted under the bond indenture, are presented as restricted assets on the statement of net position. Restricted assets relating to the sewer mortgage revenue bonds at December 31, 2016, were as follows:

Restricted Assets Held by the Trustee	
Mortgage Revenue Bond Current Debt Service	\$1,270,850
Mortgage Revenue Bond Reserve Fund	3,712,480

2007 Water System Mortgage Revenue Bonds

The Water System Mortgage Revenue Bonds were issued to provide funds for the acquisition, construction, expansion, rehabilitation, and improvement of the City's municipal water system. The bonds bear an interest rate from 3.75 to 5.00%. A large portion of these bonds were advanced refunded from the City's Water Fund in 2016 with \$200,000 still outstanding as of December 31, 2016.

2016 Sewer System Mortgage Revenue Refunding Bonds

The Sewer System Mortgage Revenue Bonds are term bonds issued to advance refund \$79,125,000, including a call premium of \$3,265,785, of mortgage revenue bonds issued in 2006 and 2007. Refinancing of the bonds resulted in a cash savings of \$19,022,224 (net of funds on hand present value savings of \$7,710,179) or 3.51%. The amount of \$83,254,632 from the 2006 and 2007 bonds was placed in an escrow fund to defease the 2006 and 2007 bonds. The refunding bonds are not included in the City's debt since the City has in-substance satisfied its obligations through the advance refunding. The bonds bear an interest rate from 2.00 to 5.00%. These bonds will be retired from the City's Sewer Fund.

2016 Water System Mortgage Revenue Refunding Bonds

The Water System Mortgage Revenue Bonds are term bonds issued to advance refund \$20,130,000, including a call premium of \$2,094,892, of mortgage revenue bonds issued in 2007. Refinancing of the bonds resulted in a cash savings of \$5,649,521 (net present value savings of \$3,375,234) or 2.3%. The amount of \$21,303,469 from the 2007 bonds was placed in an escrow fund to defease the 2007 bonds. The refunding bonds are not included in the City's debt since the City has in-substance satisfied its obligations through the advance refunding. The bonds bear an interest rate from 4.00 to 5.00%. These bonds will be retired from the City's Water Fund.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 15 - LONG-TERM DEBT (Continued)

A. Future Long-Term Financing Requirements

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2016 follows:

Years	<u>Governmental Activities</u>		<u>Long-Term Loan</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$1,685,000	\$933,951	\$110,000	\$39,202
2018	1,730,000	879,776	110,000	34,813
2019	1,800,000	809,826	120,000	30,325
2020	1,890,000	724,226	120,000	25,537
2021	1,160,000	693,238	130,000	20,647
2022-2026	6,470,000	2,586,541	420,000	29,824
2027-2031	7,775,000	1,274,195	0	0
2032-2034	2,085,000	147,699	0	0
Totals	<u>\$24,595,000</u>	<u>\$8,049,452</u>	<u>\$1,010,000</u>	<u>\$180,348</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 15 - LONG-TERM DEBT (Continued)

A. Future Long-Term Financing Requirements (Continued)

Years	Business-Type Activities					
	General Obligation Bonds		Mortgage Revenue Bonds		OPWC Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$205,000	\$343,200	\$2,995,000	\$5,629,995	\$29,568	\$0
2018	210,000	339,100	2,920,000	5,465,044	29,568	0
2019	210,000	334,900	2,990,000	5,368,594	29,568	0
2020	215,000	330,700	3,085,000	5,248,344	29,568	0
2021	220,000	326,400	3,190,000	5,115,194	29,568	0
2022-2026	1,180,000	1,553,250	17,630,000	23,417,220	147,841	0
2027-2031	1,380,000	1,365,496	20,555,000	19,659,445	118,274	0
2032-2036	1,630,000	1,112,020	23,955,000	15,569,584	0	0
2037-2041	1,950,000	793,114	26,445,000	10,698,425	0	0
2042-2046	2,345,000	392,312	30,170,000	5,135,975	0	0
2047	525,000	21,000	7,100,000	261,025	0	0
Totals	<u>\$10,070,000</u>	<u>\$6,911,492</u>	<u>\$141,035,000</u>	<u>\$101,568,845</u>	<u>\$413,955</u>	<u>\$0</u>

NOTE 16 - CAPITAL LEASES

The City leases equipment under two capital leases. The original cost of the equipment was \$691,341 and the related liability is reported in the Government-Wide Statement of Net Position.

The following is a schedule of future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of December 31, 2016:

<u>Year Ending December 31,</u>	<u>Capital Lease</u>
2016	\$196,050
2017	196,050
2018	196,050
Minimum Lease Payments	588,150
Less amount representing interest at the City's incremental borrowing rate of interest	(148,371)
Present value of minimum lease payments	<u>\$439,779</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 17 - 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. During 2016, the City contracted for the following insurance coverage:

<u>Type of Coverage</u>	<u>Coverage Limit</u>	<u>Deductible</u>
Buildings	\$145,539,004	\$5,000
Personal Property	5,494,148	5,000
Boiler and Machinery	100,000,000	5,000
Builders Risk	14,600,000	5,000
General Liability	5,000,000	0
Miscellaneous Property	2,852,320	500
Employee Benefit Liability	1,000,000	1,000
Wrongful Acts	5,000,000	1,000
Law Enforcement	5,000,000	2,000
Automobile Liability	5,000,000	0
Electronic Data Processing	25,000 – 1,857,062	500

Settled claims have not exceeded this commercial coverage in any of the past three years, and there has not been any significant reduction in coverage from the prior year.

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 also pays unemployment claims to the State of Ohio as incurred.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 18 - CONSTRUCTION COMMITMENTS

As of December 31, 2016, the City had the following commitments with respect to capital projects:

<u>Company</u>	<u>Capital Projects</u>	<u>Remaining Construction Commitment</u>
Strawser Paving	2015 Pavement Maintenance	\$199
Tyler Technologies	Financial Software Upgrade	82,706
Poggemeyer	Reservoir Improvements	1,740
HR Gray	Water Treatment Plant	100
J&J Schlaegel, Inc.	2016 Utility Improvements	19,990
Mark Haynes Construction	Reservoir Improvements	650
	Total	<u>\$105,385</u>

NOTE 19 - CONTINGENCIES

The City is a party to various legal proceedings, which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS

Marysville/Union County Joint Recreation District

The Marysville/Union County Joint Recreation District (the District) is a jointly governed organization involving the City of Marysville, Union County, and Paris Township. The District was established for acquiring, developing, operating, and maintaining a sports complex and bicycle/walking trail in Union County. The District's Board of Trustees consists of seven members, three appointed by the Mayor of Marysville, three appointed by the County Commissioners, and one appointed by the Paris Township Board of Trustees.

Union County Community Improvement Corporation

The Union County Community Improvement Corporation (the Corporation), a non-profit corporation, was established to assist in the financing of economic and industrial development in Union County. It is the responsibility of the Corporation to provide building, zoning, and land controls for the County, townships, and municipal corporations. The Board of Trustees consists of not less than three nor more than twenty-five trustees as such number is fixed by the members from time to time. Two-fifths of the Board of Trustees are composed of appointed or elected officers of such political subdivisions. The Corporation can issue its own debt and is not fiscally dependent on the City. The City of Marysville does not have an ongoing financial interest and/or responsibility with this organization.

Mid-Ohio Regional Planning Commission

The City is a participant in the Mid-Ohio Regional Planning Commission (MORPC), a jointly governed organization. MORPC is composed of 74 representatives appointed by member governments who make up the commission, the policy-making body of MORPC, and the oversight board. MORPC is a voluntary association of local governments in central and south-central Ohio and a regional planning agency whose membership includes 42 political subdivisions in and around Franklin, Ross, Fayette, Delaware, Pickaway, Madison, Licking, and Fairfield counties, Ohio. The purpose of the organization is to improve the quality of life for member communities by improving housing conditions, to promote and support livability/sustainability measures as a means of addressing regional growth challenges, and to administer and facilitate the availability of regional environmental infrastructure program funding to the full advantage of MORPC's members.

Marysville/Union County Port Authority

The Marysville/Union County Port Authority (the Authority) is a jointly governed organization involving the City of Marysville and Union County. The Authority was established to enhance, foster, aid, provide or promote transportation, economic development, housing, recreation, education, governmental operations, culture, research, and the creation and preservation of jobs and employment opportunities in Union County. The Authority's Board of Trustees consists of seven members, three appointed by the Mayor of Marysville with the advice and consent of City Council, three appointed by the County Commissioners, and one appointed by the Mayor of Marysville with the advice and consent of the City Council and the County Commissioners.

Union County Council of Governments (COG) – The Council of Governments (COG) is a jointly governed organization involving the City of Marysville, Union County, and Marysville Exempted Village School District. The COG was established to work together in an innovative and collaborative way and bring new technology and shared services to each member of the Council of Governments to meet current and future needs. The COG's board consist of one member from each entity.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 21 – SIGNIFICANT COMMITMENTS

Significant encumbrances outstanding at year-end in the General Fund are \$552,630 and are reported as assigned fund balance. Also, in the Street Maintenance Fund (special revenue fund), and in the CIP Fund (capital projects fund) there are significant encumbrances outstanding in the amounts of \$483,067 and \$78,423, respectively. These amounts are reported as part of the restricted fund balance.

NOTE 22 - SUBSEQUENT EVENTS

On March 29, 2017 the City issued \$2,000,000 in one year General Obligation Notes to pay for Various Improvements within the City. The notes, which mature on March 28, 2018, have an interest rate of 2%.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF MARYSVILLE, OHIO

***Schedule of City's Proportionate Share of the Net Pension Liability
Last Three Years***

Ohio Public Employees Retirement System

Year	2014	2015	2016
City's proportion of the net pension liability (asset)	0.041447%	0.041447%	0.043217%
City's proportionate share of the net pension liability (asset)	\$4,886,061	\$4,998,971	\$7,485,699
City's covered-employee payroll	\$5,383,100	\$5,029,150	\$6,144,925
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	90.77%	99.40%	121.82%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2014	2015	2016
City's proportion of the net pension liability (asset)	0.2542020%	0.2542020%	0.266357%
City's proportionate share of the net pension liability (asset)	\$12,380,435	\$13,168,723	\$17,134,926
City's covered-employee payroll	\$4,554,046	\$5,277,461	\$4,940,981
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	271.86%	249.53%	346.79%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2014 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability.

CITY OF MARYSVILLE, OHIO

***Schedule of City Contributions
Last Four Years***

Ohio Public Employees Retirement System

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$699,803	\$603,498	\$737,391	\$673,192
Contributions in relation to the contractually required contribution	<u>699,803</u>	<u>603,498</u>	<u>737,391</u>	<u>673,192</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$5,383,100	\$5,029,150	\$6,144,925	\$5,609,933
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%	12.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$777,831	\$1,074,491	\$992,643	\$1,290,809
Contributions in relation to the contractually required contribution	<u>777,831</u>	<u>1,074,491</u>	<u>992,643</u>	<u>1,290,809</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$4,554,046	\$5,277,461	\$4,940,981	\$6,425,132
Contributions as a percentage of covered-employee payroll	17.08%	20.36%	20.09%	20.09%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS, AND
FIDUCIARY FUNDS.*

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted or committed to expenditures for specified purposes.

Veyance Incentive Fund

To account for the transfer of non-tax revenues to be expended as revenue sharing for a financial incentive negotiated with the Veyance Company (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

Univenture Financial Incentive Fund

To account for the transfer of non-tax revenues to be expended as revenue sharing for a financial incentive negotiated with the Univenture Company. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

Enterprise Zone Revenue Fund

To account for the Enterprise Zone Agreement between the City of Marysville and the Marysville School District. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

Pool Fund

To account for specific revenues and expenditures necessary to operate the municipal pool.

City Events Fund

To account for all revenues and expenditures associated with City sponsored events.

Police Pension Fund

To account for property taxes levied for the partial payment of the current and accrued liability for police disability and pension.

Fire Pension Fund

To account for property taxes levied for the partial payment of the current and accrued liability for fire disability and pension.

Police Grant Fund

To account for grant revenues and expenditures associated with the Police Department.

(Continued)

Special Revenue Funds (Continued)

Fire Grant Fund

To account for grant revenues and expenditures associated with the Fire Department.

Street Maintenance Fund

To account for that portion of the state levied and controlled gasoline tax and motor vehicle license fees designated for local street construction, maintenance and repair. Ninety-two and one-half percent of the tax and fees are allocated to this fund.

Law Enforcement Trust Fund

To account for the proceeds from the confiscation of contraband.

Mandatory Drug Fine Fund

To account for mandatory fines collected for drug agencies.

Driving Under the Influence (DUI) Alcohol Education And Enforcement Fund

To account for fines imposed on DUI offenders. Under state law, disbursements may be made from this fund for law enforcement purposes related to informing the public of laws governing the operation of a motor vehicle while under the influence of alcohol.

Driving Under the Influence (DUI) Indigent Drivers Treatment Fund

To account for fines imposed on DUI offenders. Under state law, disbursements may be made from this fund for law enforcement purposes related to treatment services for those persons who cannot afford such services.

State Highway Fund

To account for that portion of the state levied and controlled gasoline tax and motor vehicle license fees designated for the maintenance and repair of state highways within the City. Seven and one-half percent of the tax and fees are allocated to this fund.

Federal Law Enforcement Fund

To account for federal proceeds from the confiscation of contraband.

Court Computer and Research Fund

To account for revenues from fines to be used for providing information technology systems to the Municipal Court and for periodic upgrades to these systems.

Municipal Court Computer Fund

To account for revenues from fines to be used for providing information technology systems to the Municipal Court and for periodic upgrades to these systems.

(Continued)

Special Revenue Funds

Municipal Court Special Projects Fund

To account for revenues from fines to be used for providing for other specific items that may arise.

Court Probation Fee Fund

To account for fees designated to the Municipal Court for the operation of the probation program.

Eljer Park Fund

To account for the insurance liability for Eljer Park.

Cemetery Maintenance Fund

To provide funding for the maintenance of the city owned cemetery.

Cemetery Endowment Fund

To account for donations to the cemetery whose use is specified for cemetery operations.

Municipal Court Local Interlock Fund

To account for the fines assessed by the City of Marysville for certain DUI cases. Monies collected are to be used for the purchase and installation of an interlock/immobilization device to prevent usage of a motor vehicle by intoxicated drivers.

Municipal Court State Interlock Fund

To account for the fines assessed by the State of Ohio for certain DUI cases. Monies collected are to be used for the purchase and installation of an interlock/immobilization device to prevent usage of a motor vehicle by intoxicated drivers.

2009 Community Housing Improvement Program (CHIP) Grant Fund

To account for grant revenues and expenditures associated with the 2009 CHIP program.

(Continued)

Debt Service Funds

The Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment levies when the government is obligated in some manner for the payment.

Debt Service Fund

To account for resources that are used for payment of principal, interest and fiscal charges on general obligation debt.

Partners Park Fund

To account for monies pledged by area businesses for the construction of Partners Park.

Coleman's Crossing TIF Fund

To account for the debt proceeds used for and the payments in lieu of tax receipts realized by the development of the Coleman's Crossing area. These proceeds will be utilized to repay the debt issued for completion of this project.

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

Parkland Development Fund

To account for park impact/capacity fees collected to be used to provide neighborhood parks and to make capital improvements to land provided to the City by developers.

ODNR Grant Fund

To account for grant revenues and expenditures associated with the ODNR program.

OPWC Grant Fund

To account for grant revenues and expenditures associated with the OPWC program.

Community Development Block Grant (CDBG) Formula Grant Fund

To account for grant revenues and expenditures associated with the CDBG Formula program.

(Continued)

Capital Projects Funds (Continued)

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

Pedestrian Bridge Fund

To account for the activity related to the construction of a pedestrian bridge over US 33.

Safe Routes to Schools Grant Fund

To account for the activity related to the capital improvements funded by the Safe Routes to School Grant.

Town Run Restoration Fund

To account for grant revenues and expenditures associated with the Town Run Restoration project.

City Development Grant Fund

To account for grant proceeds to be used for City wide developments.

CITY OF MARYSVILLE, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 3,031,200	\$ 541,862	\$ 340,347	\$ 3,913,409
Receivables:				
Accounts	4,009	575,000	0	579,009
Intergovernmental	477,213	0	230,766	707,979
Payments in Lieu of Taxes	0	1,235,775	0	1,235,775
Interest	12	0	0	12
Property Taxes	219,618	0	0	219,618
Special Assessments	0	76,904	0	76,904
Prepaid Items	18,228	0	0	18,228
Total Assets	\$ 3,750,280	\$ 2,429,541	\$ 571,113	\$ 6,750,934
Liabilities:				
Accounts Payable	\$ 91,059	\$ 0	\$ 140,128	\$ 231,187
Accrued Wages and Benefits Payable	10,948	0	0	10,948
Intergovernmental Payable	8,954	0	0	8,954
Contracts Payable	294,645	0	0	294,645
Retainage Payable	100,829	0	15,214	116,043
Interfund Loans Payable	0	3,512	119,108	122,620
Total Liabilities	506,435	3,512	274,450	784,397
Deferred Inflows of Resources:				
Unavailable Amounts	334,034	651,904	77,263	1,063,201
Property Tax Levy for Next Fiscal Year	206,472	1,235,775	0	1,442,247
Total Deferred Inflows of Resources	540,506	1,887,679	77,263	2,505,448
Fund Balances:				
Nonspendable	18,228	0	0	18,228
Restricted	2,477,437	541,862	190,264	3,209,563
Committed	207,674	0	91,655	299,329
Unassigned	0	(3,512)	(62,519)	(66,031)
Total Fund Balances	2,703,339	538,350	219,400	3,461,089
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,750,280	\$ 2,429,541	\$ 571,113	\$ 6,750,934

CITY OF MARYSVILLE, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$ 201,596	\$ 0	\$ 0	\$ 201,596
Payments in Lieu of Taxes	0	1,736,882	0	1,736,882
Intergovernmental Revenues	926,125	0	801,636	1,727,761
Charges for Services	253,966	116,500	0	370,466
Licenses and Permits	2,972	0	108,797	111,769
Investment Earnings	8,070	0	0	8,070
Special Assessments	0	1,402	0	1,402
Fines and Forfeitures	177,901	0	0	177,901
All Other Revenue	12,482	0	240,000	252,482
Total Revenue	1,583,112	1,854,784	1,150,433	4,588,329
Expenditures:				
Current:				
Security of Persons and Property - Police	146,135	0	0	146,135
Security of Persons and Property - Fire	117,234	0	0	117,234
Security of Persons and Property - Other	46,701	0	0	46,701
Leisure Time Activities	207,149	0	0	207,149
Community Environment	0	819,159	71,000	890,159
Transportation	2,873,540	0	0	2,873,540
General Government	228,681	0	0	228,681
Capital Outlay	8,841	0	1,801,999	1,810,840
Debt Service:				
Principal Retirement	0	1,720,000	0	1,720,000
Interest and Fiscal Charges	0	1,055,902	0	1,055,902
Total Expenditures	3,628,281	3,595,061	1,872,999	9,096,341
Excess (Deficiency) of Revenues Over Expenditures	(2,045,169)	(1,740,277)	(722,566)	(4,508,012)
Other Financing Sources (Uses):				
Transfers In	1,748,000	1,901,022	630,936	4,279,958
Total Other Financing Sources (Uses)	1,748,000	1,901,022	630,936	4,279,958
Net Change In Fund Balance	(297,169)	160,745	(91,630)	(228,054)
Fund Balances at Beginning of Year	3,000,508	377,605	311,030	3,689,143
Fund Balances End of Year	\$ 2,703,339	\$ 538,350	\$ 219,400	\$ 3,461,089

CITY OF MARYSVILLE, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016**

	Pool	City Events	Police Pension	Fire Pension
Assets:				
Cash and Cash Equivalents	\$ 99,994	\$ 47,677	\$ 12,682	\$ 12,682
Receivables:				
Accounts	0	0	0	0
Intergovernmental	31	29	5,714	5,714
Interest	0	0	0	0
Property Taxes	0	0	109,809	109,809
Prepaid Items	0	110	0	0
Total Assets	<u>\$ 100,025</u>	<u>\$ 47,816</u>	<u>\$ 128,205</u>	<u>\$ 128,205</u>
Liabilities:				
Accounts Payable	\$ 1,316	\$ 1,779	\$ 0	\$ 0
Accrued Wages and Benefits Payable	93	448	0	0
Intergovernmental Payable	30	890	0	0
Contracts Payable	0	0	0	0
Retainage Payable	0	0	0	0
Total Liabilities	<u>1,439</u>	<u>3,117</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	12,287	12,287
Property Tax for Next Fiscal Year	0	0	103,236	103,236
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>115,523</u>	<u>115,523</u>
Fund Balances:				
Nonspendable	0	110	0	0
Restricted	0	0	12,682	12,682
Committed	98,586	44,589	0	0
Total Fund Balances	<u>98,586</u>	<u>44,699</u>	<u>12,682</u>	<u>12,682</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 100,025</u>	<u>\$ 47,816</u>	<u>\$ 128,205</u>	<u>\$ 128,205</u>

CITY OF MARYSVILLE, OHIO

Police Grant	Fire Grant	Street Maintenance	Law Enforcement Trust	Mandatory Drug Fine	DUI Alcohol Education and Enforcement
\$ 9,465	\$ 11,913	\$ 789,376	\$ 143,848	\$ 107,425	\$ 31,153
0	0	4,009	0	0	0
1,428	0	412,626	0	0	160
0	0	11	0	0	0
0	0	0	0	0	0
0	0	12,277	5,841	0	0
<u>\$ 10,893</u>	<u>\$ 11,913</u>	<u>\$ 1,218,299</u>	<u>\$ 149,689</u>	<u>\$ 107,425</u>	<u>\$ 31,313</u>
\$ 0	\$ 0	\$ 79,086	\$ 0	\$ 0	\$ 0
0	0	10,407	0	0	0
0	0	8,034	0	0	0
0	0	294,645	0	0	0
0	0	100,829	0	0	0
0	0	493,001	0	0	0
0	0	281,747	0	0	0
0	0	0	0	0	0
0	0	281,747	0	0	0
0	0	12,277	5,841	0	0
10,893	11,913	431,274	143,848	107,425	31,313
0	0	0	0	0	0
<u>10,893</u>	<u>11,913</u>	<u>443,551</u>	<u>149,689</u>	<u>107,425</u>	<u>31,313</u>
<u>\$ 10,893</u>	<u>\$ 11,913</u>	<u>\$ 1,218,299</u>	<u>\$ 149,689</u>	<u>\$ 107,425</u>	<u>\$ 31,313</u>

(Continued)

CITY OF MARYSVILLE, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016**

	DUI Indigent Drivers Treatment	State Highway	Federal Law Enforcement	Court Computer and Research
Assets:				
Cash and Cash Equivalents	\$ 161,880	\$ 96,708	\$ 2,474	\$ 285,063
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	38,387	0	2,098
Interest	0	1	0	0
Property Taxes	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	<u>\$ 161,880</u>	<u>\$ 135,096</u>	<u>\$ 2,474</u>	<u>\$ 287,161</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 8,815	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Contracts Payable	0	0	0	0
Retainage Payable	0	0	0	0
Total Liabilities	<u>0</u>	<u>8,815</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources:				
Unavailable Amounts	0	27,713	0	0
Property Tax for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>27,713</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	161,880	98,568	2,474	287,161
Committed	0	0	0	0
Total Fund Balances	<u>161,880</u>	<u>98,568</u>	<u>2,474</u>	<u>287,161</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 161,880</u>	<u>\$ 135,096</u>	<u>\$ 2,474</u>	<u>\$ 287,161</u>

CITY OF MARYSVILLE, OHIO

Municipal Court Computer	Municipal Court Special Projects	Court Probation Fee	Eljer Park	Cemetery Maintenance	Cemetery Endowment
\$ 160,831	\$ 408,601	\$ 242,152	\$ 31,523	\$ 22,264	\$ 10,712
0	0	0	0	0	0
2,096	4,722	971	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 162,927</u>	<u>\$ 413,323</u>	<u>\$ 243,123</u>	<u>\$ 31,523</u>	<u>\$ 22,264</u>	<u>\$ 10,712</u>
\$ 63	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>63</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
162,864	413,323	243,123	0	0	0
0	0	0	31,523	22,264	10,712
<u>162,864</u>	<u>413,323</u>	<u>243,123</u>	<u>31,523</u>	<u>22,264</u>	<u>10,712</u>
<u>\$ 162,927</u>	<u>\$ 413,323</u>	<u>\$ 243,123</u>	<u>\$ 31,523</u>	<u>\$ 22,264</u>	<u>\$ 10,712</u>

(Continued)

CITY OF MARYSVILLE, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016**

	Municipal Court Local Interlock	Municipal Court State Interlock	2009 CHIP Grant	Total Nonmajor Special Revenue Funds
Assets:				
Cash and Cash Equivalents	\$ 135,408	\$ 183,035	\$ 24,334	\$ 3,031,200
Receivables:				
Accounts	0	0	0	4,009
Intergovernmental	1,722	1,515	0	477,213
Interest	0	0	0	12
Property Taxes	0	0	0	219,618
Prepaid Items	0	0	0	18,228
Total Assets	<u>\$ 137,130</u>	<u>\$ 184,550</u>	<u>\$ 24,334</u>	<u>\$ 3,750,280</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 91,059
Accrued Wages and Benefits Payable	0	0	0	10,948
Intergovernmental Payable	0	0	0	8,954
Contracts Payable	0	0	0	294,645
Retainage Payable	0	0	0	100,829
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>506,435</u>
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	0	334,034
Property Tax for Next Fiscal Year	0	0	0	206,472
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>540,506</u>
Fund Balances:				
Nonspendable	0	0	0	18,228
Restricted	137,130	184,550	24,334	2,477,437
Committed	0	0	0	207,674
Total Fund Balances	<u>137,130</u>	<u>184,550</u>	<u>24,334</u>	<u>2,703,339</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 137,130</u>	<u>\$ 184,550</u>	<u>\$ 24,334</u>	<u>\$ 3,750,280</u>



CITY OF MARYSVILLE, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

	Pool	City Events	Police Pension	Fire Pension
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 100,798	\$ 100,798
Intergovernmental Revenues	31	29	11,361	11,361
Charges for Services	160,629	90,004	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	0	0	0
Total Revenue	160,660	90,033	112,159	112,159
Expenditures:				
Current:				
Security of Persons and Property - Police	0	0	114,870	0
Security of Persons and Property - Fire	0	0	0	114,870
Security of Persons and Property - Other	0	0	0	0
Leisure Time Activities	207,149	0	0	0
Transportation	0	0	0	0
General Government	0	228,681	0	0
Capital Outlay	8,841	0	0	0
Total Expenditures	215,990	228,681	114,870	114,870
Excess (Deficiency) of Revenues Over Expenditures	(55,330)	(138,648)	(2,711)	(2,711)
Other Financing Sources (Uses):				
Transfers In	89,500	124,000	0	0
Total Other Financing Sources (Uses)	89,500	124,000	0	0
Net Change In Fund Balance	34,170	(14,648)	(2,711)	(2,711)
Fund Balances at Beginning of Year	64,416	59,347	15,393	15,393
Fund Balances End of Year	\$ 98,586	\$ 44,699	\$ 12,682	\$ 12,682

CITY OF MARYSVILLE, OHIO

<u>Police Grant</u>	<u>Fire Grant</u>	<u>Street Maintenance</u>	<u>Law Enforcement Trust</u>	<u>Mandatory Drug Fine</u>	<u>DUI Acohol Education and Enforcement</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1,428	4,500	830,051	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	7,185	0	0	0
0	0	0	0	2,477	1,279
0	0	8,300	75	0	0
<u>1,428</u>	<u>4,500</u>	<u>845,536</u>	<u>75</u>	<u>2,477</u>	<u>1,279</u>
669	0	0	30,159	0	437
0	2,364	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	2,711,348	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>669</u>	<u>2,364</u>	<u>2,711,348</u>	<u>30,159</u>	<u>0</u>	<u>437</u>
759	2,136	(1,865,812)	(30,084)	2,477	842
<u>0</u>	<u>0</u>	<u>1,438,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>1,438,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
759	2,136	(427,312)	(30,084)	2,477	842
<u>10,134</u>	<u>9,777</u>	<u>870,863</u>	<u>179,773</u>	<u>104,948</u>	<u>30,471</u>
<u>\$ 10,893</u>	<u>\$ 11,913</u>	<u>\$ 443,551</u>	<u>\$ 149,689</u>	<u>\$ 107,425</u>	<u>\$ 31,313</u>

(Continued)

CITY OF MARYSVILLE, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

	DUI Indigent Drivers Treatment	State Highway	Federal Law Enforcement	Court Computer and Research
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	67,364	0	0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	681	0	0
Fines and Forfeitures	0	0	499	30,679
All Other Revenue	0	4,107	0	0
Total Revenue	<u>0</u>	<u>72,152</u>	<u>499</u>	<u>30,679</u>
Expenditures:				
Current:				
Security of Persons and Property - Police	0	0	0	0
Security of Persons and Property - Fire	0	0	0	0
Security of Persons and Property - Other	0	0	0	0
Leisure Time Activities	0	0	0	0
Transportation	0	162,192	0	0
General Government	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	<u>0</u>	<u>162,192</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(90,040)	499	30,679
Other Financing Sources (Uses):				
Transfers In	0	96,000	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>96,000</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balance	0	5,960	499	30,679
Fund Balances at Beginning of Year	<u>161,880</u>	<u>92,608</u>	<u>1,975</u>	<u>256,482</u>
Fund Balances End of Year	<u>\$ 161,880</u>	<u>\$ 98,568</u>	<u>\$ 2,474</u>	<u>\$ 287,161</u>

CITY OF MARYSVILLE, OHIO

Municipal Court Computer	Municipal Court Special Projects	Court Probation Fee	Eljer Park	Cemetery Maintenance	Cemetery Endowment
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	3,333	0	0	0	0
0	0	0	0	2,972	0
0	0	0	0	0	204
30,664	64,088	11,658	0	0	0
0	0	0	0	0	0
<u>30,664</u>	<u>67,421</u>	<u>11,658</u>	<u>0</u>	<u>2,972</u>	<u>204</u>
0	0	0	0	0	0
0	0	0	0	0	0
24,858	10,394	10,399	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>24,858</u>	<u>10,394</u>	<u>10,399</u>	<u>0</u>	<u>0</u>	<u>0</u>
5,806	57,027	1,259	0	2,972	204
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5,806	57,027	1,259	0	2,972	204
157,058	356,296	241,864	31,523	19,292	10,508
<u>\$ 162,864</u>	<u>\$ 413,323</u>	<u>\$ 243,123</u>	<u>\$ 31,523</u>	<u>\$ 22,264</u>	<u>\$ 10,712</u>

(Continued)

CITY OF MARYSVILLE, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016**

	Municipal Court Local Interlock	Municipal Court State Interlock	2009 CHIP Grant	Total Nonmajor Special Revenue Funds
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 201,596
Intergovernmental Revenues	0	0	0	926,125
Charges for Services	0	0	0	253,966
Licenses and Permits	0	0	0	2,972
Investment Earnings	0	0	0	8,070
Fines and Forfeitures	17,222	19,335	0	177,901
All Other Revenue	0	0	0	12,482
Total Revenue	17,222	19,335	0	1,583,112
Expenditures:				
Current:				
Security of Persons and Property - Police	0	0	0	146,135
Security of Persons and Property - Fire	0	0	0	117,234
Security of Persons and Property - Other	1,050	0	0	46,701
Leisure Time Activities	0	0	0	207,149
Transportation	0	0	0	2,873,540
General Government	0	0	0	228,681
Capital Outlay	0	0	0	8,841
Total Expenditures	1,050	0	0	3,628,281
Excess (Deficiency) of Revenues Over Expenditures	16,172	19,335	0	(2,045,169)
Other Financing Sources (Uses):				
Transfers In	0	0	0	1,748,000
Total Other Financing Sources (Uses)	0	0	0	1,748,000
Net Change In Fund Balance	16,172	19,335	0	(297,169)
Fund Balances at Beginning of Year	120,958	165,215	24,334	3,000,508
Fund Balances End of Year	\$ 137,130	\$ 184,550	\$ 24,334	\$ 2,703,339

CITY OF MARYSVILLE, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2016**

	Debt Service	Partners Park	Coleman's Crossing TIF	Total Nonmajor Debt Service Funds
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 541,862	\$ 541,862
Accounts	0	575,000	0	575,000
Payments in Lieu of Taxes	0	0	1,235,775	1,235,775
Special Assessments	76,904	0	0	76,904
Total Assets	\$ 76,904	\$ 575,000	\$ 1,777,637	\$ 2,429,541
Liabilities:				
Interfund Loans Payable	3,512	0	0	3,512
Total Liabilities	3,512	0	0	3,512
Deferred Inflows of Resources:				
Unavailable Amounts	76,904	575,000	0	651,904
Property Tax Levy for Next Fiscal Year	0	0	1,235,775	1,235,775
Total Deferred Inflows of Resources	76,904	575,000	1,235,775	1,887,679
Fund Balances:				
Restricted	0	0	541,862	541,862
Unassigned	(3,512)	0	0	(3,512)
Total Fund Balances	(3,512)	0	541,862	538,350
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 76,904	\$ 575,000	\$ 1,777,637	\$ 2,429,541

CITY OF MARYSVILLE, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Debt Service Fund
For the Year Ended December 31, 2016***

	<u>Debt Service</u>	<u>Coleman's Crossing TIF</u>	<u>Total Nonmajor Debt Service Funds</u>
Revenues:			
Payments in Lieu of Taxes	\$ 0	\$ 1,736,882	\$ 1,736,882
Charges for Services	116,500	0	116,500
Special Assessments	1,402	0	1,402
Total Revenue	<u>117,902</u>	<u>1,736,882</u>	<u>1,854,784</u>
Expenditures:			
Current:			
Community Development	0	819,159	819,159
Debt Service:			
Principal Retirement	1,320,000	400,000	1,720,000
Interest & Fiscal Charges	713,764	342,138	1,055,902
Total Expenditures	<u>2,033,764</u>	<u>1,561,297</u>	<u>3,595,061</u>
Excess (Deficiency) of Revenues			
Over Expenditures	(1,915,862)	175,585	(1,740,277)
Other Financing Sources (Uses):			
Transfers In	1,901,022	0	1,901,022
Total Other Financing Sources (Uses)	<u>1,901,022</u>	<u>0</u>	<u>1,901,022</u>
Net Change In Fund Balance	(14,840)	175,585	160,745
Fund Balance at Beginning of Year	<u>11,328</u>	<u>366,277</u>	<u>377,605</u>
Fund Balance (Deficit) End of Year	<u>\$ (3,512)</u>	<u>\$ 541,862</u>	<u>\$ 538,350</u>



CITY OF MARYSVILLE, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2016**

	Parkland Development	ODNR Grant	OPWC Grant	CDBG Formula Grant
Assets:				
Cash and Cash Equivalents	\$ 50,951	\$ 0	\$ 0	\$ 0
Receivables:				
Intergovernmental	0	35,472	96,914	56,589
Total Assets	<u>\$ 50,951</u>	<u>\$ 35,472</u>	<u>\$ 96,914</u>	<u>\$ 56,589</u>
Liabilities:				
Accounts Payable	\$ 3,202	\$ 0	\$ 0	\$ 0
Retainage Payable	0	0	0	0
Interfund Loans Payable	0	35,472	0	56,589
Total Liabilities	<u>3,202</u>	<u>35,472</u>	<u>0</u>	<u>56,589</u>
Deferred Inflows of Resources:				
Unavailable Amounts	0	35,472	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>35,472</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Restricted	0	0	96,914	0
Committed	47,749	0	0	0
Unassigned	0	(35,472)	0	0
Total Fund Balances	<u>47,749</u>	<u>(35,472)</u>	<u>96,914</u>	<u>0</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 50,951</u>	<u>\$ 35,472</u>	<u>\$ 96,914</u>	<u>\$ 56,589</u>

CITY OF MARYSVILLE, OHIO

Pedestrian Bridge	Safe Routes to School Grant	Town Run Restoration	City Development Grant	Total Nonmajor Capital Projects Funds
\$ 43,906	\$ 4,784	\$ 0	\$ 240,706	\$ 340,347
<u>0</u>	<u>0</u>	<u>41,791</u>	<u>0</u>	<u>230,766</u>
<u>\$ 43,906</u>	<u>\$ 4,784</u>	<u>\$ 41,791</u>	<u>\$ 240,706</u>	<u>\$ 571,113</u>
\$ 0	\$ 0	\$ 0	\$ 136,926	\$ 140,128
0	0	0	15,214	15,214
<u>0</u>	<u>0</u>	<u>27,047</u>	<u>0</u>	<u>119,108</u>
<u>0</u>	<u>0</u>	<u>27,047</u>	<u>152,140</u>	<u>274,450</u>
<u>0</u>	<u>0</u>	<u>41,791</u>	<u>0</u>	<u>77,263</u>
<u>0</u>	<u>0</u>	<u>41,791</u>	<u>0</u>	<u>77,263</u>
0	4,784	0	88,566	190,264
43,906	0	0	0	91,655
<u>0</u>	<u>0</u>	<u>(27,047)</u>	<u>0</u>	<u>(62,519)</u>
<u>43,906</u>	<u>4,784</u>	<u>(27,047)</u>	<u>88,566</u>	<u>219,400</u>
<u>\$ 43,906</u>	<u>\$ 4,784</u>	<u>\$ 41,791</u>	<u>\$ 240,706</u>	<u>\$ 571,113</u>

CITY OF MARYSVILLE, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016**

	Parkland Development	ODNR Grant	OPWC Grant	CDBG Formula Grant
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 384,525	\$ 360,522	\$ 56,589
Licenses and Permits	108,797	0	0	0
All Other Revenue	0	0	0	0
Total Revenue	<u>108,797</u>	<u>384,525</u>	<u>360,522</u>	<u>56,589</u>
Expenditures:				
Community Environment	0	0	0	71,000
Capital Outlay	277,695	419,997	950,333	0
Total Expenditures	<u>277,695</u>	<u>419,997</u>	<u>950,333</u>	<u>71,000</u>
Excess (Deficiency) of Revenues Over Expenditures	(168,898)	(35,472)	(589,811)	(14,411)
Other Financing Sources (Uses):				
Transfers In	173,500	0	457,436	0
Total Other Financing Sources (Uses)	<u>173,500</u>	<u>0</u>	<u>457,436</u>	<u>0</u>
Net Change In Fund Balance	4,602	(35,472)	(132,375)	(14,411)
Fund Balances (Deficit) at Beginning of Year	<u>43,147</u>	<u>0</u>	<u>229,289</u>	<u>14,411</u>
Fund Balances (Deficit) End of Year	<u>\$ 47,749</u>	<u>\$ (35,472)</u>	<u>\$ 96,914</u>	<u>\$ 0</u>

CITY OF MARYSVILLE, OHIO

<u>Pedestrian Bridge</u>	<u>Safe Routes to School Grant</u>	<u>Town Run Restoration</u>	<u>City Development Grant</u>	<u>Total Nonmajor Capital Project Funds</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 801,636
0	0	0	0	108,797
<u>0</u>	<u>0</u>	<u>0</u>	<u>240,000</u>	<u>240,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>240,000</u>	<u>1,150,433</u>
0	0	0	0	71,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>153,974</u>	<u>1,801,999</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>153,974</u>	<u>1,872,999</u>
0	0	0	86,026	(722,566)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>630,936</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>630,936</u>
0	0	0	86,026	(91,630)
<u>43,906</u>	<u>4,784</u>	<u>(27,047)</u>	<u>2,540</u>	<u>311,030</u>
<u>\$ 43,906</u>	<u>\$ 4,784</u>	<u>\$ (27,047)</u>	<u>\$ 88,566</u>	<u>\$ 219,400</u>

CITY OF MARYSVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund – General Fund
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 1,331,650	\$ 1,331,650	\$ 1,319,204	\$ (12,446)
Municipal Income Taxes	16,250,250	16,250,250	17,456,251	1,206,001
Other Local Taxes	360,000	360,000	448,810	88,810
Intergovernmental Revenues	414,807	373,807	369,013	(4,794)
Charges for Services	2,172,165	2,172,165	2,125,550	(46,615)
Licenses and Permits	144,000	144,000	155,816	11,816
Investment Earnings	70,040	70,040	112,188	42,148
Fines and Forfeitures	651,000	651,000	786,598	135,598
All Other Revenues	21,000	21,000	13,141	(7,859)
Total Revenues	<u>21,414,912</u>	<u>21,373,912</u>	<u>22,786,571</u>	<u>1,412,659</u>
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	4,696,183	4,706,741	4,543,844	162,897
Materials and Supplies	113,700	126,942	83,634	43,308
Contractual Services	174,200	204,944	164,655	40,289
Capital Outlay	363,030	370,865	365,280	5,585
Total Police	<u>5,347,113</u>	<u>5,409,492</u>	<u>5,157,413</u>	<u>252,079</u>
Fire:				
Personal Services	4,962,515	4,984,325	4,902,306	82,019
Materials and Supplies	91,500	100,497	81,995	18,502
Contractual Services	316,328	350,730	304,206	46,524
Capital Outlay	244,000	773,705	762,918	10,787
Total Fire	<u>5,614,343</u>	<u>6,209,257</u>	<u>6,051,425</u>	<u>157,832</u>
Municipal Court:				
Personal Services	835,977	835,979	713,722	122,257
Materials and Supplies	84,000	112,541	77,389	35,152
Contractual Services	61,000	82,034	29,202	52,832
Total Municipal Court	<u>980,977</u>	<u>1,030,554</u>	<u>820,313</u>	<u>210,241</u>
Total Security of Persons and Property	<u>11,942,433</u>	<u>12,649,303</u>	<u>12,029,151</u>	<u>620,152</u>

(Continued)

CITY OF MARYSVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund – General Fund
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Health and Welfare Services:				
Cemetery:				
Street Lighting:				
Contractual Services	356,000	403,159	385,498	17,661
Total Public Health and Welfare Services	356,000	403,159	385,498	17,661
Community Environment:				
Public Service:				
Personal Services	179,408	179,408	175,944	3,464
Materials and Supplies	13,500	15,522	13,785	1,737
Contractual Services	23,950	24,487	22,002	2,485
Total Public Service	216,858	219,417	211,731	7,686
Buildings and Grounds:				
Personal Services	361,860	360,393	344,535	15,858
Materials and Supplies	71,000	88,652	81,823	6,829
Contractual Services	258,500	305,468	280,068	25,400
Total Buildings and Grounds	691,360	754,513	706,426	48,087
Total Community Environment	908,218	973,930	918,157	55,773
General Government:				
City Council:				
Personal Services	79,373	79,373	78,694	679
Materials and Supplies	3,000	3,000	1,218	1,782
Contractual Services	25,000	28,343	18,306	10,037
Total City Council	107,373	110,716	98,218	12,498
Mayor:				
Materials and Supplies	0	428	220	208
Contractual Services	0	2,819	445	2,374
Total Mayor	0	3,247	665	2,582

(Continued)

CITY OF MARYSVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund – General Fund
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
City Administrator:				
Personal Services	225,052	231,052	196,602	34,450
Materials and Supplies	4,500	5,001	3,660	1,341
Contractual Services	231,200	255,738	242,784	12,954
Total City Administrator	460,752	491,791	443,046	48,745
Human Resources:				
Personal Services	159,190	164,190	162,970	1,220
Materials and Supplies	4,500	8,755	6,909	1,846
Contractual Services	21,500	19,622	16,986	2,636
Total Human Resources	185,190	192,567	186,865	5,702
Law Director:				
Personal Services	152,246	152,246	151,954	292
Materials and Supplies	3,000	3,000	741	2,259
Contractual Services	52,200	54,401	50,705	3,696
Total Law Director	207,446	209,647	203,400	6,247
Finance:				
Personal Services	395,166	403,604	391,862	11,742
Materials and Supplies	48,500	52,777	44,641	8,136
Contractual Services	175,030	175,937	155,884	20,053
Total Finance	618,696	632,318	592,387	39,931
Employee Benefits:				
Personal Services	949,750	956,242	885,172	71,070
Total Employee Benefits	949,750	956,242	885,172	71,070
Income Tax Collection:				
Information Technology:				
Personal Services	198,826	201,826	200,386	1,440
Materials and Supplies	12,000	14,831	14,691	140
Contractual Services	341,000	443,073	403,732	39,341
Total Information Technology	551,826	659,730	618,809	40,921

(Continued)

CITY OF MARYSVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund – General Fund
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
City Engineer:				
Personal Services	460,472	476,771	470,847	5,924
Materials and Supplies	96,200	104,811	83,263	21,548
Contractual Services	592,200	729,797	638,476	91,321
Total City Engineer	<u>1,148,872</u>	<u>1,311,379</u>	<u>1,192,586</u>	<u>118,793</u>
Total General Government	<u>4,229,905</u>	<u>4,567,637</u>	<u>4,221,148</u>	<u>346,489</u>
Total Expenditures	<u>17,436,556</u>	<u>18,594,029</u>	<u>17,553,954</u>	<u>1,040,075</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,978,356	2,779,883	5,232,617	2,452,734
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	13,462	13,462
Transfers In	65,000	65,000	0	(65,000)
Transfers Out	(4,999,005)	(8,307,505)	(8,076,436)	231,069
Advances In	0	0	384,525	384,525
Advances Out	<u>(507,145)</u>	<u>(507,145)</u>	<u>(507,145)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(5,441,150)</u>	<u>(8,749,650)</u>	<u>(8,185,594)</u>	<u>564,056</u>
Net Change In Fund Balance	(1,462,794)	(5,969,767)	(2,952,977)	3,016,790
Fund Balance at Beginning of Year	8,552,331	8,552,331	8,552,331	0
Prior Year Encumbrances	<u>1,086,965</u>	<u>1,086,965</u>	<u>1,086,965</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,176,502</u>	<u>\$ 3,669,529</u>	<u>\$ 6,686,319</u>	<u>\$ 3,016,790</u>

CITY OF MARYSVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund – Capital Improvement Projects (CIP) Fund – Debt Service Fund
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Capital Outlay:				
Engineering	401,600	5,604,358	5,400,251	204,107
Total Expenditures	401,600	5,604,358	5,400,251	204,107
Excess (Deficiency) of Revenues Over (Under) Expenditures	(401,600)	(5,604,358)	(5,400,251)	204,107
Other Financing Sources (Uses):				
General Obligation Bonds Issued	0	2,335,134	2,335,134	0
Transfers In	380,000	3,033,000	3,033,000	0
Total Other Financing Sources (Uses)	380,000	5,368,134	5,368,134	0
Net Change In Fund Balance	(21,600)	(236,224)	(32,117)	204,107
Fund Balance at Beginning of Year	34,438	34,438	34,438	0
Prior Year Encumbrances	202,758	202,758	202,758	0
Fund Balance at End of Year	\$ 215,596	\$ 972	\$ 205,079	\$ 204,107

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	567	567	567	0
Fund Balance at End of Year	<u>\$ 567</u>	<u>\$ 567</u>	<u>\$ 567</u>	<u>\$ 0</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
General Government:				
Contractual Services	0	10,500	10,500	0
Total Expenditures	0	10,500	10,500	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(10,500)	(10,500)	0
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	0	0	0	0
Net Change In Fund Balance	0	(10,500)	(10,500)	0
Fund Balance at Beginning of Year	43,108	43,108	43,108	0
Fund Balance at End of Year	\$ 43,108	\$ 32,608	\$ 32,608	\$ 0

CITY OF MARYSVILLE, OHIO

***Schedule 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, 2016***

ENTERPRISE ZONE REVENUE FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
General Government:				
Contractual Services	10,000	10,000	0	10,000
Total Expenditures	10,000	10,000	0	10,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(10,000)	0	10,000
Other Financing Sources (Uses):				
Transfers In	10,000	10,000	0	(10,000)
Total Other Financing Sources (Uses)	10,000	10,000	0	(10,000)
Net Change In Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	10,120	10,120	10,120	0
Fund Balance at End of Year	\$ 10,120	\$ 10,120	\$ 10,120	\$ 0

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

	POOL FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 118,500	\$ 118,500	\$ 160,629	\$ 42,129
Total Revenues	118,500	118,500	160,629	42,129
Expenditures:				
Leisure Time Activities:				
Personal Services	101,626	102,126	101,910	216
Materials and Supplies	63,000	85,400	81,749	3,651
Contractual Services	39,210	54,964	53,901	1,063
Capital Outlay	5,000	13,841	13,841	0
Total Expenditures	208,836	256,331	251,401	4,930
Excess (Deficiency) of Revenues Over (Under) Expenditures	(90,336)	(137,831)	(90,772)	47,059
Other Financing Sources (Uses):				
Transfers In	89,500	89,500	89,500	0
Total Other Financing Sources (Uses)	89,500	89,500	89,500	0
Net Change In Fund Balance	(836)	(48,331)	(1,272)	47,059
Fund Balance at Beginning of Year	17,164	17,164	17,164	0
Prior Year Encumbrances	47,495	47,495	47,495	0
Fund Balance at End of Year	\$ 63,823	\$ 16,328	\$ 63,387	\$ 47,059

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

CITY EVENTS FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 76,000	\$ 92,000	\$ 90,004	\$ (1,996)
Total Revenues	<u>76,000</u>	<u>92,000</u>	<u>90,004</u>	<u>(1,996)</u>
Expenditures:				
General Government:				
Personal Services	103,018	103,018	96,960	6,058
Materials and Supplies	30,000	34,201	33,118	1,083
Contractual Services	96,214	110,656	107,488	3,168
Total Expenditures	<u>229,232</u>	<u>247,875</u>	<u>237,566</u>	<u>10,309</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(153,232)	(155,875)	(147,562)	8,313
Other Financing Sources (Uses):				
Transfers In	124,000	124,000	124,000	0
Total Other Financing Sources (Uses)	<u>124,000</u>	<u>124,000</u>	<u>124,000</u>	<u>0</u>
Net Change In Fund Balance	(29,232)	(31,875)	(23,562)	8,313
Fund Balance at Beginning of Year	58,167	58,167	58,167	0
Prior Year Encumbrances	4,644	4,644	4,644	0
Fund Balance at End of Year	<u>\$ 33,579</u>	<u>\$ 30,936</u>	<u>\$ 39,249</u>	<u>\$ 8,313</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

POLICE PENSION FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 104,000	\$ 104,000	\$ 100,798	\$ (3,202)
Intergovernmental Revenues	10,871	10,871	11,361	490
Total Revenues	<u>114,871</u>	<u>114,871</u>	<u>112,159</u>	<u>(2,712)</u>
Expenditures:				
Security of Persons and Property - Police:				
Personal Services	113,000	113,000	113,000	0
Contractual Services	2,183	2,183	1,870	313
Total Expenditures	<u>115,183</u>	<u>115,183</u>	<u>114,870</u>	<u>313</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(312)	(312)	(2,711)	(2,399)
Fund Balance at Beginning of Year	15,393	15,393	15,393	0
Fund Balance at End of Year	<u>\$ 15,081</u>	<u>\$ 15,081</u>	<u>\$ 12,682</u>	<u>\$ (2,399)</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 104,000	\$ 104,000	\$ 100,798	\$ (3,202)
Intergovernmental Revenues	10,871	10,871	11,361	490
Total Revenues	<u>114,871</u>	<u>114,871</u>	<u>112,159</u>	<u>(2,712)</u>
Expenditures:				
Security of Persons and Property - Fire:				
Personal Services	113,000	113,000	113,000	0
Contractual Services	2,183	2,183	1,870	313
Total Expenditures	<u>115,183</u>	<u>115,183</u>	<u>114,870</u>	<u>313</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(312)	(312)	(2,711)	(2,399)
Fund Balance at Beginning of Year	15,393	15,393	15,393	0
Fund Balance at End of Year	<u>\$ 15,081</u>	<u>\$ 15,081</u>	<u>\$ 12,682</u>	<u>\$ (2,399)</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 3,000	\$ 3,000	\$ 0	\$ (3,000)
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>0</u>	<u>(3,000)</u>
Expenditures:				
Security of Persons and Property - Police:				
Contractual Services	<u>3,000</u>	<u>3,000</u>	<u>669</u>	<u>2,331</u>
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>669</u>	<u>2,331</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(669)	(669)
Fund Balance at Beginning of Year	<u>10,134</u>	<u>10,134</u>	<u>10,134</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 10,134</u>	<u>\$ 10,134</u>	<u>\$ 9,465</u>	<u>\$ (669)</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

	FIRE GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 4,000	\$ 4,000	\$ 4,500	\$ 500
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>4,500</u>	<u>500</u>
Expenditures:				
Security of Persons and Property - Fire:				
Contractual Services	<u>4,000</u>	<u>7,000</u>	<u>2,823</u>	<u>4,177</u>
Total Expenditures	<u>4,000</u>	<u>7,000</u>	<u>2,823</u>	<u>4,177</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(3,000)	1,677	4,677
Fund Balance at Beginning of Year	<u>9,777</u>	<u>9,777</u>	<u>9,777</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,777</u>	<u>\$ 6,777</u>	<u>\$ 11,454</u>	<u>\$ 4,677</u>

CITY OF MARYSVILLE, OHIO

***Schedule 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, 2016***

STREET MAINTENANCE FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 804,895	\$ 804,895	\$ 826,208	\$ 21,313
Investment Earnings	2,700	2,700	7,329	4,629
All Other Revenues	10,000	10,000	6,741	(3,259)
Total Revenues	<u>817,595</u>	<u>817,595</u>	<u>840,278</u>	<u>22,683</u>
Expenditures:				
Transportation:				
Personal Services	764,060	764,548	737,837	26,711
Materials and Supplies	364,550	395,910	336,468	59,442
Contractual Services	225,000	270,058	247,709	22,349
Capital Outlay	742,000	1,597,400	1,518,493	78,907
Total Expenditures	<u>2,095,610</u>	<u>3,027,916</u>	<u>2,840,507</u>	<u>187,409</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,278,015)	(2,210,321)	(2,000,229)	210,092
Other Financing Sources (Uses):				
Transfers In	838,500	1,438,500	1,438,500	0
Total Other Financing Sources (Uses)	<u>838,500</u>	<u>1,438,500</u>	<u>1,438,500</u>	<u>0</u>
Net Change In Fund Balance	(439,515)	(771,821)	(561,729)	210,092
Fund Balance at Beginning of Year	535,730	535,730	535,730	0
Prior Year Encumbrances	332,307	332,307	332,307	0
Fund Balance at End of Year	<u>\$ 428,522</u>	<u>\$ 96,216</u>	<u>\$ 306,308</u>	<u>\$ 210,092</u>

CITY OF MARYSVILLE, OHIO

***Schedule 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, 2016***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 500	\$ 500	\$ 75	\$ (425)
Total Revenues	<u>500</u>	<u>500</u>	<u>75</u>	<u>(425)</u>
Expenditures:				
Security of Persons and Property - Police:				
Materials and Supplies	500	500	0	500
Capital Outlay	<u>0</u>	<u>36,000</u>	<u>36,000</u>	<u>0</u>
Total Expenditures	<u>500</u>	<u>36,500</u>	<u>36,000</u>	<u>500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(36,000)	(35,925)	75
Fund Balance at Beginning of Year	<u>179,773</u>	<u>179,773</u>	<u>179,773</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 179,773</u>	<u>\$ 143,773</u>	<u>\$ 143,848</u>	<u>\$ 75</u>

CITY OF MARYSVILLE, OHIO

***Schedule 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, 2016***

MANDATORY DRUG FINE FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 12,000	\$ 12,000	\$ 3,757	\$ (8,243)
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>3,757</u>	<u>(8,243)</u>
Expenditures:				
Security of Persons and Property - Police:				
Materials and Supplies	<u>3,000</u>	<u>3,600</u>	<u>0</u>	<u>3,600</u>
Total Expenditures	<u>3,000</u>	<u>3,600</u>	<u>0</u>	<u>3,600</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,000	8,400	3,757	(4,643)
Fund Balance at Beginning of Year	103,068	103,068	103,068	0
Prior Year Encumbrances	<u>600</u>	<u>600</u>	<u>600</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 112,668</u>	<u>\$ 112,068</u>	<u>\$ 107,425</u>	<u>\$ (4,643)</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 1,500	\$ 1,500	\$ 1,174	\$ (326)
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>1,174</u>	<u>(326)</u>
Expenditures:				
Security of Persons and Property - Police:				
Contractual Services	<u>750</u>	<u>750</u>	<u>493</u>	<u>257</u>
Total Expenditures	<u>750</u>	<u>750</u>	<u>493</u>	<u>257</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	750	750	681	(69)
Fund Balance at Beginning of Year	<u>30,416</u>	<u>30,416</u>	<u>30,416</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 31,166</u>	<u>\$ 31,166</u>	<u>\$ 31,097</u>	<u>\$ (69)</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	161,880	161,880	161,880	0
Fund Balance at End of Year	<u>\$ 161,880</u>	<u>\$ 161,880</u>	<u>\$ 161,880</u>	<u>\$ 0</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

STATE HIGHWAY FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 64,453	\$ 64,453	\$ 66,990	\$ 2,537
Investment Earnings	600	600	698	98
All Other Revenues	15,000	15,000	7,997	(7,003)
Total Revenues	<u>80,053</u>	<u>80,053</u>	<u>75,685</u>	<u>(4,368)</u>
Expenditures:				
Transportation:				
Materials and Supplies	96,000	112,502	110,271	2,231
Contractual Services	80,500	90,917	90,905	12
Capital Outlay	53,000	54,546	53,918	628
Total Expenditures	<u>229,500</u>	<u>257,965</u>	<u>255,094</u>	<u>2,871</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(149,447)	(177,912)	(179,409)	(1,497)
Other Financing Sources (Uses):				
Transfers In	96,000	96,000	96,000	0
Total Other Financing Sources (Uses)	<u>96,000</u>	<u>96,000</u>	<u>96,000</u>	<u>0</u>
Net Change In Fund Balance	(53,447)	(81,912)	(83,409)	(1,497)
Fund Balance at Beginning of Year	73,052	73,052	73,052	0
Prior Year Encumbrances	28,464	28,464	28,464	0
Fund Balance at End of Year	<u>\$ 48,069</u>	<u>\$ 19,604</u>	<u>\$ 18,107</u>	<u>\$ (1,497)</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 25,000	\$ 25,000	\$ 30,888	\$ 5,888
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>30,888</u>	<u>5,888</u>
Expenditures:				
Security of Persons and Property - Other:				
Contractual Services	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>25,000</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>25,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	30,888	30,888
Fund Balance at Beginning of Year	<u>254,175</u>	<u>254,175</u>	<u>254,175</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 254,175</u>	<u>\$ 254,175</u>	<u>\$ 285,063</u>	<u>\$ 30,888</u>

CITY OF MARYSVILLE, OHIO

***Schedule 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, 2016***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 25,000	\$ 25,000	\$ 30,872	\$ 5,872
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>30,872</u>	<u>5,872</u>
Expenditures:				
Security of Persons and Property - Other:				
Contractual Services	<u>10,000</u>	<u>52,520</u>	<u>29,910</u>	<u>22,610</u>
Total Expenditures	<u>10,000</u>	<u>52,520</u>	<u>29,910</u>	<u>22,610</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,000	(27,520)	962	28,482
Fund Balance at Beginning of Year	150,337	150,337	150,337	0
Prior Year Encumbrances	<u>6,520</u>	<u>6,520</u>	<u>6,520</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 171,857</u>	<u>\$ 129,337</u>	<u>\$ 157,819</u>	<u>\$ 28,482</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

MUNICIPAL COURT SPECIAL PROJECTS FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 3,000	\$ 3,000	\$ 3,333	\$ 333
Fines and Forfeitures	55,000	55,000	64,918	9,918
Total Revenues	<u>58,000</u>	<u>58,000</u>	<u>68,251</u>	<u>10,251</u>
Expenditures:				
Security of Persons and Property - Other:				
Contractual Services	100,000	100,205	10,394	89,811
Total Expenditures	<u>100,000</u>	<u>100,205</u>	<u>10,394</u>	<u>89,811</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(42,000)	(42,205)	57,857	100,062
Fund Balance at Beginning of Year	350,539	350,539	350,539	0
Prior Year Encumbrances	205	205	205	0
Fund Balance at End of Year	<u>\$ 308,744</u>	<u>\$ 308,539</u>	<u>\$ 408,601</u>	<u>\$ 100,062</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 12,000	\$ 12,000	\$ 11,632	\$ (368)
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>11,632</u>	<u>(368)</u>
Expenditures:				
Security of Persons and Property - Other:				
Personal Services	10,300	10,500	10,399	101
Contractual Services	<u>32,000</u>	<u>31,800</u>	<u>0</u>	<u>31,800</u>
Total Expenditures	<u>42,300</u>	<u>42,300</u>	<u>10,399</u>	<u>31,901</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,300)	(30,300)	1,233	31,533
Fund Balance at Beginning of Year	<u>240,919</u>	<u>240,919</u>	<u>240,919</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 210,619</u>	<u>\$ 210,619</u>	<u>\$ 242,152</u>	<u>\$ 31,533</u>

CITY OF MARYSVILLE, OHIO

***Schedule 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, 2016***

	ELJER PARK FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	31,523	31,523	31,523	0
Fund Balance at End of Year	<u>\$ 31,523</u>	<u>\$ 31,523</u>	<u>\$ 31,523</u>	<u>\$ 0</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Licenses and Permits	\$ 0	\$ 0	\$ 2,972	\$ 2,972
Total Revenues	<u>0</u>	<u>0</u>	<u>2,972</u>	<u>2,972</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	2,972	2,972
Fund Balance at Beginning of Year	19,292	19,292	19,292	0
Fund Balance at End of Year	<u>\$ 19,292</u>	<u>\$ 19,292</u>	<u>\$ 22,264</u>	<u>\$ 2,972</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 45	\$ 45	\$ 209	\$ 164
Total Revenues	<u>45</u>	<u>45</u>	<u>209</u>	<u>164</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	<u>300</u>	<u>300</u>	<u>0</u>	<u>300</u>
Total Expenditures	<u>300</u>	<u>300</u>	<u>0</u>	<u>300</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(255)	(255)	209	464
Fund Balance at Beginning of Year	<u>10,503</u>	<u>10,503</u>	<u>10,503</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 10,248</u>	<u>\$ 10,248</u>	<u>\$ 10,712</u>	<u>\$ 464</u>

CITY OF MARYSVILLE, OHIO

***Schedule 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, 2016***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 14,000	\$ 14,000	\$ 16,900	\$ 2,900
Total Revenues	<u>14,000</u>	<u>14,000</u>	<u>16,900</u>	<u>2,900</u>
Expenditures:				
Security of Persons and Property - Other:				
Contractual Services	<u>25,000</u>	<u>25,000</u>	<u>2,450</u>	<u>22,550</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>2,450</u>	<u>22,550</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,000)	(11,000)	14,450	25,450
Fund Balance at Beginning of Year	<u>120,258</u>	<u>120,258</u>	<u>120,258</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 109,258</u>	<u>\$ 109,258</u>	<u>\$ 134,708</u>	<u>\$ 25,450</u>

CITY OF MARYSVILLE, OHIO

***Schedule 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, 2016***

MUNICIPAL COURT STATE INTERLOCK FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 16,000	\$ 16,000	\$ 19,494	\$ 3,494
Total Revenues	<u>16,000</u>	<u>16,000</u>	<u>19,494</u>	<u>3,494</u>
Expenditures:				
Security of Persons and Property - Other:				
Contractual Services	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>25,000</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>25,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,000)	(9,000)	19,494	28,494
Fund Balance at Beginning of Year	<u>163,541</u>	<u>163,541</u>	<u>163,541</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 154,541</u>	<u>\$ 154,541</u>	<u>\$ 183,035</u>	<u>\$ 28,494</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

2009 CHIP GRANT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 400,000	\$ 400,000	\$ 0	\$ (400,000)
Total Revenues	<u>400,000</u>	<u>400,000</u>	<u>0</u>	<u>(400,000)</u>
Expenditures:				
Community Environment:				
Contractual Services	400,000	403,962	0	403,962
Total Expenditures	<u>400,000</u>	<u>403,962</u>	<u>0</u>	<u>403,962</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(3,962)	0	3,962
Fund Balance at Beginning of Year	20,372	20,372	20,372	0
Prior Year Encumbrances	3,962	3,962	3,962	0
Fund Balance at End of Year	<u>\$ 24,334</u>	<u>\$ 20,372</u>	<u>\$ 24,334</u>	<u>\$ 3,962</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 0	\$ 499	\$ 499
Total Revenues	<u>0</u>	<u>0</u>	<u>499</u>	<u>499</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	499	499
Fund Balance at Beginning of Year	<u>1,975</u>	<u>1,975</u>	<u>1,975</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,975</u>	<u>\$ 1,975</u>	<u>\$ 2,474</u>	<u>\$ 499</u>

CITY OF MARYSVILLE, OHIO

***Schedule 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, 2016***

DEBT SERVICE FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 126,500	\$ 126,500	\$ 116,500	\$ (10,000)
Special Assessments	2,500	2,500	1,402	(1,098)
Total Revenues	<u>129,000</u>	<u>129,000</u>	<u>117,902</u>	<u>(11,098)</u>
Expenditures:				
Debt Service:				
Principal Retirement	4,470,000	4,470,000	4,470,000	0
Interest and Fiscal Charges	729,934	729,937	727,380	2,557
Total Expenditures	<u>5,199,934</u>	<u>5,199,937</u>	<u>5,197,380</u>	<u>2,557</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,070,934)	(5,070,937)	(5,079,478)	(8,541)
Other Financing Sources (Uses):				
General Obligation Notes Issued	2,400,000	2,400,000	2,400,138	138
Transfers In	2,664,500	2,664,500	2,664,500	0
Advances In	0	0	3,512	3,512
Total Other Financing Sources (Uses)	<u>5,064,500</u>	<u>5,064,500</u>	<u>5,068,150</u>	<u>3,650</u>
Net Change In Fund Balance	(6,434)	(6,437)	(11,328)	(4,891)
Fund Balance at Beginning of Year	11,328	11,328	11,328	0
Fund Balance at End of Year	<u>\$ 4,894</u>	<u>\$ 4,891</u>	<u>\$ 0</u>	<u>\$ (4,891)</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

COLEMAN'S CROSSING TIF FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Payments in Lieu of Taxes	\$ 1,680,000	\$ 1,680,000	\$ 1,736,882	\$ 56,882
Total Revenues	<u>1,680,000</u>	<u>1,680,000</u>	<u>1,736,882</u>	<u>56,882</u>
Expenditures:				
Community Environment:				
Contractual Services	869,650	869,650	819,159	50,491
Debt Service:				
Principal Retirement	400,000	400,000	400,000	0
Interest and Fiscal Charges	342,138	342,138	342,138	0
Total Expenditures	<u>1,611,788</u>	<u>1,611,788</u>	<u>1,561,297</u>	<u>50,491</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	68,212	68,212	175,585	107,373
Fund Balance at Beginning of Year	340,490	340,490	340,490	0
Prior Year Encumbrances	25,787	25,787	25,787	0
Fund Balance at End of Year	<u>\$ 434,489</u>	<u>\$ 434,489</u>	<u>\$ 541,862</u>	<u>\$ 107,373</u>

CITY OF MARYSVILLE, OHIO

***Schedule 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, 2016***

PARKLAND DEVELOPMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses and Permits	\$ 117,000	\$ 117,000	\$ 108,797	\$ (8,203)
Total Revenues	<u>117,000</u>	<u>117,000</u>	<u>108,797</u>	<u>(8,203)</u>
Expenditures:				
Capital Outlay:				
Parks and Recreation	240,000	369,678	354,977	14,701
Total Expenditures	<u>240,000</u>	<u>369,678</u>	<u>354,977</u>	<u>14,701</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(123,000)	(252,678)	(246,180)	6,498
Other Financing Sources (Uses):				
Transfers In	118,000	173,500	173,500	0
Total Other Financing Sources (Uses)	<u>118,000</u>	<u>173,500</u>	<u>173,500</u>	<u>0</u>
Net Change In Fund Balance	(5,000)	(79,178)	(72,680)	6,498
Fund Balance at Beginning of Year	19,844	19,844	19,844	0
Prior Year Encumbrances	74,178	74,178	74,178	0
Fund Balance at End of Year	<u>\$ 89,022</u>	<u>\$ 14,844</u>	<u>\$ 21,342</u>	<u>\$ 6,498</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

	ODNR GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 384,525	\$ 384,525
Total Revenues	<u>0</u>	<u>0</u>	<u>384,525</u>	<u>384,525</u>
Expenditures:				
Capital Outlay:				
Street Maintenance	<u>427,250</u>	<u>427,250</u>	<u>427,250</u>	<u>0</u>
Total Expenditures	<u>427,250</u>	<u>427,250</u>	<u>427,250</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(427,250)	(427,250)	(42,725)	384,525
Other Financing Sources (Uses):				
Advances In	0	0	419,997	419,997
Advances Out	<u>0</u>	<u>0</u>	<u>(384,525)</u>	<u>(384,525)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>35,472</u>	<u>35,472</u>
Net Change In Fund Balance	(427,250)	(427,250)	(7,253)	419,997
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ (427,250)</u>	<u>\$ (427,250)</u>	<u>\$ (7,253)</u>	<u>\$ 419,997</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

	OPWC GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 450,000	\$ 679,288	\$ 492,897	\$ (186,391)
Total Revenues	<u>450,000</u>	<u>679,288</u>	<u>492,897</u>	<u>(186,391)</u>
Expenditures:				
Capital Outlay:				
Street Maintenance	900,000	1,129,288	1,129,288	0
Total Expenditures	<u>900,000</u>	<u>1,129,288</u>	<u>1,129,288</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(450,000)	(450,000)	(636,391)	(186,391)
Other Financing Sources (Uses):				
Transfers In	450,000	450,000	457,436	7,436
Total Other Financing Sources (Uses)	<u>450,000</u>	<u>450,000</u>	<u>457,436</u>	<u>7,436</u>
Net Change In Fund Balance	0	0	(178,955)	(178,955)
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (178,955)</u>	<u>\$ (178,955)</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

CDBG FORMULA GRANT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 75,000	\$ 75,000	\$ 0	\$ (75,000)
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>0</u>	<u>(75,000)</u>
Expenditures:				
Community Environment:				
Contractual Services	75,000	85,071	71,000	14,071
Total Expenditures	<u>75,000</u>	<u>85,071</u>	<u>71,000</u>	<u>14,071</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(10,071)	(71,000)	(60,929)
Other Financing Sources (Uses):				
Advances In	0	0	56,589	56,589
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>56,589</u>	<u>56,589</u>
Net Change In Fund Balance	0	(10,071)	(14,411)	(4,340)
Fund Balance at Beginning of Year	4,340	4,340	4,340	0
Prior Year Encumbrances	10,071	10,071	10,071	0
Fund Balance at End of Year	<u>\$ 14,411</u>	<u>\$ 4,340</u>	<u>\$ 0</u>	<u>\$ (4,340)</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Capital Outlay:				
Street Maintenance	0	43,891	0	43,891
Total Expenditures	0	43,891	0	43,891
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(43,891)	0	43,891
Fund Balance at Beginning of Year	15	15	15	0
Prior Year Encumbrances	43,891	43,891	43,891	0
Fund Balance at End of Year	<u>\$ 43,906</u>	<u>\$ 15</u>	<u>\$ 43,906</u>	<u>\$ 43,891</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 168,500	\$ 168,500	\$ 0	\$ (168,500)
Total Revenues	<u>168,500</u>	<u>168,500</u>	<u>0</u>	<u>(168,500)</u>
Expenditures:				
Capital Outlay:				
Street Maintenance	<u>168,500</u>	<u>168,500</u>	<u>0</u>	<u>168,500</u>
Total Expenditures	<u>168,500</u>	<u>168,500</u>	<u>0</u>	<u>168,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>4,784</u>	<u>4,784</u>	<u>4,784</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,784</u>	<u>\$ 4,784</u>	<u>\$ 4,784</u>	<u>\$ 0</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

TOWN RUN RESTORATION FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 27,047	\$ 27,047	\$ 0	\$ (27,047)
Total Revenues	<u>27,047</u>	<u>27,047</u>	<u>0</u>	<u>(27,047)</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	27,047	27,047	0	(27,047)
Other Financing Sources (Uses):				
Advances In	<u>0</u>	<u>0</u>	27,047	27,047
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>27,047</u>	<u>27,047</u>
Net Change In Fund Balance	27,047	27,047	27,047	0
Fund Balance at Beginning of Year	<u>(27,047)</u>	<u>(27,047)</u>	<u>(27,047)</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF MARYSVILLE, OHIO

**Schedule 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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 250,000	\$ 250,000	\$ 240,000	\$ (10,000)
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>240,000</u>	<u>(10,000)</u>
Expenditures:				
Capital Outlay:				
Street Maintenance	250,000	250,000	245,000	5,000
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>245,000</u>	<u>5,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(5,000)	(5,000)
Fund Balance at Beginning of Year	2,540	2,540	2,540	0
Fund Balance at End of Year	<u>\$ 2,540</u>	<u>\$ 2,540</u>	<u>\$ (2,460)</u>	<u>\$ (5,000)</u>

Fiduciary Funds

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Agency Funds

Municipal Court Fund

To account for funds that flow through the municipal court office.

Law Library Fund

To account for the share of fines collected by the Municipal Court to provide a County Law Library and resources for use by members of the County Bar Association.

Unclaimed Monies Fund

To account for monies that are due to others who cannot be immediately located.

Union County Port Authority Fund

To account for monies that are due to the Port Authority.

CITY OF MARYSVILLE, OHIO

***Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2016***

	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
<u>Municipal Court</u>				
Assets:				
Cash and Cash Equivalents	\$173,782	\$2,438,497	(\$2,453,411)	\$158,868
Total Assets	<u>\$173,782</u>	<u>\$2,438,497</u>	<u>(\$2,453,411)</u>	<u>\$158,868</u>
Liabilities:				
Due to Others	\$173,782	\$2,438,497	(\$2,453,411)	\$158,868
Total Liabilities	<u>\$173,782</u>	<u>\$2,438,497</u>	<u>(\$2,453,411)</u>	<u>\$158,868</u>
<u>Law Library</u>				
Assets:				
Cash and Cash Equivalents	\$12,578	\$66,961	(\$66,961)	\$12,578
Total Assets	<u>\$12,578</u>	<u>\$66,961</u>	<u>(\$66,961)</u>	<u>\$12,578</u>
Liabilities:				
Due to Others	\$12,578	\$66,961	(\$66,961)	\$12,578
Total Liabilities	<u>\$12,578</u>	<u>\$66,961</u>	<u>(\$66,961)</u>	<u>\$12,578</u>
<u>Unclaimed Monies</u>				
Assets:				
Cash and Cash Equivalents	\$46,814	\$6,729	(\$5,987)	\$47,556
Total Assets	<u>\$46,814</u>	<u>\$6,729</u>	<u>(\$5,987)</u>	<u>\$47,556</u>
Liabilities:				
Due to Others	\$46,814	\$6,729	(\$5,987)	\$47,556
Total Liabilities	<u>\$46,814</u>	<u>\$6,729</u>	<u>(\$5,987)</u>	<u>\$47,556</u>
<u>Union County Port Authority</u>				
Assets:				
Cash and Cash Equivalents	\$11,922	\$0	\$0	\$11,922
Intergovernmental Receivable	7,325	0	(7,325)	0
Total Assets	<u>\$19,247</u>	<u>\$0</u>	<u>(\$7,325)</u>	<u>\$11,922</u>
Liabilities:				
Due to Others	\$19,247	\$0	(\$7,325)	\$11,922
Total Liabilities	<u>\$19,247</u>	<u>\$0</u>	<u>(\$7,325)</u>	<u>\$11,922</u>
<u>Totals - Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$245,096	\$2,512,187	(\$2,526,359)	\$230,924
Intergovernmental Receivable	7,325	0	(7,325)	0
Total Assets	<u>\$252,421</u>	<u>\$2,512,187</u>	<u>(\$2,533,684)</u>	<u>\$230,924</u>
Liabilities:				
Due to Others	\$252,421	\$2,512,187	(\$2,533,684)	\$230,924
Total Liabilities	<u>\$252,421</u>	<u>\$2,512,187</u>	<u>(\$2,533,684)</u>	<u>\$230,924</u>

STATISTICAL SECTION



STATISTICAL TABLES

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

Contents

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
Revenue Capacity	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue source, the income tax.	
Debt Capacity	S 18 – S 27
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.	
Economic and Demographic Information	S 28 – S 33
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 34 – S 37
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

Sources Note:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF MARYSVILLE, OHIO

*Net Position by Component
Last Ten Years
(accrual basis of accounting)*

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental Activities:				
Net Investment in Capital Assets	\$19,705,560	\$21,116,933	\$22,141,194	\$21,674,744
Restricted	4,358,757	4,008,736	3,328,917	4,110,446
Unrestricted (Deficit)	6,541,734	5,130,470	4,529,769	8,555,721
Total Governmental Activities Net Position	<u>\$30,606,051</u>	<u>\$30,256,139</u>	<u>\$29,999,880</u>	<u>\$34,340,911</u>
Business-type Activities:				
Net Investment in Capital Assets	\$23,197,827	\$30,514,074	\$22,937,908	\$21,138,692
Restricted	106,406,724	32,676,639	6,781,143	4,537,001
Unrestricted	(90,006,281)	(13,779,372)	26,650,472	30,609,300
Total Business-type Activities Net Position	<u>\$39,598,270</u>	<u>\$49,411,341</u>	<u>\$56,369,523</u>	<u>\$56,284,993</u>
Primary Government:				
Net Investment in Capital Assets	\$42,903,387	\$51,631,007	\$45,079,102	\$42,813,436
Restricted	110,765,481	36,685,375	10,110,060	8,647,447
Unrestricted	(83,464,547)	(8,648,902)	31,180,241	39,165,021
Total Primary Government Net Position	<u>\$70,204,321</u>	<u>\$79,667,480</u>	<u>\$86,369,403</u>	<u>\$90,625,904</u>

Source: Finance Director's Office

CITY OF MARYSVILLE, OHIO

2011	2012	2013	2014	2015	2016
\$22,891,629	\$40,546,400	\$30,698,813	\$33,084,267	\$35,308,591	\$38,722,222
4,161,559	3,180,891	3,409,352	4,190,442	4,544,708	4,328,948
10,362,675	(2,212,537)	9,792,995	10,932,563	(2,335,330)	(5,058,505)
<u>\$37,415,863</u>	<u>\$41,514,754</u>	<u>\$43,901,160</u>	<u>\$48,207,272</u>	<u>\$37,517,969</u>	<u>\$37,992,665</u>
\$20,372,662	\$28,647,456	\$26,595,566	\$36,566,689	\$35,897,563	\$33,175,505
5,070,401	4,830,844	7,300,290	7,379,220	7,907,006	4,983,330
28,690,074	18,497,461	21,203,974	26,658,581	25,718,878	38,372,241
<u>\$54,133,137</u>	<u>\$51,975,761</u>	<u>\$55,099,830</u>	<u>\$70,604,490</u>	<u>\$69,523,447</u>	<u>\$76,531,076</u>
\$43,264,291	\$69,193,856	\$57,294,379	\$69,650,956	\$71,206,154	\$71,897,727
9,231,960	8,011,735	10,709,642	11,569,662	12,451,714	9,312,278
39,052,749	16,284,924	30,996,969	37,591,144	23,383,548	33,313,736
<u>\$91,549,000</u>	<u>\$93,490,515</u>	<u>\$99,000,990</u>	<u>\$118,811,762</u>	<u>\$107,041,416</u>	<u>\$114,523,741</u>

CITY OF MARYSVILLE, OHIO

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

	2007	2008	2009	2010
Expenses				
Governmental Activities:				
Security of Persons and Property	\$6,996,140	\$7,823,056	\$8,231,839	\$8,065,669
Public Health Services	524,249	516,104	533,704	356,768
Leisure Time Activities	372,573	340,268	357,477	318,027
Community Environment	1,000,616	995,303	1,592,190	1,785,546
Transportation	2,962,282	3,146,685	2,937,757	2,826,219
General Government	2,520,151	2,802,315	2,890,567	3,083,726
Interest and Fiscal Charges	1,458,978	843,246	882,409	572,550
<i>Total Governmental Activities Expenses</i>	<u>15,834,989</u>	<u>16,466,977</u>	<u>17,425,943</u>	<u>17,008,505</u>
Business-type Activities:				
Sewer	10,152,835	6,766,573	5,109,903	11,703,017
Water	4,499,050	4,169,129	4,636,236	5,499,245
Stormwater	373,767	551,882	464,076	362,964
Sanitation	1,160,948	1,139,329	1,244,236	1,271,205
<i>Total Business-type Activities Expenses</i>	<u>16,186,600</u>	<u>12,626,913</u>	<u>11,454,451</u>	<u>18,836,431</u>
<i>Total Primary Government Expenses</i>	<u>\$32,021,589</u>	<u>\$29,093,890</u>	<u>\$28,880,394</u>	<u>\$35,844,936</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$1,550,623	\$1,471,439	\$1,526,755	\$1,539,922
Public Health Services	50,426	51,108	62,362	46,000
Leisure Time Activities	167,362	181,849	119,681	721,751
Transportation	0	0	79,235	142,033
General Government	229,954	0	1,991	279,985
Operating Grants and Contributions	1,082,881	1,355,899	1,010,400	1,871,206
Capital Grants and Contributions	447,806	465,554	1,427,027	1,766,014
<i>Total Governmental Activities Program Revenues</i>	<u>3,529,052</u>	<u>3,525,849</u>	<u>4,227,451</u>	<u>6,366,911</u>

CITY OF MARYSVILLE, OHIO

2011	2012	2013	2014	2015	2016
\$8,357,902	\$10,066,129	\$8,915,295	\$10,901,293	\$11,103,602	\$13,511,380
352,838	345,051	325,370	328,238	298,204	331,180
306,972	322,349	226,792	245,142	247,763	407,116
2,341,633	1,439,869	2,096,032	2,168,919	1,698,722	1,936,951
3,516,857	2,477,865	3,698,119	4,392,905	4,145,044	5,216,711
3,444,437	3,339,059	4,052,416	2,510,588	3,958,514	4,895,555
803,104	1,286,722	1,145,930	1,027,765	1,050,086	1,040,563
<u>19,123,743</u>	<u>19,277,044</u>	<u>20,459,954</u>	<u>21,574,850</u>	<u>22,501,935</u>	<u>27,339,456</u>
14,315,809	13,872,985	12,049,523	14,540,972	16,798,276	15,005,676
5,457,933	6,146,165	5,475,924	5,554,327	5,826,144	6,071,788
434,154	524,399	614,393	546,592	560,112	752,302
1,333,054	1,436,775	1,481,877	1,420,437	1,402,778	1,470,201
<u>21,540,950</u>	<u>21,980,324</u>	<u>19,621,717</u>	<u>22,062,328</u>	<u>24,587,310</u>	<u>23,299,967</u>
<u>\$40,664,693</u>	<u>\$41,257,368</u>	<u>\$40,081,671</u>	<u>\$43,637,178</u>	<u>\$47,089,245</u>	<u>\$50,639,423</u>
\$1,693,413	\$1,793,546	\$1,544,874	\$2,005,468	\$2,412,513	\$2,140,911
45,625	52,503	50,830	44,005	80,804	59,773
799,970	890,687	640,659	1,065,397	936,102	1,066,751
145,493	44,951	202,097	15,560	48,765	12,407
97,056	95,067	150,535	279,906	476,090	402,699
1,658,421	984,900	1,360,249	910,770	913,154	926,520
493,053	1,105,468	614,619	2,301,339	307,759	934,011
<u>4,933,031</u>	<u>4,967,122</u>	<u>4,563,863</u>	<u>6,622,445</u>	<u>5,175,187</u>	<u>5,543,072</u>

(Continued)

CITY OF MARYSVILLE, OHIO

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2007	2008	2009	2010
Business-type Activities:				
Charges for Services				
Sewer	8,064,427	7,630,582	7,458,511	7,762,151
Water	6,915,380	6,312,969	6,816,999	7,103,702
Stormwater	538,506	493,176	503,772	560,719
Sanitation	1,139,063	1,122,553	1,391,143	1,365,302
Operating Grants and Contributions	0	8,787	6,881	0
Capital Grants and Contributions	707,441	3,612,353	1,386,178	905,366
<i>Total Business-type Activities Program Revenues</i>	17,364,817	19,180,420	17,563,484	17,697,240
<i>Total Primary Government Program Revenues</i>	20,893,869	22,706,269	21,790,935	24,064,151
Net (Expense)/Revenue				
Governmental Activities	(12,305,937)	(12,941,128)	(13,198,492)	(10,641,594)
Business-type Activities	1,178,217	6,553,507	6,109,033	(1,139,191)
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$11,127,720)	(\$6,387,621)	(\$7,089,459)	(\$11,780,785)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes	\$2,238,058	\$1,889,982	\$1,874,723	\$1,828,092
Municipal Income Taxes	8,053,835	8,286,787	8,347,026	10,878,400
Other Local Taxes	104,878	159,316	120,864	109,895
Payments in Lieu of Taxes	0	823,062	1,022,086	1,026,468
Grants and Entitlements not Restricted to Specific Programs	588,945	701,953	724,478	846,810
Gain on Sale of Capital Assets	0	0	0	0
Investment Earnings	915,825	376,615	142,515	135,196
Miscellaneous	279,689	356,990	577,549	157,764
Premium on Issued Debt	0	0	0	0
Transfers	0	0	132,992	0
<i>Total Governmental Activities</i>	12,181,230	12,594,705	12,942,233	14,982,625
Business-type Activities:				
Payments in Lieu of Taxes	0	1,021,540	982,141	1,051,955
Gain (Loss) on Sale of Capital Assets	0	0	0	0
Investment Earnings	3,640,525	0	0	2,706
Miscellaneous	156,846	0	0	0
Transfers	0	0	(132,992)	0
<i>Total Business-type Activities</i>	3,797,371	1,021,540	849,149	1,054,661
<i>Total Primary Government</i>	\$15,978,601	\$13,616,245	\$13,791,382	\$16,037,286
Change in Net Position				
Governmental Activities	(\$124,707)	(\$346,423)	(\$256,259)	\$4,341,031
Business-type Activities	4,975,588	7,575,047	6,958,182	(84,530)
<i>Total Primary Government Change in Net Position</i>	\$4,850,881	\$7,228,624	\$6,701,923	\$4,256,501

Source: Finance Director's Office

CITY OF MARYSVILLE, OHIO

2011	2012	2013	2014	2015	2016
8,648,140	9,555,924	11,284,134	12,100,783	11,627,312	14,199,970
7,161,890	7,154,859	7,959,229	8,487,914	8,101,146	10,291,048
544,835	589,363	622,277	622,692	903,869	747,639
1,360,247	1,384,509	1,398,336	1,398,107	1,363,086	1,684,933
0	0	0	0	0	0
414,314	0	104,761	12,462,705	642,000	0
<u>18,129,426</u>	<u>18,684,655</u>	<u>21,368,737</u>	<u>35,072,201</u>	<u>22,637,413</u>	<u>26,923,590</u>
<u>23,062,457</u>	<u>23,651,777</u>	<u>25,932,600</u>	<u>41,694,646</u>	<u>27,812,600</u>	<u>32,466,662</u>
(14,190,712)	(14,309,922)	(15,896,091)	(14,952,405)	(17,326,748)	(21,796,384)
<u>(3,411,524)</u>	<u>(3,295,669)</u>	<u>1,747,020</u>	<u>13,009,873</u>	<u>(1,949,897)</u>	<u>3,623,623</u>
<u>(\$17,602,236)</u>	<u>(\$17,605,591)</u>	<u>(\$14,149,071)</u>	<u>(\$1,942,532)</u>	<u>(\$19,276,645)</u>	<u>(\$18,172,761)</u>
\$1,661,203	\$1,582,703	\$1,530,536	\$1,495,604	\$1,529,783	\$1,551,468
12,619,829	14,043,831	14,262,601	14,744,447	16,123,925	17,664,505
349,027	357,269	401,347	405,282	384,363	456,741
1,336,532	1,486,927	1,362,698	1,514,353	1,687,738	1,736,882
927,470	691,055	514,798	898,664	424,023	244,263
0	1,670	14,354	7,119	0	0
55,002	82,533	12,981	90,539	0	29,111
35,623	162,825	102,075	102,509	132,256	588,110
101,978	0	81,107	0	316,489	0
179,000	0	0	0	0	0
<u>17,265,664</u>	<u>18,408,813</u>	<u>18,282,497</u>	<u>19,258,517</u>	<u>20,598,577</u>	<u>22,271,080</u>
1,363,801	1,008,786	1,409,981	2,322,532	2,356,351	3,272,352
0	17,778	4,512	0	0	0
74,867	111,729	(37,444)	172,255	139,876	111,654
0	0	0	0	0	0
<u>(179,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>1,259,668</u>	<u>1,138,293</u>	<u>1,377,049</u>	<u>2,494,787</u>	<u>2,496,227</u>	<u>3,384,006</u>
<u>\$18,525,332</u>	<u>\$19,547,106</u>	<u>\$19,659,546</u>	<u>\$21,753,304</u>	<u>\$23,094,804</u>	<u>\$25,655,086</u>
\$3,074,952	\$4,098,891	\$2,386,406	\$4,306,112	\$3,271,829	\$474,696
<u>(2,151,856)</u>	<u>(2,157,376)</u>	<u>3,124,069</u>	<u>15,504,660</u>	<u>546,330</u>	<u>7,007,629</u>
<u>\$923,096</u>	<u>\$1,941,515</u>	<u>\$5,510,475</u>	<u>\$19,810,772</u>	<u>\$3,818,159</u>	<u>\$7,482,325</u>

CITY OF MARYSVILLE, OHIO

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2007	2008	2009	2010
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	663,155	381,782	172,544	436,883
Unreserved	5,485,156	4,631,940	4,364,501	6,289,373
<i>Total General Fund</i>	<u>6,148,311</u>	<u>5,013,722</u>	<u>4,537,045</u>	<u>6,726,256</u>
All Other Governmental Funds				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Committed	0	0	0	0
Unassigned	0	0	0	0
Reserved	308,493	581,963	830,005	1,161,754
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	2,391,799	2,450,489	1,699,856	3,024,014
Debt Service Funds	117,937	(661,153)	(44,723)	(12,516,434)
Capital Projects Funds	1,258,040	228,158	123,586	(344,148)
<i>Total All Other Governmental Funds</i>	<u>4,076,269</u>	<u>2,599,457</u>	<u>2,608,724</u>	<u>(8,674,814)</u>
<i>Total Governmental Funds</i>	<u>\$10,224,580</u>	<u>\$7,613,179</u>	<u>\$7,145,769</u>	<u>(\$1,948,558)</u>

Source: Finance Director's Office

Note: The City implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

CITY OF MARYSVILLE, OHIO

2011	2012	2013	2014	2015	2016
\$96,470	\$106,725	\$93,006	\$94,983	\$111,390	\$114,049
8,334	38,335	43,795	43,795	1,138,206	1,111,082
217,818	377,780	1,379,742	996,642	1,778,155	382,065
9,342,856	6,711,664	7,021,072	8,982,080	7,979,676	8,258,906
0	0	0	0	0	0
0	0	0	0	0	0
<u>9,665,478</u>	<u>7,234,504</u>	<u>8,537,615</u>	<u>10,117,500</u>	<u>11,007,427</u>	<u>9,866,102</u>
\$11,821	\$19,173	\$7,697	\$19,836	\$13,110	\$22,824
16,268,244	7,233,448	2,570,975	3,081,804	3,430,941	3,209,563
203,652	288,693	257,563	352,903	272,139	299,329
(11,779,280)	(11,266,288)	(15,876,619)	(4,387,508)	(2,958,447)	(4,561,332)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>4,704,437</u>	<u>(3,724,974)</u>	<u>(13,040,384)</u>	<u>(932,965)</u>	<u>757,743</u>	<u>(1,029,616)</u>
<u>\$14,369,915</u>	<u>\$3,509,530</u>	<u>(\$4,502,769)</u>	<u>\$9,184,535</u>	<u>\$11,765,170</u>	<u>\$8,836,486</u>

CITY OF MARYSVILLE, OHIO

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

	2007	2008	2009	2010
Revenues:				
Taxes	\$10,156,609	\$10,412,641	\$10,424,239	\$12,664,636
Payments in Lieu of Taxes	0	823,031	956,394	1,067,337
Intergovernmental Revenues	2,124,856	2,472,263	3,163,702	3,772,289
Charges for Services	1,150,496	917,822	1,115,969	1,580,001
Fees, Licenses and Permits	313,953	362,911	362,866	327,127
Investment Earnings	915,825	376,615	142,515	135,196
Contributions and Donations	68,844	0	750	706
Special Assessments	25,074	20,618	0	21,510
Fines and Forfeitures	761,734	602,828	632,938	720,749
All Other Revenue	44,544	73,629	176,464	143,017
Total Revenue	15,561,935	16,062,358	16,975,837	20,432,568
Expenditures:				
Current:				
Security of Persons and Property	6,725,226	7,491,598	7,783,003	7,859,772
Public Health Services	503,740	488,881	511,803	357,142
Leisure Time Activities	297,919	263,906	276,068	228,893
Community Environment	972,789	969,012	1,560,124	2,895,717
Transportation	1,274,664	1,394,077	980,343	1,188,364
General Government	2,232,901	2,508,509	2,555,439	2,728,701
Capital Outlay	4,352,293	2,434,010	2,306,626	45,986
Debt Service:				
Principal Retirement	15,406,274	15,494,363	13,808,875	13,480,000
Interest and Fiscal Charges	1,083,407	980,620	888,531	742,369
Debt Issuance Costs	0	0	0	0
Total Expenditures	32,849,213	32,024,976	30,670,812	29,526,944
Excess (Deficiency) of Revenues Over Expenditures	(17,287,278)	(15,962,618)	(13,694,975)	(9,094,376)

CITY OF MARYSVILLE, OHIO

2011	2012	2013	2014	2015	2016
\$16,118,009	\$15,914,095	\$16,347,764	\$17,044,717	\$18,047,445	\$19,643,623
1,336,532	1,486,927	1,362,698	1,514,353	1,687,738	1,736,882
2,379,237	1,936,554	2,390,506	3,365,498	1,584,890	2,153,582
1,616,110	1,862,124	1,732,913	2,433,662	2,506,925	2,692,479
162,897	139,413	228,054	338,642	296,529	267,585
55,002	82,533	12,981	90,539	132,256	29,111
7,300	222	36,187	0	0	0
20,758	21,731	21,290	20,464	2,612	1,402
725,907	788,317	800,480	749,824	939,624	960,539
62,420	42,615	247,064	86,750	393,368	260,155
<u>22,484,172</u>	<u>22,274,531</u>	<u>23,179,937</u>	<u>25,644,449</u>	<u>25,591,387</u>	<u>27,745,358</u>
8,648,354	9,845,275	9,612,665	10,115,400	11,346,544	11,795,183
346,742	343,835	318,303	322,132	327,318	335,411
228,162	246,112	152,254	181,693	150,239	207,149
2,321,900	1,426,941	2,148,292	1,921,614	1,605,517	1,670,161
2,452,026	1,904,039	1,487,017	2,150,804	1,973,221	2,873,540
3,047,044	2,939,961	3,583,321	3,683,749	3,906,471	4,242,244
2,768,241	14,274,253	11,686,978	3,835,006	945,075	7,144,017
520,000	1,030,000	1,125,000	1,155,000	1,670,000	1,720,000
610,574	1,126,170	1,173,867	1,017,578	1,104,134	1,078,508
306,352	0	0	0	0	0
<u>21,249,395</u>	<u>33,136,586</u>	<u>31,287,697</u>	<u>24,382,976</u>	<u>23,028,519</u>	<u>31,066,213</u>
1,234,777	(10,862,055)	(8,107,760)	1,261,473	2,562,868	(3,320,855)

(Continued)

CITY OF MARYSVILLE, OHIO

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

	2007	2008	2009	2010
Other Financing Sources (Uses):				
Bond Anticipation Notes Issued	15,030,000	13,280,000	12,980,000	0
Premium on Bond Anticipation Notes Issued	64,098	66,669	80,396	0
Sale of Capital Assets	27,844	8,037	34,177	49
Long-Term Loan Issued	0	0	0	0
Inception of Capital Lease	0	0	0	0
General Obligation Bonds Issued	6,515,000	0	0	0
Premium on Debt Issued	303,889	0	0	0
Payment to Escrow Agent	(6,673,981)	0	0	0
Transfers In	2,793,779	3,128,061	2,447,091	1,851,529
Transfers Out	(2,793,779)	(3,128,061)	(2,314,099)	(1,851,529)
Total Other Financing Sources (Uses)	<u>15,266,850</u>	<u>13,354,706</u>	<u>13,227,565</u>	<u>49</u>
Net Change in Fund Balance	<u>(\$2,020,428)</u>	<u>(\$2,607,912)</u>	<u>(\$467,410)</u>	<u>(\$9,094,327)</u>
Debt Service as a Percentage of Noncapital Expenditures	51.58%	53.09%	52.30%	50.86%

Source: Finance Director's Office

CITY OF MARYSVILLE, OHIO

2011	2012	2013	2014	2015	2016
0	0	0	0	0	0
0	0	0	0	0	0
1,833	1,670	14,354	7,119	17,767	13,462
0	0	0	1,200,000	0	0
189,941	0	0	312,632	0	378,709
14,585,000	0	0	10,730,000	0	0
127,922	0	81,107	176,080	0	0
0	0	0	0	0	0
3,469,538	7,817,696	4,088,445	4,554,432	4,991,350	8,076,436
(3,290,538)	(7,817,696)	(4,088,445)	(4,554,432)	(4,991,350)	(8,076,436)
15,083,696	1,670	95,461	12,425,831	17,767	392,171
<u>\$16,318,473</u>	<u>(\$10,860,385)</u>	<u>(\$8,012,299)</u>	<u>\$13,687,304</u>	<u>\$2,580,635</u>	<u>(\$2,928,684)</u>
6.68%	12.18%	12.59%	11.76%	13.99%	12.00%

CITY OF MARYSVILLE, OHIO

*Income Tax Revenues by Source, Governmental Funds
Last Ten Years
(cash basis of accounting)*

Tax year	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Income Tax Rate*	1.00%	1.00%	1.00%	1.50%
Estimated Personal Income (in thousands) (1)(a)	\$607,483	\$628,769	\$633,765	\$751,306
Total Tax Collected	\$7,877,319	\$8,317,558	\$8,385,684	\$9,631,406
Income Tax Receipts				
Withholding	6,183,401	6,267,374	6,489,432	7,689,978
Percentage	78.50%	75.35%	77.39%	79.85%
Business	315,022	408,327	214,131	420,165
Percentage	4.00%	4.91%	2.55%	4.36%
Individuals	1,378,896	1,641,857	1,682,121	1,521,264
Percentage	17.50%	19.74%	20.06%	15.79%

Source: City Income Tax Department

(1) US Department of Commerce, Bureau of Economic Analysis

(a) Total Personal Income is a calculation, 2012 is an estimate

* Voters approved an increase in the income tax rate from 1.0% to 1.5% effective July 1, 2010.

CITY OF MARYSVILLE, OHIO

2011	2012	2013	2014	2015	2016
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
\$711,857	\$795,426	\$861,346	\$909,743	\$970,017	\$1,062,350
\$13,085,760	\$13,049,810	\$14,094,213	\$15,042,306	\$15,951,598	\$17,456,251
10,024,236	10,197,784	10,275,715	11,320,348	11,981,323	12,707,971
76.61%	78.15%	72.91%	75.26%	75.11%	72.80%
848,488	470,477	1,066,540	835,577	964,898	1,205,382
6.48%	3.60%	7.56%	5.54%	6.05%	6.90%
2,213,036	2,381,549	2,751,958	2,886,381	3,005,377	3,542,898
16.91%	18.25%	19.53%	19.19%	18.84%	20.30%



CITY OF MARYSVILLE, OHIO

*Income Tax Collections
Current Year and Nine Years Ago*

Range of Withholding	Income Tax Year 2016	
	Number of Filers	Percent of Total
\$0 - \$24,999	2,048	97.57%
25,000 - 49,999	28	1.33%
50,000 - 74,999	7	0.33%
75,000 - 99,999	3	0.14%
Over 100,000	13	0.63%
Total	2,099	100.00%

Income Level	Income Tax Year 2007	
	Number of Filers	Percent of Total
\$0 - \$24,999	1,691	98.43%
25,000 - 49,999	12	0.70%
50,000 - 74,999	3	0.17%
75,000 - 99,999	2	0.12%
Over 100,000	10	0.58%
Total	1,718	100.00%

Source: City Income Tax Department

Note: Due to confidentiality issues, the names of the 10 largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

CITY OF MARYSVILLE, OHIO

Ratio of Outstanding Debt By Type Last Ten Years

	2007	2008	2009	2010
Governmental Activities ⁽¹⁾				
General Obligation Bonds	\$8,022,609	\$7,550,903	\$7,054,197	\$6,532,491
General Obligation Bonds (TIF supported)	0	0	0	0
Long-Term Loan	0	0	0	0
Capital Leases	33,171	18,808	287,113	237,184
Notes Payable	0	0	0	0
Business-type Activities ⁽¹⁾				
General Obligation Bonds	\$2,334,892	\$1,934,077	\$1,523,262	\$1,102,447
Mortgage Revenue Bonds	151,754,370	150,827,443	149,860,516	148,602,711
Capital Leases	3,964	271	0	0
Notes Payable	28,565,001	28,365,000	28,240,000	28,215,000
Ohio Public Works Commission Loan	57,493	49,566	41,639	625,075
Total Primary Government	<u>\$190,771,500</u>	<u>\$188,746,068</u>	<u>\$187,006,727</u>	<u>\$185,314,908</u>
Population ⁽²⁾				
City of Marysville	18,123	18,249	18,394	22,094
Outstanding Debt Per Capita	\$10,526	\$10,343	\$10,167	\$8,388
Income ⁽³⁾				
Personal (in thousands)	607,483	628,769	633,765	751,306
Percentage of Personal Income	31.40%	30.02%	29.51%	24.67%

Sources:

(1) Finance Director's Office

(2) Mid Ohio Regional Planning Commission and US Bureau of Census, Population Division

(3) US Department of Commerce, Bureau of Economic Analysis

(a) Per Capita Income is only available by County, Total Personal Income is a calculation, 2013 is an estimate

CITY OF MARYSVILLE, OHIO

2011	2012	2013	2014	2015	2016
\$20,601,729	\$19,548,658	\$18,400,587	\$17,222,516	\$16,009,445	\$14,766,374
0	0	0	10,906,080	10,507,276	10,098,472
0	0	0	1,200,000	1,110,000	1,010,000
343,288	262,348	178,239	403,465	252,401	439,779
2,300,000	5,800,000	5,150,000	4,400,000	3,150,000	4,735,000
\$666,632	\$340,816	\$0	\$0	\$10,270,000	\$10,070,000
147,022,034	137,398,675	135,889,915	134,311,155	150,737,015	148,730,821
0	0	0	0	0	0
26,504,650	26,550,000	25,975,000	25,945,000	0	0
602,364	564,869	527,374	489,879	443,523	413,955
<u>\$198,040,697</u>	<u>\$190,465,366</u>	<u>\$186,121,115</u>	<u>\$194,878,095</u>	<u>\$192,479,660</u>	<u>\$190,264,401</u>

19,856	22,187	22,306	22,534	22,765	23,023
\$9,974	\$8,585	\$8,344	\$8,648	\$8,455	\$8,264

711,857	795,426	861,346	909,743	970,017	1,062,350
27.82%	23.95%	21.61%	21.42%	19.84%	17.91%

CITY OF MARYSVILLE, OHIO

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2007	2008	2009	2010
Population (1)	18,123	18,249	18,394	22,094
Assessed Value (2)	\$426,222,476	\$413,185,230	\$382,583,330	\$384,565,260
Income (2)(a)				
Personal (in thousands)	\$607,483	\$628,769	\$633,765	\$751,306
General Bonded Debt				
General Obligation Bonds	\$10,357,501	\$9,484,980	\$8,577,459	\$7,634,938
Resources Available to Pay Principal (3)	\$0	\$0	\$0	\$0
Net General Bonded Debt	\$10,357,501	\$9,484,980	\$8,577,459	\$7,634,938
Ratio of Net Bonded Debt to Personal Income	1.70%	1.51%	1.35%	1.02%
Ratio of Net Bonded Debt to Assessed Value	2.43%	2.30%	2.24%	1.99%
Net Bonded Debt per Capita	\$571.51	\$519.75	\$466.32	\$345.57

Source:

- (1) Mid Ohio Regional Planning Commission and US Bureau of Census, Population Division
- (2) US Department of Commerce, Bureau of Economic Analysis
- (a) Total Personal Income is calculated, 2013 is an estimate
- (3) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

CITY OF MARYSVILLE, OHIO

2011	2012	2013	2014	2015	2016
19,856	22,187	22,306	22,534	22,765	23,023
\$387,412,760	\$383,333,000	\$366,023,040	\$372,156,750	\$374,110,230	\$415,609,670
\$711,857	\$795,426	\$861,346	\$909,743	\$970,017	\$1,062,350
\$21,268,361	\$19,889,474	\$18,400,587	\$29,328,596	\$37,896,721	\$35,944,846
\$93,536	\$25,952	\$13,710	\$185,340	\$11,328	\$0
\$21,174,825	\$19,863,522	\$18,386,877	\$29,143,256	\$37,885,393	\$35,944,846
2.97%	2.50%	2.13%	3.20%	3.91%	3.38%
5.47%	5.18%	5.02%	7.83%	10.13%	8.65%
\$1,066.42	\$895.28	\$824.30	\$1,293.30	\$1,664.19	\$1,561.26



CITY OF MARYSVILLE, OHIO

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2016*

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to the City of Marysville</u>	<u>Amount Applicable to the City of Marysville</u>
Direct:			
City of Marysville	\$20,951,153	100.00%	\$20,951,153
Overlapping:			
Union County	21,925,000	25.02%	5,485,635
Marysville Exempted Village School District	69,430,852	52.16%	36,215,132
Fairbanks Local School District	9,396,618	2.73%	256,528
Tolles Career & Technical Center JVS District	710,000	9.00%	<u>63,900</u>
		Subtotal	<u>42,021,195</u>
		Total	<u><u>\$62,972,348</u></u>

Source: Union County Auditor

Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

CITY OF MARYSVILLE, OHIO

Debt Limitations Last Ten Years

Tax Year	2007	2008	2009	2010
Total Debt				
Net Assessed Valuation	\$426,222,476	\$413,185,230	\$382,583,330	\$384,565,260
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	44,753,360	43,384,449	40,171,250	40,379,352
City Debt Outstanding (2)	8,022,609	7,550,903	7,054,197	6,532,491
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	<u>8,022,609</u>	<u>7,550,903</u>	<u>7,054,197</u>	<u>6,532,491</u>
Overall Legal Debt Margin	<u>\$36,730,751</u>	<u>\$35,833,546</u>	<u>\$33,117,053</u>	<u>\$33,846,861</u>
Unvoted Debt				
Net Assessed Valuation	\$426,222,476	\$413,185,230	\$382,583,330	\$384,565,260
Legal Debt Limitation (%) (1)(a)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	44,753,360	43,384,449	40,171,250	40,379,352
City Debt Outstanding (2)	8,022,609	7,550,903	7,054,197	6,532,491
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	<u>8,022,609</u>	<u>7,550,903</u>	<u>7,054,197</u>	<u>6,532,491</u>
Overall Legal Debt Margin	<u>\$36,730,751</u>	<u>\$35,833,546</u>	<u>\$33,117,053</u>	<u>\$33,846,861</u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(a) Based on City Charter the City has an additional 5 mills of unvoted debt limitation in addition to the statutory 5.5%.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.

Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Coleman's Crossing Tax Increment Financing Notes are not considered in the computation of the Legal Debt Margin.

Source: Finance Director's Office

CITY OF MARYSVILLE, OHIO

2011	2012	2013	2014	2015	2016
\$387,412,760	\$383,333,000	\$366,023,040	\$372,156,750	\$374,110,230	\$415,609,670
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
40,678,340	40,249,965	38,432,419	39,076,459	39,281,574	43,639,015
22,901,729	25,348,658	23,550,587	22,822,516	20,269,445	20,511,374
(93,536)	(25,952)	(13,710)	(185,340)	(11,328)	0
<u>22,808,193</u>	<u>25,322,706</u>	<u>23,536,877</u>	<u>22,637,176</u>	<u>20,258,117</u>	<u>20,511,374</u>
<u>\$17,870,147</u>	<u>\$14,927,259</u>	<u>\$14,895,542</u>	<u>\$16,439,283</u>	<u>\$19,023,457</u>	<u>\$23,127,641</u>
\$387,412,760	\$383,333,000	\$366,023,040	\$372,156,750	\$374,110,230	\$415,609,670
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
40,678,340	40,249,965	38,432,419	39,076,459	39,281,574	43,639,015
22,901,729	25,348,658	23,550,587	22,822,516	20,269,445	20,511,374
(93,536)	(25,952)	(13,710)	(185,340)	(11,328)	0
<u>22,808,193</u>	<u>25,322,706</u>	<u>23,536,877</u>	<u>22,637,176</u>	<u>20,258,117</u>	<u>20,511,374</u>
<u>\$17,870,147</u>	<u>\$14,927,259</u>	<u>\$14,895,542</u>	<u>\$16,439,283</u>	<u>\$19,023,457</u>	<u>\$23,127,641</u>

CITY OF MARYSVILLE, OHIO

Pledged Revenue Coverage Last Ten Years

	2007	2008	2009	2010
Water System Bonds (1 a) (1 b) (1 e) (1 h)				
Gross Revenues (2)	\$7,260,525	\$6,718,925	\$6,842,361	\$7,118,061
Direct Operating Expenses (3)	2,685,502	2,536,687	3,130,754	2,918,705
Net Revenue Available for Debt Service	4,575,023	4,182,238	3,711,607	4,199,356
Annual Debt Service Requirement (4)	1,032,847	2,183,288	2,074,209	2,088,208
Coverage	4.43	1.92	1.79	2.01
Sewer System Bonds (1 c) (1 d) (1 f) (1 g)				
Gross Revenues (2)	\$11,498,315	\$10,836,979	\$8,059,976	\$7,749,088
Direct Operating Expenses (3)	2,891,378	2,721,283	3,702,375	3,313,906
Net Revenue Available for Debt Service	8,606,937	8,115,696	4,357,601	4,435,182
Annual Debt Service Requirement (4)	4,371,625	5,846,323	5,847,122	5,847,523
Coverage	1.97	1.39	0.75	0.76

(1) The Mortgage Revenue Bonds were issued as follows:

- (a) The Water System Mortgage Revenue Bonds were issued in 2002, in the amount of \$3,820,000.
- (b) The Water System Mortgage Revenue Bonds were issued in 2003, in the amount of \$9,262,114.
- (c) The Sewer System Mortgage Revenue Bonds were issued in 2006, in the amount of \$85,885,000.
In 2015, \$31,470,000 of this principal was refunded. In 2016, \$49,665,000 of this principal was refunded.
- (d) The Sewer System Mortgage Revenue Bonds were issued in 2007, in the amount of \$31,555,000.
In 2016, \$29,460,000 of this principal was refunded.
- (e) The Water System Mortgage Revenue Bonds were issued in 2007, in the amount of \$21,335,000.
In 2016, \$20,130,000 of this principal was refunded.
- (f) The 2006 Sewer System Mortgage Revenue Bonds were refunded in 2015, in the amount of \$31,470,000.
In addition, \$14,875,000 of notes were moved to mortgage revenue bonds in 2015.
- (g) The 2006 and 2007 Sewer System Mortgage Revenue Bonds were refunded in 2016, in the amount of \$79,125,000.
- (h) The 2007 Water System Mortgage Revenue Bonds were refunded in 2016, in the amount of \$20,130,000.

(2) Gross revenues include operating revenues plus interest income.

(3) Direct operating expenses include operating expenses less depreciation.

(4) Annual debt service requirements include principal and interest on revenue bonds only.

Source: Finance Director's Office

CITY OF MARYSVILLE, OHIO

2011	2012	2013	2014	2015	2016
\$7,177,333	\$7,202,368	\$8,006,753	\$8,563,373	\$8,215,753	\$10,400,936
2,792,616	3,352,626	3,164,896	3,173,769	3,254,153	2,827,898
4,384,717	3,849,742	4,841,857	5,389,604	4,961,600	7,573,038
2,109,185	2,108,591	1,094,706	1,105,019	1,119,769	1,871,245
2.08	1.83	4.42	4.88	4.43	4.05
\$8,674,801	\$9,620,144	\$11,199,166	\$12,315,276	\$11,677,431	\$14,201,736
4,109,674	4,075,326	4,335,822	4,480,705	5,069,564	4,970,661
4,565,127	5,544,818	6,863,344	7,834,571	6,607,867	9,231,075
6,297,523	6,686,731	6,834,611	6,827,361	4,834,152	10,164,245
0.72	0.83	1.00	1.15	1.37	0.91

CITY OF MARYSVILLE, OHIO

Demographic and Economic Statistics Last Ten Years

Calendar Year	2007	2008	2009	2010	2011
Population ⁽¹⁾					
City of Marysville	18,123	18,249	18,394	22,094	19,856
Union County	47,719	48,339	48,903	52,370	52,370
Income ^{(2) (a)}					
Total Personal (in thousands)	\$607,483	\$628,769	\$633,765	\$751,306	\$711,857
Per Capita	\$33,520	\$34,455	\$34,455	\$34,005	\$35,851
Unemployment Rate ⁽³⁾					
Federal	4.6%	5.8%	9.3%	9.6%	8.9%
State	5.6%	6.6%	10.1%	10.1%	8.6%
Union County	4.3%	5.2%	8.3%	8.4%	5.9%
Civilian Work Force Estimates ⁽³⁾					
State	5,961,000	5,961,000	5,936,000	5,898,000	5,806,000
Union County	25,400	25,900	26,000	25,900	26,900

Sources:

(1) US Bureau of Census, Population Division for 2004-2013

(2) US Department of Commerce, Bureau of Economic Analysis

(a) Per Capita Income is only available by County, Total Personal Income is a calculation, 2013 is an estimate.

(3) State Department of Labor Statistics

CITY OF MARYSVILLE, OHIO

2012	2013	2014	2015	2016
22,187	22,306	22,534	22,765	23,023
52,715	53,306	53,776	54,277	55,457
\$795,426	\$861,346	\$909,743	\$970,017	\$1,062,350
\$35,851	\$38,615	\$40,372	\$42,610	\$46,143
7.8%	6.7%	5.6%	5.0%	4.9%
6.7%	7.1%	5.1%	4.8%	5.0%
5.0%	4.9%	3.7%	3.5%	3.8%
5,729,000	5,758,000	5,726,000	5,694,000	5,703,013
27,100	27,200	27,300	27,400	27,300



CITY OF MARYSVILLE, OHIO

Principal Employers Current Year and Eight Years Ago

Employer	Nature of Business	2016		
		Number of Employees	Rank	Percentage of Total Employment
The Scotts Miracle-Gro Company	Lawn Care Products	1,100	1	8.13%
Memorial Hospital of Union County	Healthcare	881	2	6.51%
Marysville Exempted School District	Education	590	3	4.36%
Ohio Reformatory for Women	Government	504	4	3.73%
Union County	Government	471	5	3.48%
Scoito Services	Retail	300	6	2.22%
Veyance Technologies	Manufacturing	278	7	2.05%
City of Marysville	Government	274	8	2.03%
Parker Hannifin Hydraulics	Manufacturing	250	9	1.84%
Nestle R&D Center Inc.	Research & Development	220	10	1.63%
Total		<u>4,868</u>		<u>35.98%</u>
Total Employment within the City		<u>13,530</u>		

Employer	Nature of Business	2008		
		Number of Employees	Rank	Percentage of Total Employment
The Scotts Miracle-Gro Company	Lawn Care Products	1,250	1	13.39%
Marysville Exempted School District	Education	758	2	8.12%
Memorial Hospital of Union County	Healthcare	732	3	7.84%
Union County	Government	487	4	5.22%
Ohio Reformatory for Women	Government	483	5	5.18%
Veyance Technologies	Manufacturing	340	6	3.64%
Wal-mart	Retail	320	7	3.43%
Scioto Corporation	Custodial/Janitor Supplies	269	8	2.88%
Nestle R&D Center Inc.	Research & Development	241	9	2.58%
Parker Hannifin Hydraulics	Manufacturing	220	10	2.36%
Total		<u>5,100</u>		<u>54.64%</u>
Total Employment within the City		<u>9,332</u>		

Source: City Income Tax Department
Information is not available in this format prior to 2008

CITY OF MARYSVILLE, OHIO

Full Time Equivalent Employees by Function Last Ten Years

	2007	2008	2009	2010	2011
Governmental Activities					
General Government					
Finance	9.00	9.00	9.00	8.00	9.50
City Council	4.50	4.50	4.50	4.50	4.50
Computer Systems	1.00	1.00	1.00	1.00	2.00
City Administration	2.00	2.00	2.00	2.00	2.50
Human Resources	2.00	2.00	2.00	2.00	2.50
City Attorney	1.50	1.50	1.50	1.50	1.50
Mayor	0.50	0.50	0.50	0.50	0.50
Engineer	7.00	7.00	9.00	8.00	6.50
Security of Persons and Property					
Police	37.50	38.00	38.50	36.50	37.50
Fire	32.00	32.00	32.00	28.50	31.50
Municipal Court	12.00	12.00	12.00	12.00	12.00
Transportation					
Street	16.00	16.00	19.50	19.50	19.50
Leisure Time Activities					
Parks and Recreation	0.50	0.50	24.50	24.50	24.50
Community Environment					
Buildings & Grounds	6.50	6.50	10.00	7.50	7.50
Service	3.00	3.00	3.00	3.00	3.00
Business-Type Activities					
Utilities					
Water	15.00	15.00	17.00	17.00	17.00
Sewer	16.50	17.00	17.00	17.00	17.00
<i>Total Employees</i>	<u>166.50</u>	<u>167.50</u>	<u>203.00</u>	<u>193.00</u>	<u>199.00</u>

Method: 1.00 for each full-time, 0.50 for each part-time and seasonal employees are calculated based on hours paid.

Source: Finance Director's Office

CITY OF MARYSVILLE, OHIO

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
9.00	10.00	10.50	10.50	12.50
4.50	4.50	4.50	4.50	4.50
3.00	3.00	3.00	3.00	3.00
2.00	2.00	2.00	2.00	2.00
2.50	2.50	2.50	2.50	2.50
1.50	1.50	1.50	1.50	1.50
0.50	0.50	0.50	0.50	0.00
7.00	9.00	10.00	9.50	10.50
38.00	39.00	39.50	45.00	45.00
30.50	41.00	41.50	41.50	41.50
12.00	12.00	12.00	12.00	12.00
18.50	17.00	18.00	19.50	21.50
25.00	23.50	24.00	23.00	24.50
10.50	10.50	12.00	10.50	10.50
3.50	3.50	2.00	3.00	3.00
17.00	17.00	17.00	17.50	19.00
<u>17.00</u>	<u>17.00</u>	<u>16.50</u>	<u>16.50</u>	<u>16.50</u>
<u>202.00</u>	<u>213.50</u>	<u>217.00</u>	<u>222.50</u>	<u>230.00</u>

CITY OF MARYSVILLE, OHIO

Operating Indicators by Function Last Ten Years

	2007	2008	2009	2010	2011
Governmental Activities					
General Government					
Court					
Number of Traffic Cases	8,374	6,627	6,181	6,109	5,281
Number of Criminal Cases	1,802	1,790	1,989	1,223	1,191
Number of Civil Cases	1,484	1,699	1,424	1,379	1,193
Permits					
Number of Residential Permits	108	80	68	61	45
Number of Commercial Permits	24	11	6	2	10
Security of Persons and Property					
Police					
Number of Incident Reports	5,290	4,905	4,988	3,930	1,990
Number of Traffic Accident Reports	464	453	391	450	453
Number of Parking Tickets	181	276	112	50	69
Alarm Calls	472	538	413	466	673
Traffic warnings/citations	1,605	1,453	1,706	1,160	1,474
OMVI arrests	231	186	232	197	59
Fire					
Number of Emergency Responses	2,009	1,951	1,964	1,986	2,002
Number of Fire Responses	793	834	814	855	884
Number of Fire Inspections	n/a	n/a	n/a	n/a	984
Transportation					
Street					
Number of times streets needed snow removed	n/a	n/a	16	46	27
Tons of salt used	1,571	981	426	1,806	1,907
Number of locations marked for OUPS	108	143	123	238	65
Number of new signs installed	533	489	123	188	201
Number of hours mowing grass	474	524	310	639	761
Community Environment					
Number of Plot Grade Utility reviews	102	72	68	57	47
Number of Project Inspections	144	120	108	87	75
Number of Capital Improvement Projects	6	6	8	3	8
Business-Type Activities					
Water / Sewer					
Number of Water accounts	n/a	6,790	6,880	6,924	7,002
Number of Sewer accounts	n/a	6,765	6,814	6,853	6,950
Water Main Breaks	12	24	29	9	12
Daily Average Consumption (1,000 of gallons)	2,184	2,067	2,009	1,933	2,035
Number of work orders	3,348	366	2,685	2,547	2,224
Number of fire hydrants painted	333	149	142	61	189
Sanitation					
Number of Customers Served	n/a	4,933	5,030	5,052	5,071

Source: Finance Director's Office

n/a - Data is not available

CITY OF MARYSVILLE, OHIO

2012	2013	2014	2015	2016
6,375	7,048	6,693	8,889	9,589
1,146	1,593	747	772	1,069
1,068	906	1,079	1,038	1,297
72	86	170	143	196
3	7	16	9	10
1,885	1,884	1,933	2,260	2,278
473	447	490	590	669
49	24	53	117	43
581	617	627	498	544
1,459	1,781	3,343	3,664	3,165
55	55	77	43	44
2,131	2,183	2,430	2,696	1,674
783	756	764	852	866
991	1,042	1,035	1,038	1,024
28	59	41	51	39
633	2,339	2,027	1,660	929
112	97	68	42	67
326	302	357	244	334
683	572	629	428	521
78	92	138	149	181
100	338	440	463	743
10	8	4	4	4
7,020	7,297	7,612	7,870	8,459
6,984	7,057	7,123	7,510	8,109
12	11	8	14	10
2,101	1,961	2,112	2,228	2,323
3,396	4,203	3,007	3,063	2,867
578	400	321	150	100
5,194	5,264	5,375	5,485	5,774

CITY OF MARYSVILLE, OHIO

Capital Asset Statistics by Function Last Ten Years

	2007	2008	2009	2010	2011
Governmental Activities					
General Government					
Public Buildings	6	6	6	6	6
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Patrol Cruisers	24	27	28	21	18
Fire					
Stations	1	1	1	1	1
Emergency Vehicles	12	11	11	11	11
Transportation					
Street					
Streets (linear miles)	n/a	n/a	n/a	114	117
Street Lights	n/a	n/a	n/a	1,951	1,951
Leisure Time Activities					
Recreation					
Land (acres)	231	231	231	231	231
Buildings	21	21	21	21	21
Parks	15	15	15	15	15
Business-Type Activities					
Utilities					
Water					
Waterlines (Miles)	n/a	n/a	n/a	148	150
Number of Hydrants	1,355	1,405	1,414	1,422	1,481
Sewer					
Sewerlines (Miles)	n/a	n/a	n/a	135	138
Manholes	n/a	n/a	n/a	943	2,434
Storm Water Drainage					
Storm Drains (Miles)	n/a	n/a	n/a	70	70

Source: Finance Director's Office

n/a - Data is not available

CITY OF MARYSVILLE, OHIO

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
6	7	7	7	7
1	1	1	1	1
19	18	18	13	19
1	2	2	2	2
11	12	12	12	11
118	119	121	123	126
1,958	2,034	1,949	2,012	2,110
231	231	231	238	238
21	21	21	21	21
15	15	15	18	18
152	159	162	164	166
1,530	1,593	1,675	1,925	2,039
140	141	143	144	148
2,472	2,494	2,507	2,518	2,618
71	72	75	76	78





Dave Yost • Auditor of State

CITY OF MARYSVILLE

UNION 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 5, 2017