



Dave Yost • Auditor of State

CITY OF GAHANNA
FRANKLIN COUNTY

DECEMBER 31, 2017
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Dave Yost • Auditor of State

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

City of Gahanna
Franklin County
200 South Hamilton Road
Gahanna, Ohio 43230

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gahanna, Franklin County, Ohio (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 27, 2018

CITY OF GAHANNA, OHIO



Comprehensive Annual Financial Report For the Year Ended December 31, 2017



CITY OF GAHANNA

200 South Hamilton Road | Gahanna, Ohio | 43230
614.342.4000 | www.Gahanna.gov



City of Gahanna, Ohio

Comprehensive Annual Financial Report

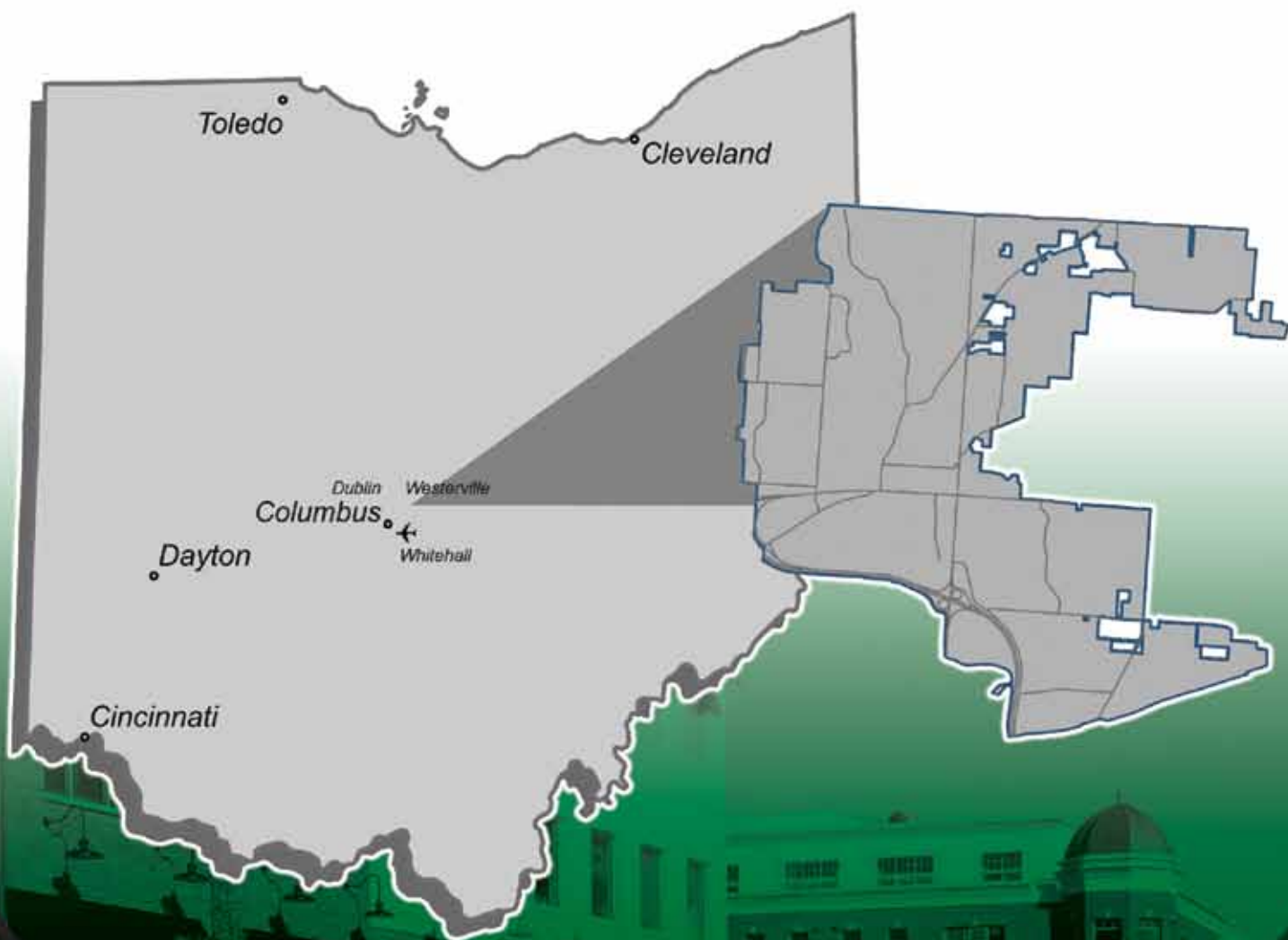
For the Year Ended December 31, 2017

Issued by the Department of Finance

Joann Bury
Director of Finance



Introductory SECTION



City Of Gahanna, Ohio

*Comprehensive Annual Financial Report
December 31, 2017*

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June 27, 2018

To the Citizens and Members of Council of the City of Gahanna:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Gahanna (the "City"). This CAFR, which includes an unmodified opinion from the Auditor of the State of Ohio, conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. The CAFR is intended to satisfy Ohio Administrative Code 117-2-03(B) which requires the City to report in accordance with GAAP, as well as, Ohio Revised Code 117.38 which requires local public offices to file their annual reports with the Auditor of State.

Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To the best of our knowledge and belief, this CAFR and the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. To provide a reasonable basis for making these representations, management of the City has implemented a comprehensive internal control structure. Development of a comprehensive internal control structure does not provide absolute assurance that the financial statements are free of material misstatement due to the inherent limitations of internal controls, but does provide a reasonable assurance.

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

PROFILE OF THE CITY

The City is comprised of 12.6 square miles located within Franklin County in central Ohio. Gahanna is approximately 8 miles from downtown Columbus, minutes away from Port Columbus International Airport and provides easy access to major highways within central Ohio including I-270, I-670, I-70, I-71 and US Route 62. Gahanna was founded in 1849 along the Big Walnut Creek by John Clark. Clark named his property the Gahanna Plantation, from which the City of Gahanna derives its name. The name Gahanna is derived from a Native American word for three creeks joining into one and is the former name of the Big Walnut Creek. The City of Gahanna's official Seal refers to this confluence of three creeks with the inscription "Three In One". In its early days, Gahanna maintained a considerable rivalry with the town of Bridgeport. Located directly across Granville Street from Gahanna and also along the banks of the Big Walnut Creek, Bridgeport was founded in 1853 by Jesse Baughman, a former Franklin County Commissioner. The two towns eventually put aside their differences and merged into one. They adopted the name Gahanna as there was already another town of Bridgeport in Ohio. In March of 1881, 55 citizens of Gahanna petitioned Franklin County to incorporate the village which was granted June of 1881 and recorded August 8th 1881.

The City is a home rule municipal corporation established under the laws of the State of Ohio and operates under its own City Charter, its constitution. The City Charter can only be amended by a majority of the City's voters. The Charter provides for a Mayor-Council form of government. For 2017, the Mid-Ohio Regional Planning Commission estimated Gahanna's population to be 33,984.

The accompanying financial statements comply with the provisions of Governmental Accounting Standards Board (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*. On this basis, the reporting entity of the City includes the following services to its citizens as authorized by its charter: public safety, public service, street maintenance, parks and recreation, senior services, engineering and general administration. The City of Gahanna is also responsible for the construction, maintenance, and repairs associated with public utility infrastructure including the water and sewer lines and fiber optic cabling and conduit. The City purchases water and sewer treatment services from the City of Columbus. Council and the Mayor have direct responsibility for these activities. The City does not operate any schools and does not have any component units.

Legislative authority is vested in a seven member Council, four of which are elected from wards within the City and three elected at large for four-year terms. The at large terms are staggered from the ward terms. Council enacts ordinances and resolutions establishing administrative departments, City tax levies, the annual appropriation of available funding, authority to issue debt, compensation and benefits of City Officials and employees, regulations for businesses and trade and all other municipal purposes. The President of Council is the presiding officer for a one-year term elected by the members of Council. Council appoints the Clerk of Council and employs, at its discretion, other Council Office employees.

The Mayor is the Chief Executive Officer and is elected by the Citizens of Gahanna for a four-year term. As the Chief Executive Officer the Mayor is responsible for the general management of the City and ensuring all laws and ordinances are enforced. The Mayor appoints professional directors to the City's departments to administer the day-to-day operations of the City. The principal officials appointed by and who serve at the pleasure of the Mayor are the City Administrator, Clerk of Court and Directors of Finance, Public Safety, Public Service, Human Resources, Information Technology, Parks & Recreation and Planning & Development.

The City Attorney is elected by the Citizens of Gahanna for a four-year term and provides advice and legal representation to the City, elected and appointed officials and employees in their official capacities. The City Attorney prosecutes or defends all suits for and on behalf of the City and serves as legal counsel for the various boards and commissions of the City.

The City has created, through its charter, five boards to assist and advise City Council and the Mayor on items pertaining to various functions of the City. These boards consist of the Planning Commission, Board of Zoning and Building Appeals, Civil Service Commission, Landscape Board and Parks and Recreation Board. Members are appointed by City Council and the Mayor.

BUDGETARY PROCESS

The annual budget of the City is a year-round process that concludes each December with the formal adoption of the City's appropriations effective January 1 of the following year. The annual budget process begins with the Finance Department's development of the tax budget based on current revenue and expenditure estimates. The administration, which consists of the Mayor, City Administrator and Department Directors, review and provide input. Necessary changes are made by the Finance Department and the tax budget is then provided to Council for approval. Council approves the tax budget by motion resolution for

submission to the Franklin County Budget Commission by July 15th. The Franklin County Budget Commission uses the tax budget to substantiate the need to levy the full amount of authorized property taxes for the City and to certify the City's estimated resources. The City's appropriations are limited by the Budget Commission's Certification of Estimated Resources. As necessary, the City may request an amended Certificate of Estimated Resources from the Budget Commission.

After submission of the tax budget, the City begins developing the annual budget which serves as the foundation for the City's financial planning and control. From July through October the administration develops the annual budget through strategic planning, capital needs assessments, preparation of departmental operating budgets and budget work sessions. Once complete, the administration provides the annual budget request to Council. From November to December Council reviews the budget document, holds budget work sessions and public hearings for citizen input to provide the administration with final input on the budget. Once completed Council submits their input to the Finance Department to make necessary changes to the budget and produce the annual appropriation ordinance. On or before December 31, Council passes an ordinance approving the adoption of the City's appropriations for the following year in accordance with Ohio Revised Code 5705. The appropriation ordinance sets forth the City's authority to spend resources at the fund, department, function and object levels for all funds. As necessary, the City may amend or supplement the appropriation ordinance by Council action within the limits of the Certificate of Estimated Resources. City Council has passed legislation to allow the Finance Director to transfer appropriations between object levels within the same function and fund up to \$3,000. Transfers in excess of \$3,000 require Council approval.

LOCAL ECONOMY

The City has healthcare, food services and accommodations, retail trade and educational services as the top four industries. The unemployment rate for 2017 was 3.8% which is lower than the national average of 4.1% and state average of 5%. The median household income for the City is \$73,535 compared to the national median of \$55,322 and state median of \$50,674.

As part of the City's GoForward Gahanna strategic plan adopted April of 2016, there are four strategic results intended to support business and spur job development. Creating a livable, walkable downtown district characterized by arts, culture, retail and entertainment; create 2,750 well-paying jobs in southeast and southwest Gahanna targeting finance and insurance, education and health, professional and business services and manufacturing; developing jobs at a wage level and density that is greater than or equal to the 2015 average; creating an updated unified development plan for the City. The status of the GoForward Gahanna strategic plan is located in the statistical section of this report.

The City will continue to use a proactive development strategy that combines successful public-private partnerships with a robust complement of development incentives to expand its employment base and retain existing businesses to meet the job growth and wage and density results. The City uses a mix of incentives and abatements to attract new businesses as well as encourage existing businesses to grow. The incentives consist of Community Reinvestment Areas (CRA), which provide real property tax abatements to new or expanding facilities within the identified CRA; Tax Increment Financing (TIF) districts, which redirect and segregate increased property tax revenue that would normally flow to the General Fund for infrastructure and other improvements within the TIF District; Office and Industrial Incentive (O&I) program, which reimburses a negotiated percentage of income tax payments made by the business based on annual salary, project investment and jobs created and retained within the City; and investment in fiber optic connectivity, which allows businesses to access multiple internet service providers at below market cost reducing their cost of doing business in Gahanna.

During 2017, the City completed the widening of Hamilton Road between Carpenter Rd and US Route 62 to address traffic congestion along Hamilton Rd which is one of the main arterial roads for the City. This is not only beneficial to the residents, it will also help in attracting and maintaining businesses within the City limits. There were 553 jobs created and retained during 2017 with the addition of the Columbia Gas Training Center, Bell Equipment and Reliant Capital Solutions.

LONG-TERM FINANCIAL PLANNING

Although the City has maintained and grown its economic base, there are still financial challenges ahead. State reductions to multiple revenue sources and the increased cost to maintain the City's aging assets and infrastructure will continue to impact the City's ability to maintain services at past levels.

The City has also been faced with a potential contingent liability between \$12 to \$16 million dollars related to a lawsuit regarding the application of the City's reduced income tax credit. The case was heard in the Franklin County Court of Common Pleas and a summary judgement was made in favor of the plaintiffs on September 11, 2014 concluding that the tax form being used by the City misapplies the reduced credit of 83.3% to the lower of the tax payers' residency or workplace tax rate. The City has applied the credit to the lower of the two rates since the establishment of the reduced credit.

A damages hearing was held February 20-22, 2018 wherein the Court ordered all parties to file Proposed Findings of Fact and Conclusions of Law, which were filed May 7, 2018. The range of damages varies significantly between the three parties involved. The Plaintiffs are seeking \$16,217,462 in damages. The City asserts the damages are \$12,769,659 and RITA believes the damages are \$13,260,658. As of the date of this report the Court has not made a decision. The Regional Income Tax Agency (RITA) and the City will continue to appeal all appealable decisions. More information is located in the Notes to the Basic Financial Statements.

Council and the administration have elected to reserve \$4.1 million for pending litigation should there be an unfavorable outcome through the appeals process. At this time, the lawsuit has no impact on current operations of the City.

The City prepared and updated the following items to identify the level of funding available for operations and services and to maintain its assets and infrastructure:

- Five Year Capital Needs Assessment – This document outlines all capital projects identified by the administration to maintain, replace or add to existing assets and infrastructure. The projects are defined and prioritized to allow the administration and Council to determine those projects that will be incorporated into the City's annual budget. Projects not selected for the next annual budget are re-evaluated and prioritized the following year or possibly removed if no longer considered necessary or feasible.
- Sustainable Operating Model (SOM) – Is a five year operating budget built upon two key components, (1) the City will maintain its existing core infrastructure and assets at a professionally appropriate level; (2) ongoing operating costs will be funded with ongoing revenue sources. One-time windfalls, accumulated savings and short-term cost-cutting measures will not be used to balance the City's operating budget.
- The budget document – Incorporates the SOM and the administrations recommendation on the use of excess reserves for capital improvements. The budget document is submitted to Council for discussion and public input.
- The appropriation ordinance – The final Council approved budget for the year derived from the budget document as amended by Council.

During 2016, the City adopted the GoForward Gahanna five year strategic plan which was created through a collaborative planning process between City administration, Council and the community. The plan will serve as a long-term guide for strategic, operational, resource and policy decisions, while ensuring the City is dedicating its resources appropriately and achieving meaningful results. The 2018 budget incorporates funding for Business and Job Development, Roads Bridges and Infrastructure and Parks, Trails and Recreation. The projects included to achieve the strategic results include the annual street paving and overlay program; Detroit Street rebuilds; bridge replacement program; Gahanna Swimming Pool infrastructure replacement and maintenance program; Morse Rd improvements; and design services for the improvements of multiple roads and intersections.

RELEVANT FINANCIAL POLICIES

During 2012, the City issued its first debt policy. The policy sets forth the purposes for which debt will be issued, type of debt allowed, duration of the obligation and sources to be used for repayment. The City issued debt on an infrequent basis in the past and followed no formal policy. Under the current economic conditions, it is possible the City will issue debt more frequently, mainly to fund necessary capital projects. The administration and Council took the necessary measures to ensure there was an adequate policy in place to avoid the issuance of debt for a purpose, amount or time period that was not in conformity with the City's mission and vision.

During 2013, the City reviewed and updated its investment policy. The investment policy was originally passed by Council in 1998. The amended policy provides for a more diversified portfolio by approving investment types not previously allowed under the original policy, such as, investment in State of Ohio bonds and other obligations, bonds and obligations of political subdivisions of the State of Ohio and corporate bonds. Allowing for a more diversified investment policy not only reduces risk associated with over-investing in specific issuers but also lends the potential to increase investment earnings with more options from which to select.

During 2014 the City finalized its emergency reserve policy. As part of this process, the administration and Council set the reserve amount and how it is calculated, what the emergency reserve may or may not be used for, action required to spend from the reserve and how it will be replenished. This was a critical component to the strategic planning process. Before decisions could be made regarding the use of surplus balances, the amount that must remain intact for emergency costs had to be clearly defined and set-aside.

During 2015 the City reviewed and updated the capital asset policy and credit card policy. The capital asset policy defines what a capital asset is and identifies procedures to ensure the accurate reporting of these assets. The credit card policy re-vamped the entire purchasing card program for the City to make it more efficient. Some changes that have created a more efficient program were eliminating the need for card holders to check purchasing cards in and out of the Finance Department and creating an online account reconciliation process.

During 2016 the City implemented a virtual credit card purchasing program that allows vendors to receive payments for goods or services via credit card. The program allows vendors to receive payment more efficiently as well as maximize credit card rebates received by the City for using the program.

During 2017 the Finance Department began the process of identifying a viable replacement for the City's financial accounting and timekeeping systems. During the implementation process, all financial policies and procedures will be reviewed and updated.

MAJOR INITIATIVES

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual report for the year ended December 31, 2016. In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual report in accordance with generally accepted accounting principles and all applicable legal requirements. The Certificate of Achievement is valid for a one year period. The City will submit this current comprehensive annual financial report to the GFOA to be considered for another Certificate of Achievement.

The City prepares a comprehensive budget document for all funds to aid the administration and Council in developing a strategy for the City's future. The City was awarded the Distinguished Budget Presentation Award from the GFOA for its 2017 budget document. In order to receive this award the City must submit its comprehensive budget document to the GFOA where it is judged by three reviewers for 27 specific criteria. The City has submitted the 2018 budget document to the GFOA to be considered for the Distinguished Budget Presentation Award.

For 2016 and beyond, administration and Council will implement the GoForward Gahanna strategic plan to accomplish the vision and mission of the City. The City's vision is to be an innovative model community that values its rich heritage, pursues high standards, and promotes respect among its citizens. It is the mission of the City to ensure an exceptional quality of life by providing comprehensive services, financial stability, and well-planned development which preserves the natural environment, in order that city government will continue to be responsive, accessible, and accountable to our diverse and growing community of citizens.

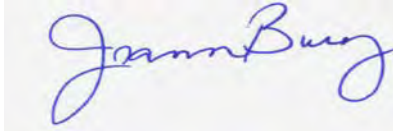
As part of the implementation of the strategic plan, departments will create individual departmental strategic business plans to align activities of the department with the City-wide strategic plan and to provide measurable results for all stakeholders of the City. During 2017, over half of the City's departments completed their strategic business plans. The remaining departments are scheduled to be completed in 2018. The plan will have a significant impact on the reporting of revenues, expenditures and operations of the City ultimately improving the economy, quality of life and overall success of the City.

To ensure the City is utilizing public dollars effectively and efficiently the City has also implemented the Lean Gahanna program. The Lean Gahanna program began in 2015 and utilizes six sigma tools, mainly used in private sector industry, to visualize processes, identify waste and inefficiency and improve operations to provide a better value to customers. The City has completed a number of lean projects, saving valuable tax payer dollars and time, as well as, creating an improved customer experience for internal and external customers.

ACKNOWLEDGEMENTS

The Finance Department prepared this Comprehensive Annual Financial Report with the efficient and dedicated services of its entire staff. We wish to express our appreciation to everyone who contributed to its preparation particularly Ms. Joann Bury, Director of Finance, who oversees all aspects of the CAFR process for the City. Copies of the Comprehensive Annual Financial Report are on file at City Hall for use by the general public as well as the City's website www.gahanna.gov

Respectfully submitted,

A handwritten signature in blue ink that reads "Joann Bury". The signature is written in a cursive style with a large, looping initial "J".

Joann Bury
Director of Finance

A handwritten signature in blue ink that reads "Thomas R. Kneeland". The signature is written in a cursive style with a large, looping initial "T".

Thomas R. Kneeland
Mayor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Gahanna
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

**City of Gahanna
Elected Officials and Administrative Staff
As of December 31, 2017**

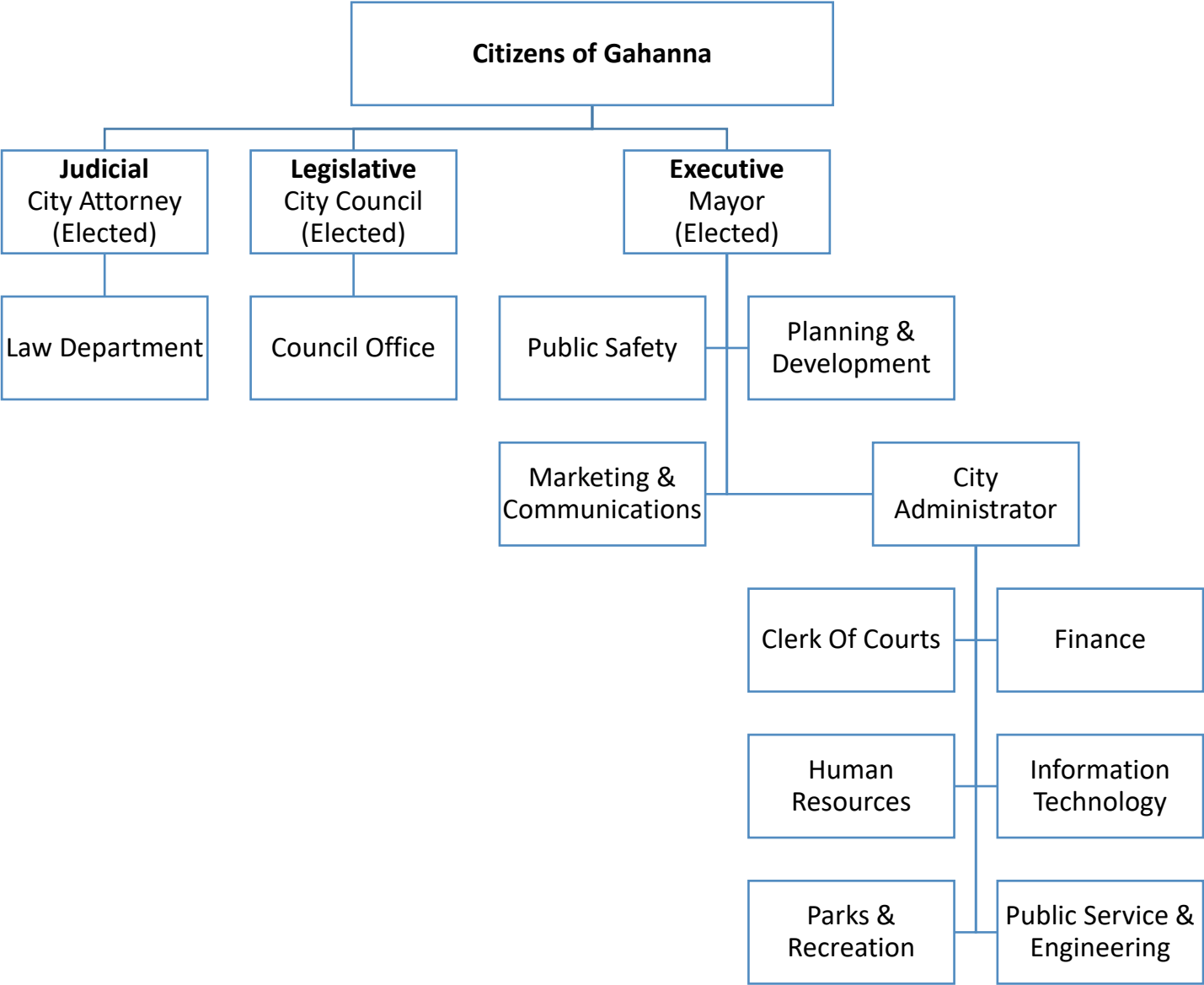
ELECTED OFFICIALS

Thomas R. Kneeland	Mayor
Stephen A. Renner	Council President
Brian Larick	Council Vice President
Karen J. Angelou	Council Member
Michael Schnetzer	Council Member
Nancy McGregor	Council Member
Jamie Leeseberg	Council Member
Brian Metzbower	Council Member
Shane Ewald	City Attorney

ADMINISTRATIVE STAFF

Jennifer Teal	City Administrator
Joann Bury	Director of Finance
Dottie Franey	Director of Public Service
Dennis Murphy	Chief of Police
Abby Cochran	Director of Human Resources
Anthony Jones	Director of Planning & Development
Craig Main	Director of Information Technology
Jeff Barr	Director of Parks & Recreation
Amanda Parker	Clerk of Courts
Kim McWilliams	Clerk of Council
Vacant	Director of Marketing & Communication
Mark Thomas	Director of Public Safety

City of Gahanna, Ohio
Organization Chart



The image features a dark blue background with a faint 3D bar chart and a line graph at the top. A dark green horizontal band across the middle contains the text 'Financial SECTION'. Below this, a blurred image shows a calculator, a pen, and a document with numerical data.

Financial SECTION

67
29

21 510
9 557

223
6 875

51 452
1

244

23 390
10 625

226
8 836

55 0

581



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of Gahanna
Franklin County
200 South Hamilton Road
Gahanna, Ohio 43230

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gahanna, Franklin County, Ohio (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gahanna, Franklin County, Ohio, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Tax Increment Equivalent Funds thereof for the year then ended in accordance with the 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 this presentation to include *Management's discussion and analysis*, *Schedules for infrastructure assets accounted for using the modified approach*, and *schedules of net pension liabilities and pension contributions* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2018, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 27, 2018

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The Management's Discussion and Analysis of the City of Gahanna's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2017. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the Basic Financial Statements and the notes to the Basic Financial Statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2017 are as follows:

- The Statement of Net Position, reported on an accrual basis of accounting, reports a decrease of total net position of the City of \$3,105,923 or 1% from 2016. Net position of Governmental Activities decreased \$2,082,465 or 1% from 2016 and net position of Business-type Activities decreased \$1,023,458 or 2% from 2016.
- The Statement of Activities, reported on an accrual basis of accounting, reports general revenues of \$25,734,025 or 82% of total Governmental Activities revenue. Program specific revenues accounted for \$5,479,837 or 18% of total Governmental Activities revenue.
- The Statement of Activities reports \$32,878,505 in expenses related to Governmental Activities; \$5,479,837 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the Governmental Activities, \$27,398,668, were offset by general revenues (primarily income taxes, property taxes and unrestricted grants and entitlements) of \$25,734,025.
- The Statement of Revenues, Expenditures and Changes in Fund Balance for Governmental Funds, reported on a modified accrual basis of accounting, reports General Fund revenues and other financing sources of \$26,514,186 in 2017. This represents a decrease of \$621,733 or 2% from 2016. The expenditures and other financing uses of the General Fund, which totaled \$26,383,274 in 2017, increased \$159,998 or .6% from 2016. The net increase in fund balance for the General Fund was \$130,912 or .5%.
- The Statement of Revenues, Expenditures and Changes in Fund Balance for Governmental Funds, reports Tax Increment Equivalent Fund revenues \$3,148,939 during 2017. The expenditures and other financing uses of the Tax Increment Equivalent Fund were \$2,846,251 during 2017. The net increase in fund balance for the Tax Increment Equivalent Fund was \$302,688 or 32%.
- The Statement of Revenues, Expenditures and Changes in Fund Balance for Governmental Funds, reports Capital Improvement Fund revenue and other financing sources of \$2,589,910 in 2017. The expenditures and other financing uses of the Capital Improvement Fund totaled \$2,732,848 in 2017. The net decrease in fund balance for the Capital Improvement Fund was \$142,938 or 3%.
- The Statement of Net Position reports a decrease of \$1,023,458 in net position for 2017 for the Business-type Activities, which consist of the Water, Sewer, Storm Water and non-major OEPA Federal Grant Enterprise Funds. The Water fund had a decrease of net position of \$1,289,076 related to master meter reading error. The Sewer and Stormwater funds net position increased \$182,002 and \$350,490 respectively. The OEPA Federal Grant was closed out and all assets of the non-major grant fund were transferred to the Stormwater fund.

Using this Annual Financial Report

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

The Statement of Net Position located on page 22 and Statement of Activities located on page 23 provide information about the activities of the City as a whole presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund Financial Statements beginning on page 24 provide the next level of detail. For Governmental Funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The Fund Financial Statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a number of funds used by the City to provide programs and activities, the Government-wide Statements view the City as a whole by looking at all financial transactions and asking the question, "How did we do financially during 2017?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the City is divided into two distinct kinds of activities:

Governmental Activities - Most of the City's programs and services are reported here including police, street maintenance, capital improvements and general administration. These services are funded primarily by income and property taxes, intergovernmental revenues and other shared revenues.

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Fund Financial Statements provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these Fund Financial Statements focus on the City's most significant funds. The analysis of the City's Major Governmental and Proprietary Funds begins on page 13.

Governmental Funds

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

Because the focus of the Governmental Funds is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for Governmental Funds with similar information presented for Governmental Activities in the Government-wide Financial Statements. By doing so, the reader may better understand the long-term impact of the City's near-term financing decisions. Both, the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances, provide a reconciliation to facilitate this comparison between Governmental Funds and Governmental Activities. The reconciliations are located on pages 25 and 27.

The City maintains a number of individual Governmental Funds and has segregated them into two categories: major funds and non-major funds. The City's major Governmental Funds are the General Fund, Tax Increment Equivalent Fund (TIF) and Capital Improvement Fund. Information for major funds is presented separately in the Governmental Fund Balance Sheet and in the Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances. Data from the Other Governmental Funds are combined into a single, aggregated presentation. The basic Governmental Fund Financial Statements can be found on pages 24-29 of this report.

Proprietary Funds

The City maintains two types of Proprietary Funds. The first type of Proprietary Funds is the Enterprise Funds used to report the same functions presented as Business-type Activities in the Government-wide Financial Statements. The City uses Enterprise Funds to account for its Water, Sewer and Storm Water management functions. These three funds are also all major Enterprise Funds. The City also maintains an OEPA Federal Grant fund which receives grant funding related to the City's storm water activities. The OEPA Federal Grant fund is a non-major enterprise fund. The second type of Proprietary Fund is the Internal Service Fund used by the City to accumulate and allocate workers compensation insurance costs internally among the City's various funds. The basic Proprietary Fund Financial Statements can be found on pages 30-32 of this report.

Fiduciary Funds

Fiduciary Funds are used to account for resources held for the benefit of parties outside the City. Fiduciary Funds are not reflected in the Government-wide Financial Statements because the resources of those funds are not available to support the City's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds. Agency Funds are the City's only Fiduciary Fund Type. The basic Fiduciary Fund Financial Statement can be found on page 33 of this report.

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Notes to the Basic Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. These notes to the Basic Financial Statements can be found on pages 34-75 of this report.

Government-Wide Financial Analysis

The Statement of Net Position provides the perspective of the City as a whole. The table below provides a summary of the City's Net Position at December 31, 2017 and December 31, 2016.

	Net Position					
	Governmental Activities 2017	Governmental Activities 2016	Business-type Activities 2017	Business-type Activities 2016	2017 Total	2016 Total
<u>Assets</u>						
Current and Other Assets	\$ 49,531,978	\$ 51,284,391	\$ 24,025,881	\$ 22,905,496	\$ 73,557,859	\$ 74,189,887
Capital Assets, Net	140,270,787	140,195,458	49,728,824	50,588,472	189,999,611	190,783,930
Total assets	<u>189,802,765</u>	<u>191,479,849</u>	<u>73,754,705</u>	<u>73,493,968</u>	<u>263,557,470</u>	<u>264,973,817</u>
Deferred Outflows of Resources	9,918,341	9,719,490	770,481	602,882	10,688,822	10,322,372
<u>Liabilities</u>						
Current and Other Liabilities	1,239,126	2,079,149	4,278,861	3,063,106	5,517,987	5,142,255
Long-term Liabilities	47,169,484	47,234,907	3,536,518	3,287,003	50,706,002	50,521,910
Total Liabilities	<u>48,408,610</u>	<u>49,314,056</u>	<u>7,815,379</u>	<u>6,350,109</u>	<u>56,223,989</u>	<u>55,664,165</u>
Deferred Inflows of Resources	5,141,549	3,631,871	7,976	21,452	5,149,525	3,653,323
<u>Net Position</u>						
Net Investment in						
Capital Assets	122,523,098	120,714,997	47,920,299	48,493,228	170,443,397	169,208,225
Restricted	13,728,051	14,039,314	-	-	13,728,051	14,039,314
Unrestricted	9,919,798	13,499,101	18,781,532	19,232,061	28,701,330	32,731,162
Total Net Position	<u>\$ 146,170,947</u>	<u>\$ 148,253,412</u>	<u>\$ 66,701,831</u>	<u>\$ 67,725,289</u>	<u>\$ 212,872,778</u>	<u>\$ 215,978,701</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2017, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$212,872,778. At year-end, net position was \$146,170,947 and \$66,701,831 for the Governmental Activities and the Business-type Activities, respectively.

Capital assets reported on the Government-wide Statements represent the largest portion of the City's assets. At year-end, capital assets represented 72% of total assets. Capital assets include land and land improvements, right of ways, easements, buildings, improvements other than buildings, machinery and equipment, vehicles, infrastructure and construction in progress. Net investment in capital assets at December 31, 2017 was \$122,523,098 and \$47,920,299 in the Governmental Activities and Business-type Activities, respectively. These capital assets are used to provide services to citizens and are not available

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for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities. As of December 31, 2017, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate Governmental and Business-type Activities.

A portion of the City's net position, \$13,728,051 represents resources that are subject to external restriction on how they may be used. In the Governmental Activities, the remaining balance of unrestricted net position of \$9,919,798 may be used to meet the government's ongoing obligations to citizens and creditors.

The net pension liability and related deferred inflows/outflows reported on the Government-wide Statements represents the City's proportionate share of each state retirement plan's collective present value of estimated future pension benefits attributable to active and inactive employees' past service, less plan assets available to pay these benefits. Pension expense represents the City's proportionate share of each state retirement plan's change in net pension liability not accounted for as deferred inflows/outflows.

Employees of the City are required by law to be members of the state's public employee retirement system or for law enforcement, the state's police and fire pension fund. 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. The City does not provide any additional retirement benefits beyond what is provided by the state.

Even though the City is not responsible for the administration of the plan or certain key factors affecting the balance of the liability, under GASB 68 the 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. As a result, GASB considers the unfunded portion of the pension promise as a present obligation of the government, part of a bargained-for benefit to the employee, and therefore a proportionate share is reported by the government as a liability since they received the benefit of the exchange.

Unlike most other long-term liabilities, 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.

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Significant changes identified in the Governmental Activities and Business-type Activities are explained on the following pages.

The table below shows the changes in net position for 2017 and 2016.

	Change in Net Position					
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	2017 Total	2016 Total
	2017	2016	2017	2016		
Revenues						
Program revenues						
Charges for Services	\$ 3,402,077	\$ 3,995,971	\$ 16,936,066	\$ 17,074,732	\$ 20,338,143	\$ 21,070,703
Operating Grants & Contributions	1,977,760	2,055,703	-	-	1,977,760	2,055,703
Capital Grants & Contributions	100,000	1,084,459	-	187,292	100,000	1,271,751
Total Program Revenues	<u>5,479,837</u>	<u>7,136,133</u>	<u>16,936,066</u>	<u>17,262,024</u>	<u>22,415,903</u>	<u>24,398,157</u>
General Revenues						
Income Taxes	17,986,106	19,179,575	-	-	17,986,106	19,179,575
Property Taxes	1,982,954	2,007,733	-	-	1,982,954	2,007,733
Revenue in Lieu of Taxes	2,895,815	1,966,279	-	-	2,895,815	1,966,279
Other Local Taxes	516,087	509,095	-	-	516,087	509,095
Unrestricted Grants & Entitlements	1,060,783	1,031,949	-	-	1,060,783	1,031,949
Investment Earnings	589,822	386,626	-	-	589,822	386,626
Miscellaneous	702,458	421,451	-	58,175	702,458	479,626
Total General Revenues	<u>25,734,025</u>	<u>25,502,708</u>	<u>-</u>	<u>58,175</u>	<u>25,734,025</u>	<u>25,560,883</u>
Total Revenues	<u>31,213,862</u>	<u>32,638,841</u>	<u>16,936,066</u>	<u>17,320,199</u>	<u>48,149,928</u>	<u>49,959,040</u>
Expenses						
General Government	4,855,877	4,535,792	-	-	4,855,877	4,535,792
Security of Persons & Property	11,526,650	11,239,302	-	-	11,526,650	11,239,302
Public Health & Welfare	282,874	268,111	-	-	282,874	268,111
Transportation	4,779,729	5,037,742	-	-	4,779,729	5,037,742
Community Environment	5,125,922	4,866,823	-	-	5,125,922	4,866,823
Leisure Time Activity	5,223,188	4,636,591	-	-	5,223,188	4,636,591
Utility Services	460,437	447,664	-	-	460,437	447,664
Interest & Fiscal Charges	623,828	664,879	-	-	623,828	664,879
Water	-	-	9,480,789	7,723,349	9,480,789	7,723,349
Sewer	-	-	7,817,706	5,355,806	7,817,706	5,355,806
Storm Water	-	-	1,078,851	1,027,101	1,078,851	1,027,101
Total Expenses	<u>32,878,505</u>	<u>31,696,904</u>	<u>18,377,346</u>	<u>14,106,256</u>	<u>51,255,851</u>	<u>45,803,160</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before						
Transfers	(1,664,643)	941,937	(1,441,280)	3,213,943	(3,105,923)	4,155,880
Transfers	(417,822)	(494,470)	417,822	494,470	-	-
Change in Net Position	<u>(2,082,465)</u>	<u>447,467</u>	<u>(1,023,458)</u>	<u>3,708,413</u>	<u>(3,105,923)</u>	<u>4,155,880</u>
Net Position Beginning of Year	148,253,412	147,805,945	67,725,289	64,016,876	215,978,701	211,822,821
Net Position End of Year	<u>\$ 146,170,947</u>	<u>\$ 148,253,412</u>	<u>\$ 66,701,831</u>	<u>\$ 67,725,289</u>	<u>\$ 212,872,778</u>	<u>\$ 215,978,701</u>

Governmental Activities

The Statement of Activities presents expenses, program revenues, general revenues and changes in net position with expenses categorized as the core functions and activities of the City. Below are the most significant items reported on the Statement of Activities for Governmental Activities.

Net position of Governmental Activities decreased \$2,082,465 in 2017. This is mainly the result of a

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decrease in capital grants and contribution from 2016 to 2017 for the expansion of Hamilton Rd Central.

Security of persons and property expenses, which primarily supports the operations of the police department, accounted for \$11,526,650 or 35% of the total governmental expenses of the City. These expenses were partially funded by \$169,298 in direct charges to users of the services and \$40,421 in operating grants and contributions.

Transportation expenses which primarily includes street maintenance and improvement programs, accounted for \$4,779,729 or 15% of total governmental expenses of the City. These expenses were partially funded by \$8,992 in direct charges to users of the services and \$1,932,749 in operating grants and contributions.

Community environment expenses, which primarily support economic development programs, accounted for \$5,125,922 or 16% of the total governmental expenses of the City. These expenses were partially funded by \$932,419 in direct charges to users of the services.

Leisure time activity expenses, which primarily support parks and recreation programs and facilities, accounted for \$5,223,188 or 16% of the total governmental expenses of the City. These expenses were partially funded by \$1,534,010 in direct charges to users of the services, \$4,590 in operating grants and contributions and \$100,000 in capital grants and contributions.

General government expense, which includes all general administrative and legislative operations, totaled \$4,855,877 or 15% of total governmental expenses. General government expenses were partially funded by \$757,358 in direct charges to users of the services.

Program revenues, which consist of operating grants and contributions and capital grants and contributions, include state and federal government contributions or grants to the City totaling \$1,977,760 in operating grants and contributions and \$100,000 in capital grants and contributions. These revenues are restricted to particular programs or purposes based on the legal requirements of the grantor. 98% of the operating and capital grants or \$1,932,749, subsidized transportation programs.

General revenues and transfers totaled \$25,316,203, and amounted to 82% of total governmental revenues. The City's income tax is the primary source of general revenues totaling \$17,986,106 or 71% of general governmental revenues. Other local taxes (including property, revenue in lieu of, and other local taxes) are the other primary sources of general governmental revenues totaling \$5,394,856.

General revenues increased from 2016 to 2017 by \$231,317 or 1%. Income tax revenues were down \$1.1 million or 6% compared to 2016 as the result of two large individual payments made in 2016 that did not re-occur in 2017. Revenue in lieu of taxes, investment earnings and miscellaneous revenue were up in comparison to 2016. Revenue in lieu of taxes increased \$929K resulting from revenue received for the first time for the Hamilton Road Tax Increment Financing (TIF) District and the Central Park TIF District. Revenue in all other TIF Districts also increased from 2016 to 2017. Interest increased \$203K for securities that matured during 2017. Miscellaneous revenue increased \$281K resulting from an increase in rebates related to the City's virtual credit card program and a refund from the County for a Safe Routes to Schools project completed previously.

Program revenues decreased \$1,656,296 or 23% due to decreases in capital grants and contributions as discussed above.

The Statement of Activities shows the cost of program services and the charges for services, grants and contributions offsetting those services. The following table shows, for Governmental Activities, the total cost of services and the net cost of services. That is, it identifies the portion of the cost of these services

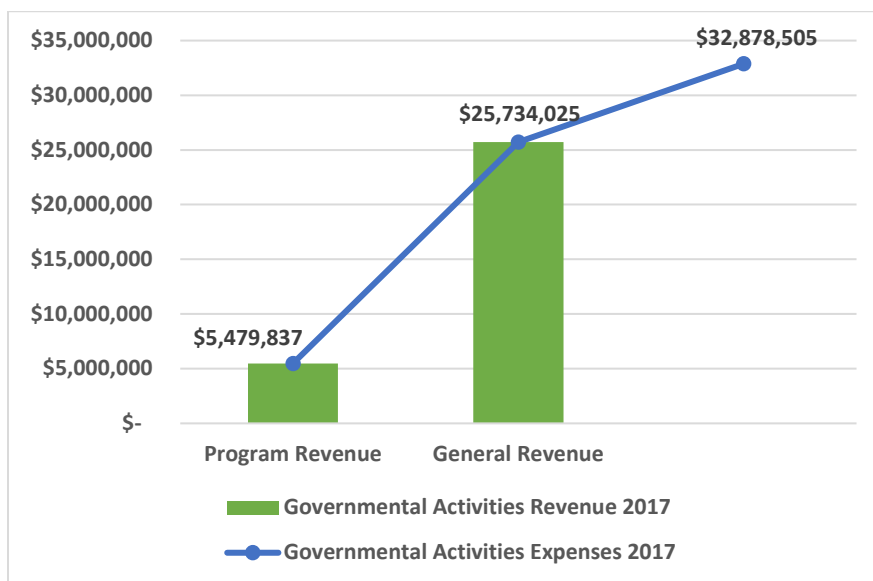
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or 83% of the cost supported by general revenues.

	Governmental Activities		
	Total Cost of Services 2017	Net Cost of Services 2017	% of Cost Supported by General Revenue 2017
Program Expenses:			
General Government	\$ 4,855,877	\$ 4,098,519	84%
Security of Persons & Property	11,526,650	11,316,931	98%
Public Health & Welfare	282,874	282,874	100%
Transportation	4,779,729	2,837,988	59%
Community Environment	5,125,922	4,193,503	82%
Leisure Time Activity	5,223,188	3,584,588	69%
Utility Services	460,437	460,437	100%
Interest & Fiscal Charges	623,828	623,828	100%
Total	\$ 32,878,505	\$ 27,398,668	83%

The graph below compares the program and general revenues of the City to total expenses to illustrate the City's dependence on general revenues.

Governmental Activities – Program and General Revenues vs. Expenses



Business-type Activities

Business-type Activities include the Water, Sewer, Storm Water and non-major OEPA Federal Grant Enterprise Funds. These programs have program revenues of \$16,936,066, general revenues and transfers of \$417,822 and expenses of \$18,377,346 for 2017. The Statement of Net Position for Business-type Activities reports \$73,754,705 of assets, \$770,481 of deferred outflows of resources, \$7,815,379 of liabilities, \$7,976 of deferred inflows of resources and \$66,701,831 of net position. Program revenues decrease slightly from 2016 or 1%. Expenditures increased by \$4,271,090 or 30% compared to 2016. This was due to a credit applied in 2016 by the City of Columbus for sewage charges in the amount of \$2.6 million. The City of Columbus charges the City for sewage services based on what is reported to them by the City as going through the system. The City, in error, included all of the Niagara bottling company's water usage as sewage when reporting to Columbus the number of gallons that went into the sewage system. In addition, the City of Columbus identified a master meter reading error during 2017 and determined that the City owed an additional \$1.3 million for water purchases which was paid in 2017.

Financial Analysis of the Government's Funds

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

Governmental Funds

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

The City's Governmental Funds (as presented on the Balance Sheet on page 24 reported a combined fund balance of \$39,480,492 which is \$248,706 less than the 2016 total of \$39,729,198. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2017 for all major and non-major Governmental Funds.

	Fund Balances <u>12/31/17</u>	Fund Balances <u>12/31/16</u>	Increase <u>(Decrease)</u>
Major funds			
General	\$ 25,957,497	\$ 25,826,585	\$ 130,912
Tax Increment Equivalent	1,260,966	958,278	302,688
Capital Improvement	4,851,550	4,994,488	(142,938)
Other Nonmajor Governmental Funds	<u>7,410,479</u>	<u>7,949,847</u>	<u>(539,368)</u>
Total	<u>\$ 39,480,492</u>	<u>\$ 39,729,198</u>	<u>\$ (248,706)</u>

General Fund

The City's General fund balance increased \$130,912 which is due to a decrease in other financing uses. The following tables assist in illustrating the revenues and expenditures of the General Fund in comparison to 2016.

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 For the Year Ended December 31, 2017
 (Unaudited)

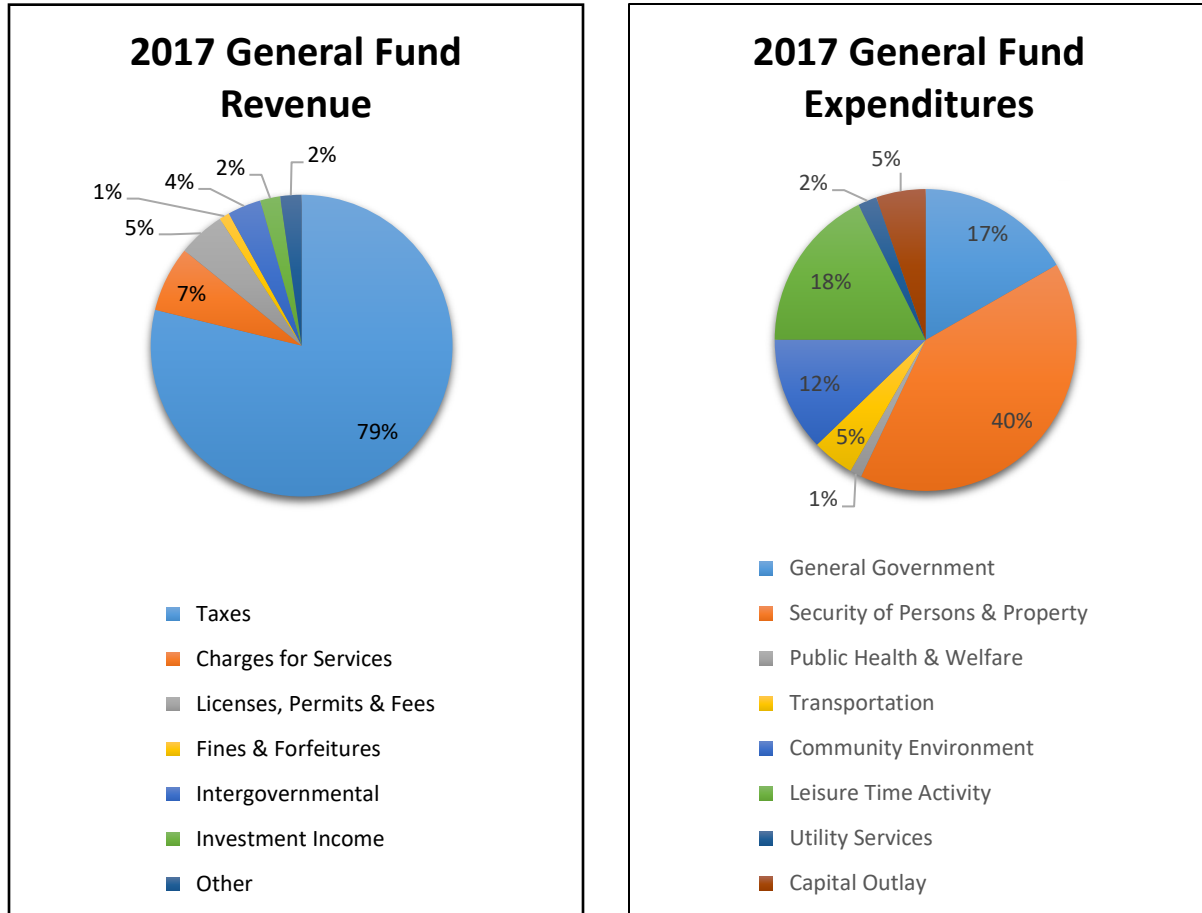
	<u>2017</u> <u>Amount</u>	<u>2016</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>General Fund Revenues</u>			
Taxes	\$ 20,652,530	\$ 20,870,956	(1.05) %
Charges for Services	1,843,289	1,889,142	(2.43) %
Licenses, Permits & Fees	1,318,786	1,464,540	(9.95) %
Fines & Forfeitures	287,819	369,212	(22.05) %
Intergovernmental	941,985	1,018,971	(7.56) %
Investment Income	562,068	369,940	51.93 %
Other	597,215	447,300	33.52 %
Total	<u>\$ 26,203,692</u>	<u>\$ 26,430,061</u>	<u>(0.86) %</u>

Tax revenue represents 79% of all General Fund revenue and decreased by \$218 thousand from 2016 to 2017 mainly due to a decrease in income tax revenues. Total revenue decreased by \$226 thousand as a result of decreases in revenue amongst all categories with the exception of investment income and other revenue.

	<u>2017</u> <u>Amount</u>	<u>2016</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>General Fund Expenditures</u>			
General Government	\$ 3,766,558	\$ 3,808,698	(1.11) %
Security of Persons & Property	9,086,034	8,659,503	4.93 %
Public Health & Welfare	282,874	268,111	5.51 %
Transportation	1,014,835	1,062,498	(4.49) %
Community Environment	2,757,460	3,131,569	(11.95) %
Leisure Time Activity	3,972,235	3,893,076	2.03 %
Utility Services	459,848	446,502	2.99 %
Capital Outlay	1,193,584	625,114	90.94 %
Debt Service	-	-	(100.00) %
Total	<u>\$ 22,533,428</u>	<u>\$ 21,895,071</u>	<u>2.92 %</u>

The increase in expenditures is mainly due to increases in capital outlay for purchases related to the City's equipment replacement program and expansion of Hamilton Rd Central.

The charts below illustrate the breakdown of revenues and expenditures of the General Fund for 2017.



Tax Increment Equivalent Fund

The Tax Increment Equivalent Fund had \$3,148,939 in revenues during 2017, experiencing a 42% increase in revenue in lieu of taxes. The increase was the result of two new TIF districts, Hamilton Road and Central Park, receiving payments for the first time in 2017. In addition all TIF districts received an increase in payment in lieu of taxes compared to 2016. The expenditures and other financing uses of the Tax Increment Equivalent Fund were \$2,846,251 during 2017 a slight increase compared to 2016. The net increase in fund balance for the Tax Increment Equivalent Fund was \$302,688 or 31% resulting from the increased payments in lieu of taxes.

Capital Improvement Fund

The Capital Improvement Fund had revenue and other financing sources of \$2,589,910 in 2017 which is slightly less than 2016 related to a reduction in transfers in. The expenditures of the Capital Improvement Fund totaled \$2,463,248 in 2017 a slight increase over 2016 from a land purchase and completion of projects that began in 2016. The net decrease in fund balance for the Capital Improvement Fund was \$142,938 or 2.86%.

Budgeting Highlights – General Fund

The key components of the City's budgeting process are prescribed by the Ohio Revised Code (ORC) section 5705. The outcome of the budget process is the City's appropriation ordinance which is restricted by the amounts of anticipated revenues and other resources certified by the Budget Commission in accordance with the ORC. As necessary, appropriations are amended throughout the year but must remain within the Budget Commission's certificate of estimated resources. Requests to amend the certificate of estimated resources are submitted once certainty to additional resources are identified by the City.

In the General Fund, actual revenues and other financing sources did not exceed budgeted revenues and other financing sources of \$29,169,798 by \$1,896,267. Actual expenditures and other financing uses were \$2,156,931 less than the final budgeted expenditures and other financing uses of \$34,720,542. These variances are the result of the City's conservative budgeting. Budgeted revenues increased slightly from the original to final budget by \$14,295. Budgeted expenditures and other financing uses increased slightly by \$266,477 from the original budget to the final budget. Planned expenditures increased slightly by \$264,277 while other financing uses increased by \$2,250.

Proprietary Funds

The City's Proprietary Funds provide the same type of information found in the Government-wide Financial Statements for Business-type Activities, except in more detail. The only difference between the amounts reported as Business-type Activities and the amounts reported in the Proprietary Fund Statements are interfund eliminations between Proprietary Funds and internal balances due to Business-type Activities for internal service transactions in the amount of \$40,821. On the Government-wide statements the only interfund activity reported is between the Governmental and Business-type Activities.

Capital Assets and Debt Administration

Capital Assets

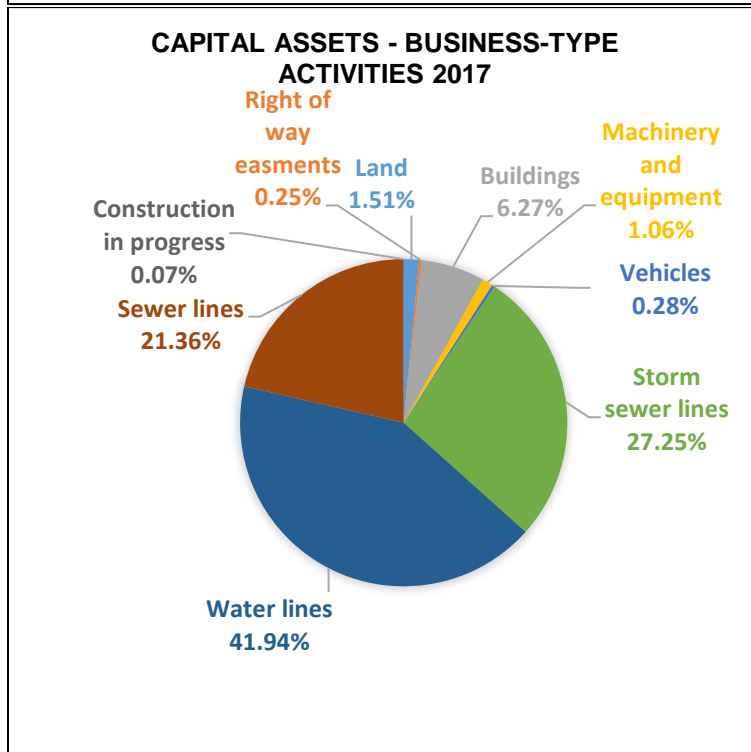
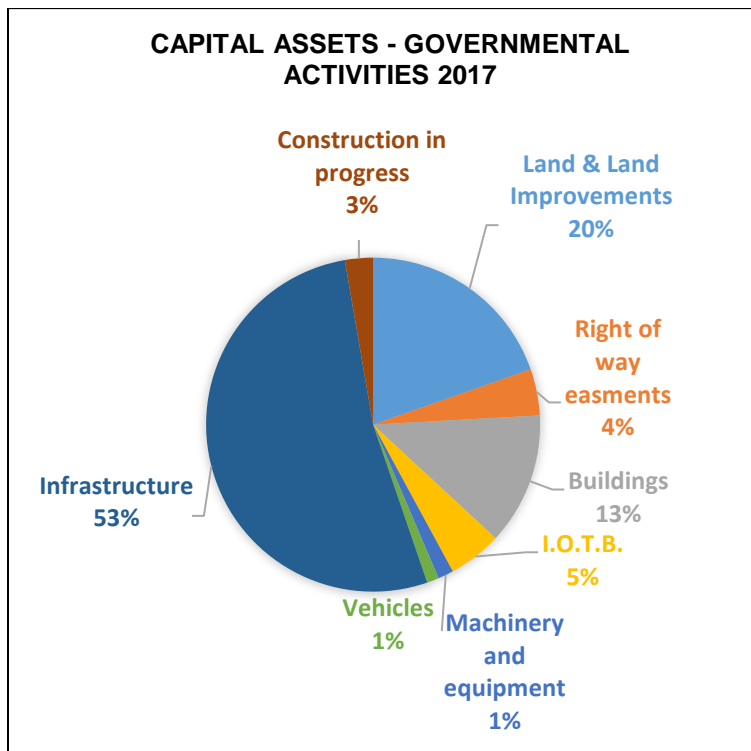
At the end of fiscal year 2017, the City had \$189,999,611 (net of accumulated depreciation) invested in land and land improvements, right of way easements, buildings, improvements other than buildings, machinery and equipment, vehicles, infrastructure and construction in progress (CIP). Of this total, \$140,270,787 was reported in Governmental Activities and \$49,728,824 was reported in Business-type Activities. The table on the following page shows fiscal 2017 balances compared to 2016:

City of Gahanna, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land & Land Improvements	\$ 27,538,887	\$ 27,154,016	\$ 749,024	\$ 749,024	\$ 28,287,911	\$ 27,903,040
Right of way easments	6,295,511	6,295,511	125,752	12,665	6,421,263	6,308,176
Buildings	17,916,947	18,412,657	3,120,358	3,160,003	21,037,305	21,572,660
I.O.T.B.	7,276,412	8,055,721	-	-	7,276,412	8,055,721
Machinery and equipment	2,116,096	2,019,482	528,043	332,863	2,644,139	2,352,345
Vehicles	1,623,453	1,407,003	140,812	54,697	1,764,265	1,461,700
Storm sewer lines	-	-	13,549,585	13,712,081	13,549,585	13,712,081
Water lines	-	-	20,856,464	21,367,216	20,856,464	21,367,216
Sewer lines	-	-	10,623,612	10,969,337	10,623,612	10,969,337
Infrastructure	73,697,333	73,710,711	-	-	73,697,333	73,710,711
Construction in progress	<u>3,806,148</u>	<u>3,140,357</u>	<u>35,174</u>	<u>230,586</u>	<u>3,841,322</u>	<u>3,370,943</u>
Totals	<u>\$ 140,270,787</u>	<u>\$ 140,195,458</u>	<u>\$ 49,728,824</u>	<u>\$ 50,588,472</u>	<u>\$ 189,999,611</u>	<u>\$ 190,783,930</u>

The City's largest capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks, street lighting and curbs for Governmental Activities and Sewer, Water and Storm Water Lines for Business-type Activities which play a vital role in the income producing ability of the Business-type activities. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 53% and 91% of the City's total Governmental and Business-type capital assets respectively. See Note 8 for detail on the City's capital assets. The charts that follow illustrate the breakdown of capital assets by category for Governmental and Business-type activities.



Debt Administration

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

	Governmental Activities	
	<u>2017</u>	<u>2016</u>
Compensated Absences	\$ 2,445,405	\$ 2,132,706
General Obligation Bonds	19,718,197	21,078,149
OPWC Loans	1,188,196	1,324,623
Lease Purchase Agreement	-	104,284
Net Pension Liability	<u>23,817,686</u>	<u>22,595,145</u>
Total Long-term Obligations	<u>\$ 47,169,484</u>	<u>\$ 47,234,907</u>
	Business-type Activities	
	<u>2017</u>	<u>2016</u>
General Obligation Bonds	\$ 1,920,649	\$ 2,095,244
Net Pension Liability	1,533,752	1,125,882
Compensated Absences	<u>82,117</u>	<u>65,877</u>
Total Long-term Obligations	<u>\$ 3,536,518</u>	<u>\$ 3,287,003</u>

See Note 14 for detail on the City's long-term obligations.

Economic Conditions and Outlook

Revenues were less than anticipated during 2017 however actual expenditures were below planned appropriations for the year lessening the impact of a reduction in revenue. The City still faces challenges from the State's reduction to multiple revenue sources, and continued increasing cost to maintain the City's aging assets and infrastructure. This will impact the City's ability to continue the SOM and timely implementation of the GoForward Gahanna strategic plan.

The Sustainable Operating Model (SOM) is built upon two key components, (1) the City will maintain its existing core infrastructure and assets at a professionally appropriate level; (2) ongoing operating costs will be funded with ongoing revenue sources. One-time windfalls, accumulated savings and short-term cost-cutting measures will not be used to balance the City's operating budget.

The GoForward Gahanna strategic plan adopted April of 2016 was a collaborative planning process between City administration, Council and the community to develop a long-term guide for strategic, operational, resource and policy decisions, while ensuring the City is dedicating its resources appropriately and achieving meaningful results. The plan contains five strategic priorities, Business and Job Development; Roads, Bridges and Infrastructure; Parks, Trails and Recreation; Character of the City; and Good Government. Each priority has strategic results that customers can expect to experience over the five year period evidencing the City's progress in implementing the plan. In total there are twenty-two strategic results. These are outlined within the statistical section of this report under operating information along with the status of each.

*City of Gahanna, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)*

Implementing the SOM and GoForward Gahanna strategic plan is limited by available resources and based on the results of 2017, this will become more challenging in the future. The City's expenses are outpacing revenue growth and no new revenue sources have been identified to close the gap. Economic growth continues to be positive but is not resulting in the revenue capacity the City needs to fully implement both plans.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Ms. Joann Bury, Director of Finance, City of Gahanna, 200 South Hamilton Road, Gahanna, Ohio 43230.



BASIC FINANCIAL STATEMENTS

City of Gahanna, Ohio
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-type Activities	Total
Assets			
Equity in Pooled Cash & Investments	\$37,678,352	\$19,708,299	\$57,386,651
Cash with Fiscal Agents	268,756	-	268,756
Receivables			
Income Taxes	4,467,149	-	4,467,149
Property Taxes	2,045,202	-	2,045,202
Other Local Taxes	29,951	-	29,951
Revenue In Lieu of Taxes	1,636,817	-	1,636,817
Accounts	837,871	4,178,662	5,016,533
Accrued Interest	177,171	-	177,171
Interfund Loan	630,000	-	630,000
Intergovernmental	1,380,984	-	1,380,984
Prepayments	188,628	21,944	210,572
Materials & Supplies Inventory	231,073	77,000	308,073
Internal Balance	(39,976)	39,976	-
Non-depreciable Capital Assets	108,260,000	909,950	109,169,950
Depreciable Capital Assets, Net	32,010,787	48,818,874	80,829,661
Total Assets	189,802,765	73,754,705	263,557,470
Deferred Outflows of Resources			
Deferred Charge On Refunding	1,286,645	112,124	1,398,769
Pension	8,631,696	658,357	9,290,053
Total Deferred Outflows	9,918,341	770,481	10,688,822
Liabilities			
Accounts Payable	457,924	101,026	558,950
Contracts Payable	147,339	2,950	150,289
Accrued Wages and Benefits	463,494	42,277	505,771
Compensated Absences Payable	12,828	-	12,828
Intergovernmental Payable	105,706	3,496,814	3,602,520
Interfund Loan Payable	-	630,000	630,000
Interest Payable	51,835	5,794	57,629
Long-Term Liabilities			
Due within One Year	2,450,833	237,447	2,688,280
Due in More Than One Year			
Net Pension Liability	23,817,686	1,533,752	25,351,438
Other Due in More Than One Year	20,900,965	1,765,319	22,666,284
Total Liabilities	48,408,610	7,815,379	56,223,989
Deferred Inflows of Resources			
Property Taxes Levied for the Subsequent Year	2,001,429	-	2,001,429
Revenue in Lieu of Taxes for the Subsequent Year	1,636,817	-	1,636,817
Pension	1,503,303	7,976	1,511,279
Total Deferred Inflows of Resources	5,141,549	7,976	5,149,525
Net Position			
Net Investment in Capital Assets	122,523,098	47,920,299	170,443,397
Restricted for			
Debt Service	1,373,328	-	1,373,328
Capital Projects	6,980,350	-	6,980,350
General Government	270,683	-	270,683
Security of Persons & Property	1,316,707	-	1,316,707
Community Environment	1,260,966	-	1,260,966
Transportation	2,526,017	-	2,526,017
Unrestricted	9,919,798	18,781,532	28,701,330
Total Net Position	146,170,947	\$66,701,831	\$212,872,778

The notes to the basic financial statements are an integral part of this statement.

City of Gahanna, Ohio
 Statement of Activities
 For the Fiscal Year Ended December 31, 2017

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services & Sales	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General Government	\$ 4,855,877	\$ 757,358	\$ -	\$ -	\$ (4,098,519)	\$ -	\$ (4,098,519)
Security of Persons & Property	11,526,650	169,298	40,421	-	(11,316,931)	-	\$(11,316,931)
Public Health & Welfare	282,874	-	-	-	(282,874)	-	\$ (282,874)
Transportation	4,779,729	8,992	1,932,749	-	(2,837,988)	-	\$ (2,837,988)
Community Environment	5,125,922	932,419	-	-	(4,193,503)	-	\$ (4,193,503)
Leisure Time Activities	5,223,188	1,534,010	4,590	100,000	(3,584,588)	-	\$ (3,584,588)
Utility Services	460,437	-	-	-	(460,437)	-	\$ (460,437)
Interest & Fiscal Charges	623,828	-	-	-	(623,828)	-	\$ (623,828)
Total Governmental Activities	<u>32,878,505</u>	<u>3,402,077</u>	<u>1,977,760</u>	<u>100,000</u>	<u>(27,398,668)</u>	<u>-</u>	<u>(27,398,668)</u>
Business-type Activities							
Water	9,480,789	7,841,524	-	-	-	(1,639,265)	(1,639,265)
Sewer	7,817,706	7,957,118	-	-	-	139,412	139,412
Storm Water	1,078,851	1,137,424	-	-	-	58,573	58,573
Total Business-type Activities	<u>18,377,346</u>	<u>16,936,066</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,441,280)</u>	<u>(1,441,280)</u>
Total Primary Government	<u>\$ 51,255,851</u>	<u>\$ 20,338,143</u>	<u>\$ 1,977,760</u>	<u>\$ 100,000</u>	<u>\$ (27,398,668)</u>	<u>\$ (1,441,280)</u>	<u>\$(28,839,948)</u>
General Revenues							
Income Taxes Levied For							
General Purposes					17,986,106	-	17,986,106
Property Taxes Levied For							
General Purposes					1,488,227	-	1,488,227
Debt Service					248,579	-	248,579
Police					246,148	-	246,148
Revenue in Lieu of Taxes					2,895,815	-	2,895,815
Other Local Taxes					516,087	-	516,087
Grants & Entitlements not Restricted to Specific Programs					1,060,783	-	1,060,783
Investment Earnings					589,822	-	589,822
Miscellaneous					702,458	-	702,458
Transfers					(417,822)	417,822	-
Total General Revenues & Transfers					<u>25,316,203</u>	<u>417,822</u>	<u>25,734,025</u>
Change in Net Position					(2,082,465)	(1,023,458)	(3,105,923)
Net Position Beginning of Year					148,253,412	67,725,289	215,978,701
Net Position End of Year					<u>\$146,170,947</u>	<u>\$66,701,831</u>	<u>\$212,872,778</u>

The notes to the basic financial statements are an integral part of this statement.

City of Gahanna, Ohio
Balance Sheet
Governmental Funds
December 31, 2017

	General	Tax Increment Equivalent	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash & Investments	\$ 23,878,200	\$ 1,260,966	\$ 4,949,767	\$ 7,068,623	\$ 37,157,556
Cash with Fiscal Agents	-	-	-	268,756	268,756
Receivables					
Income Taxes	4,467,149	-	-	-	4,467,149
Property Taxes	1,541,785	-	-	503,417	2,045,202
Other Local Taxes	29,951	-	-	-	29,951
Revenue in Lieu of Taxes	-	1,636,817	-	-	1,636,817
Accounts	827,465	-	-	10,406	837,871
Accrued Interest	177,171	-	-	-	177,171
Intergovernmental	459,086	28,654	-	893,244	1,380,984
Interfund Loan	630,000	-	-	-	630,000
Prepayments	172,606	-	-	16,022	188,628
Materials & Supplies Inventory	231,073	-	-	-	231,073
Total Assets	32,414,486	2,926,437	4,949,767	8,760,468	49,051,158
Liabilities					
Accounts Payable	355,720	-	59,661	42,543	457,924
Contracts Payable	102,162	-	38,556	5,421	146,139
Accrued Wages & Benefits	441,034	-	-	22,460	463,494
Compensated Absences	12,828	-	-	-	12,828
Intergovernmental Payable	93,310	-	-	12,396	105,706
Due to Other Funds	8,821	-	-	449	9,270
Total Liabilities	1,013,875	-	98,217	83,269	1,195,361
Deferred Inflows of Resources					
Property Taxes Levied for Subsequent Year	1,508,787	-	-	492,642	2,001,429
Revenue in Lieu of Taxes for the Subsequent Year	-	1,636,817	-	-	1,636,817
Unavailable Property Tax Revenue	32,998	-	-	10,775	43,773
Unavailable Income Tax Revenue	2,705,217	-	-	-	2,705,217
Unavailable Intergovernmental Revenue	384,219	28,654	-	763,303	1,176,176
Unavailable Interest Revenue	76,805	-	-	-	76,805
Unavailable License, Permits & Fees	701,554	-	-	-	701,554
Unavailable Other Revenue	11,178	-	-	-	11,178
Unavailable Insurance Proceeds	22,356	-	-	-	22,356
Total Deferred Inflow of Resources	5,443,114	1,665,471	-	1,266,720	8,375,305
Fund Balances					
Nonspendable	434,934	-	-	16,022	450,956
Restricted	-	1,260,966	4,851,550	6,825,435	12,937,951
Committed	7,109,940	-	-	568,776	7,678,716
Assigned	9,829,154	-	-	246	9,829,400
Unassigned	8,583,469	-	-	-	8,583,469
Total Fund Balances	25,957,497	1,260,966	4,851,550	7,410,479	39,480,492
Total Liabilities, Deferred Inflows & Fund Balances	\$ 32,414,486	\$ 2,926,437	\$ 4,949,767	\$ 8,760,468	\$ 49,051,158

The notes to the basic financial statements are an integral part of this statement.

City of Gahanna, Ohio
 Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2017

Total Governmental Fund Balances \$39,480,492

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 140,270,787

Other assets are not available to pay for current period expenditures and therefore are deferred in the funds. 4,737,059

An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of position. 488,890

Long-Term liabilities, including bonds and loans payable, are not due and payable in the current period and therefore are not reported in the funds.

Compensated Absences	(2,445,405)
General Obligation Debt	(19,718,197)
Accrued Interest	(51,835)
Loans Payable	(1,188,196)
	(23,403,633)

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	8,631,696
Deferred Inflows - Pension	(1,503,303)
Net Pension Liability	(23,817,686)
	(16,689,293)

Deferred outflows of resources for deferred charges on refunding. In the funds, the difference between the proceeds received from the issuance of the refunding bonds, and the amount placed into escrow to pay the old bonds is reported when the debt is issued. This amount is deferred and amortized as a component of interest expense in the governmental activities 1,286,645

Net Position of Governmental Activities **\$146,170,947**

The notes to the basic financial statements are an integral part of this statement.

City of Gahanna, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended December 31, 2017

	General	Tax Incremental Equivalent	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues					
Income Taxes	\$ 18,638,374	\$ -	\$ -	\$ -	\$ 18,638,374
Property Taxes	1,498,069	-	-	497,937	1,996,006
Other Local Taxes	516,087	-	-	-	516,087
Revenue in Lieu of Taxes	-	2,895,815	-	-	2,895,815
Charges for Services	1,843,289	203,719	-	-	2,047,008
Licenses, Permits & Fees	1,318,786	-	-	49,676	1,368,462
Fines & Forfeitures	287,819	-	-	49,567	337,386
Intergovernmental	941,985	49,405	-	2,114,526	3,105,916
Investment Income	562,068	-	-	19,795	581,863
Rental Income	29,544	-	-	-	29,544
Contributions & Donations	4,590	-	-	-	4,590
Other	563,081	-	111,200	24,303	698,584
Total Revenues	26,203,692	3,148,939	111,200	2,755,804	32,219,635
Expenditures					
Current					
General Government	3,766,558	-	6,201	23,017	3,795,776
Security of Persons & Property	9,086,034	-	-	1,094,430	10,180,464
Public Health & Welfare	282,874	-	-	-	282,874
Transportation	1,014,835	-	1,127,407	2,307,685	4,449,927
Community Environment	2,757,460	1,437,167	77,609	-	4,272,236
Leisure Time Activity	3,972,235	-	135,913	-	4,108,148
Utility Services	459,848	-	-	589	460,437
Capital Outlay	1,193,584	-	1,116,118	101,515	2,411,217
Debt Service					
Principal Retirement	-	104,284	-	1,358,416	1,462,700
Interest & Fiscal Charges	-	-	-	655,420	655,420
Total Expenditures	22,533,428	1,541,451	2,463,248	5,541,072	32,079,199
Excess (Deficiency) of Revenue Over Expenditures	3,670,264	1,607,488	(2,352,048)	(2,785,268)	140,436
Other Financing Sources (Uses)					
Transfers In	300,000	-	2,478,710	2,676,914	5,455,624
Transfers Out	(3,849,846)	(1,304,800)	(269,600)	(449,200)	(5,873,446)
Proceeds From Sale of Capital Assets	10,494	-	-	18,186	28,680
Total Other Financing Sources (Uses)	(3,539,352)	(1,304,800)	2,209,110	2,245,900	(389,142)
Net Change in Fund Balances	130,912	302,688	(142,938)	(539,368)	(248,706)
Fund Balances, January 1	25,826,585	958,278	4,994,488	7,949,847	39,729,198
Fund Balances, December 31	\$ 25,957,497	\$ 1,260,966	\$ 4,851,550	\$ 7,410,479	\$ 39,480,492

The notes to the basic financial statements are an integral part of this statement.

City of Gahanna, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended December 31, 2017

Net Change in Fund Balances - Total Governmental Funds \$ (248,706)

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 capital outlays exceeded depreciation in the current period.

Capital Outlay	2,411,217
Depreciation	(2,297,842)

The sale, trade in, transfer or donation of capital assets is to increase/(decrease) net position as follows:

Sale or Trade-in of Capital Assets	(38,046)
------------------------------------	----------

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

Income Taxes	(652,268)
Property Taxes	(13,052)
License Permits & Fees	(380,323)
Intergovernmental	28,037
Investment Income	7,959
Other	3,874
Insurance Proceeds	22,356

Repayment of bond and loan principal and leases payable are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not result in an expense in the statement of activities.

1,462,700

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The amortization of the deferred charge on refunding is also amortized over the life of the bonds but is recognized at the time the debt is issued in the funds.

31,592

An internal service fund is used by management to charge the costs of insurance to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.

124,689

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(312,700)
----------------------	-----------

Contractually required pension contributions are reported as expenditures in governmental funds however the statement of net position reports as deferred outflows.

1,891,696

Except for amounts reported as deferred inflows/outflows changes in the net pension liability are reported as pension expense in the statement of activities.

(3,852,075)

Net pension liability deferred inflows/outflows are amortized as an expense in the statement of activities.

(271,573)

Change in Net Position of Governmental Activities

\$ (2,082,465)

The notes to the basic financial statements are an integral part of this statement.

City of Gahanna, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2017

Revenues	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive/(Negative)
Income Tax	19,838,400	19,838,400	18,400,886	(1,437,514)
Property Taxes	1,486,200	1,500,495	1,498,069	(2,426)
Other Local Taxes	507,300	507,300	516,195	8,895
Charges for Services	1,826,433	1,826,433	1,775,580	(50,853)
Licenses Permits & Fees	1,579,100	1,579,100	1,324,345	(254,755)
Fines & Forfeitures	533,000	533,000	291,243	(241,757)
Intergovernmental	1,018,900	1,018,900	945,912	(72,988)
Investment Income	487,800	487,800	624,950	137,150
Rent	42,000	42,000	29,544	(12,456)
Contributions & Donations	-	-	4,590	4,590
Other	26,000	26,000	163,431	137,431
Total Revenues	27,345,133	27,359,428	25,574,745	(1,784,683)
Expenditures				
General Government	5,764,754	5,919,790	5,368,608	551,182
Security of Persons & Property	9,624,642	9,624,642	9,196,194	428,448
Public Health & Welfare	294,000	294,000	283,384	10,616
Transportation	1,370,574	1,381,100	1,192,056	189,044
Community Environment	4,930,757	4,894,357	4,197,603	696,754
Leisure Time Activities	4,421,904	4,410,657	4,246,113	164,544
Utility Services	590,455	586,244	490,861	95,383
Capital Outlay	2,882,767	3,033,290	3,031,524	1,766
Total Expenditures	29,879,853	30,144,080	28,006,343	2,137,737
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(2,534,720)	(2,784,652)	(2,431,598)	353,054
Other Financing Sources (Uses)				
Sale of Assets	31,000	31,000	15,605	(15,395)
Insurance Proceeds	20,000	20,000	22,110	2,110
Advance Out	(630,000)	(630,000)	(630,000)	-
Transfer In	1,759,370	1,759,370	1,661,071	(98,299)
Transfer Out	(3,944,212)	(3,946,462)	(3,927,268)	19,194
Total Other Financing Sources (Uses)	(2,763,842)	(2,766,092)	(2,858,482)	(92,390)
Net Change in Fund Balance	(5,298,562)	(5,550,744)	(5,290,080)	260,664
Fund balance at beginning of year	21,110,220	21,110,220	21,110,220	-
Prior Year Encumbrance Appropriated	3,595,572	3,595,572	3,595,572	-
Fund balance at end of year	19,407,230	19,155,048	19,415,712	260,664

The notes to the basic financial statements are an integral part of this statement

City of Gahanna, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Tax Increment Equivalent Special Revenue Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive/(Negative)
	Original	Final		
Revenues				
Revenue in Lieu of Taxes	2,297,600	2,297,600	2,895,815	598,215
Intergovernmental	29,700	29,700	49,405	19,705
Charges for Services	199,500	199,500	203,719	4,219
Total Revenues	<u>2,526,800</u>	<u>2,526,800</u>	<u>3,148,939</u>	<u>622,139</u>
Expenditures				
Community Environment	1,266,800	1,468,545	1,437,165	31,380
Capital Outlay	164,290	164,290	164,286	4
Total Expenditures	<u>1,431,090</u>	<u>1,632,835</u>	<u>1,601,451</u>	<u>31,384</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>1,095,710</u>	<u>893,965</u>	<u>1,547,488</u>	<u>653,523</u>
Other Financing Sources (Uses)				
Transfer Out	<u>(1,304,800)</u>	<u>(1,304,800)</u>	<u>(1,304,800)</u>	-
Total Other Financing Sources (Uses)	<u>(1,304,800)</u>	<u>(1,304,800)</u>	<u>(1,304,800)</u>	-
Net Change in Fund Balance	(209,090)	(410,835)	242,688	653,523
Fund balance at beginning of year	958,281	958,281	958,281	-
Prior Year Encumbrance Appropriated	-	-	-	-
Fund balance at end of year	<u>749,191</u>	<u>547,446</u>	<u>1,200,969</u>	<u>653,523</u>

The notes to the basic financial statements are an integral part of this statement

City of Gahanna, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2017

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund
	Water	Sewer	Storm Water	Nonmajor Fund	Total	
Assets						
Current Assets						
Equity in Pooled Cash & Investments	\$ 7,427,473	\$ 9,563,051	\$ 2,717,775	\$ -	\$ 19,708,299	520,796
Accounts Receivable	1,920,857	1,993,252	264,553	-	4,178,662	-
Intergovernmental Receivable	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	10,115
Prepayments	16,341	2,884	2,719	-	21,944	-
Materials & Supplies Inventory	38,500	38,500	-	-	77,000	-
Total Current Assets	9,403,171	11,597,687	2,985,047	-	23,985,905	530,911
Non-current Assets						
Capital Assets						
Non-depreciable Capital Assets	5,499	131,252	773,199	-	909,950	-
Depreciable Capital Assets, Net	23,937,138	11,264,941	13,616,795	-	48,818,874	-
Total non-current assets	23,942,637	11,396,193	14,389,994	-	49,728,824	-
Total Assets	33,345,808	22,993,880	17,375,041	-	73,714,729	530,911
Deferred Outflows of Resources						
Deferred Charge on Refunding Pension	12,328	12,328	87,468	-	112,124	-
	252,334	252,334	153,689	-	658,357	-
Total Deferred Outflows	264,662	264,662	241,157	-	770,481	-
Liabilities						
Current Liabilities						
Accounts Payable	68,648	15,929	16,449	-	101,026	-
Contracts Payable	1,475	1,475	-	-	2,950	1,200
Accrued Wages & Benefits	16,066	16,066	10,145	-	42,277	-
Intergovernmental Payable	1,977,313	1,517,934	1,567	-	3,496,814	-
Due to Other Funds	321	321	203	-	845	-
Interfund Loan Payable	630,000	-	-	-	630,000	-
Accrued Interest Payable	671	671	4,452	-	5,794	-
Current Portion of Compensated Absences Payable	32,141	32,141	17,835	-	82,117	-
Current Portion of General Obligation Bonds Payable	18,090	18,090	119,150	-	155,330	-
Total Current Liabilities	2,744,725	1,602,627	169,801	-	4,517,153	1,200
Long-term Liabilities						
General Obligation Bonds Payable	209,197	209,197	1,346,925	-	1,765,319	-
Net Pension Liability	589,905	589,905	353,942	-	1,533,752	-
Total Long-term Liabilities	799,102	799,102	1,700,867	-	3,299,071	-
Total Liabilities	3,543,827	2,401,729	1,870,668	-	7,816,224	1,200
Deferred Inflows of Resources						
Pension	3,068	3,068	1,840	-	7,976	-
Total Deferred Inflows	3,068	3,068	1,840	-	7,976	-
Net Position						
Net Investment in Capital Assets	23,727,678	11,181,234	13,011,387	-	47,920,299	-
Unrestricted	6,335,897	9,672,511	2,732,303	-	18,740,711	529,711
Total Net Position	30,063,575	20,853,745	15,743,690	-	66,661,010	529,711
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds					40,821	
Net Position of Business type Activities					66,701,831	

The notes to the basic financial statements are an integral part of this statement

City of Gahanna, Ohio
Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund
	Water	Sewer	Storm Water	Nonmajor Fund	Total	
Operating Revenues						
Charges for Services	\$ 7,781,205	\$ 7,954,718	\$ 1,136,005	\$ -	\$ 16,871,928	\$ 265,120
Other	60,319	2,400	1,419	-	64,138	-
Total Operating Revenues	<u>7,841,524</u>	<u>7,957,118</u>	<u>1,137,424</u>	<u>-</u>	<u>16,936,066</u>	<u>265,120</u>
Operating Expenses						
Personal Services	642,311	645,667	390,274	-	1,678,252	-
Contract Services	7,322,911	6,110,023	63,529	300	13,496,763	88,655
Materials & Supplies	208,450	23,279	1,032	-	232,761	-
Claims Expense	-	-	-	-	-	41,588
Depreciation	635,820	372,556	356,026	-	1,364,402	-
Other	667,835	662,718	219,960	-	1,550,513	-
Total Operating Expenses	<u>9,477,327</u>	<u>7,814,243</u>	<u>1,030,821</u>	<u>300</u>	<u>18,322,691</u>	<u>130,243</u>
Operating Income/(Loss)	<u>(1,635,803)</u>	<u>142,875</u>	<u>106,603</u>	<u>(300)</u>	<u>(1,386,625)</u>	<u>134,877</u>
Nonoperating Revenues/(Expenses)						
Interest & Fiscal Charges	<u>(7,359)</u>	<u>(7,359)</u>	<u>(50,125)</u>	<u>-</u>	<u>(64,843)</u>	<u>-</u>
Total Nonoperating Revenues/(Expenses)	<u>(7,359)</u>	<u>(7,359)</u>	<u>(50,125)</u>	<u>-</u>	<u>(64,843)</u>	<u>-</u>
Income/(Loss) Before Transfers	(1,643,162)	135,516	56,478	(300)	(1,451,468)	134,877
Transfer in	354,100	46,500	296,762	-	697,362	-
Transfer (out)	<u>(14)</u>	<u>(14)</u>	<u>(2,750)</u>	<u>(276,762)</u>	<u>(279,540)</u>	<u>-</u>
Change in Net Position	(1,289,076)	182,002	350,490	(277,062)	(1,033,646)	134,877
Net Position, January 1	<u>31,352,651</u>	<u>20,671,743</u>	<u>15,393,200</u>	<u>277,062</u>	<u>67,694,656</u>	<u>394,834</u>
Net Position, December 31	<u>\$30,063,575</u>	<u>\$20,853,745</u>	<u>\$15,743,690</u>	<u>\$ -</u>		<u>\$ 529,711</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds					10,188	
Change in Net Position Business-type Activities					<u>(1,023,458)</u>	

The notes to the basic financial statements are an integral part of this statement

City of Gahanna, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund
	Water	Sewer	Storm Water	Nonmajor Fund	Total	
Cash Flows from Operating Activities						
Cash Received From Customers	7,925,365	7,959,866	1,159,894	-	17,045,125	263,204
Other Operating Cash Receipts	59,961	-	-	-	59,961	-
Cash Payments for Personal Services	(545,885)	(545,882)	(340,429)	-	(1,432,196)	-
Cash Payments for Contractual Services	(6,757,832)	(6,122,192)	(66,362)	(300)	(12,946,686)	(87,455)
Cash Payments for Materials & Supplies	(183,125)	(21,303)	(930)	-	(205,358)	-
Cash Payments for Claims	-	-	-	-	-	(41,588)
Cash Payments for Other Operating Expenses	(654,545)	(639,548)	(217,190)	-	(1,511,283)	-
Net Cash Provided/(Used) by Operating Activities	(156,061)	630,941	534,983	(300)	1,009,563	134,161
Cash Flows From Capital and Related Financing Activities						
Capital Grants Received	-	-	-	167,000	167,000	-
Cash Payments for the Acquisition of Capital Assets	(215,730)	(186,452)	(161,642)	-	(563,824)	-
Principal Payments on Bonds	(17,230)	(17,230)	(118,550)	-	(153,010)	-
Interest Payments on Bonds	(8,756)	(8,756)	(58,271)	-	(75,783)	-
Net Cash Provided/(Used) by Capital & Related Financing Activities	(241,716)	(212,438)	(338,463)	167,000	(625,617)	-
Cash Flows From Noncapital Financing Activities:						
Interfund Loan Proceeds	630,000	-	-	-	630,000	-
Transfers In	354,100	46,500	20,913	-	421,513	-
Transfers Out	(14)	(14)	(2,750)	(913)	(3,691)	-
Net Cash Provided/(Used) by Noncapital Financing Activities	984,086	46,486	18,163	(913)	1,047,822	-
Net Increase/(Decrease) in Cash & Cash Equivalents	586,309	464,989	214,683	165,787	1,431,768	134,161
Cash & Cash Equivalents January 1, 2017	6,841,164	9,098,062	2,503,092	(165,787)	18,276,531	386,635
Cash & Cash Equivalents December 31, 2017	7,427,473	9,563,051	2,717,775	-	19,708,299	520,796
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities						
Operating Income/(Loss)	(1,635,803)	142,875	106,603	(300)	(1,386,625)	134,877
Adjustments						
Depreciation	635,820	372,556	356,026	-	1,364,402	-
Loss on Sale of Assets	2,349	-	-	-	2,349	-
Change in assets and liabilities						
(Increase)/Decrease in Materials & Supplies Inventory	1,523	1,523	-	-	3,046	-
(Increase)/Decrease in Accounts Receivable	143,802	2,748	22,470	-	169,020	-
(Increase)/Decrease in Intergovernmental Receivable	-	-	-	-	-	-
(Increase)/Decrease in Due from Other Funds	-	-	-	-	-	(1,916)
(Increase)/Decrease in Prepayments	(10,045)	(2,466)	(2,421)	-	(14,932)	-
(Increase)/Decrease in Deferred Outflows	(67,816)	(67,817)	(41,400)	-	(177,033)	-
Increase/(Decrease) in Accounts Payable	38,256	3,467	4,908	-	46,631	-
Increase/(Decrease) in Contracts Payable	(1,087)	(18,303)	(2,474)	-	(21,864)	1,200
Increase/(Decrease) in Accrued Wages & Benefits	4,561	4,561	2,992	-	12,114	-
Increase/(Decrease) in Due to Other Governments	572,739	28,797	43	-	601,579	-
Increase/(Decrease) in Due to Other Funds	91	91	60	-	242	-
Increase/(Decrease) in Compensated Absences	7,859	11,219	(2,838)	-	16,240	-
Increase/(Decrease) in Net Pension Liability	156,873	156,873	94,124	-	407,870	-
Increase/(Decrease) in Deferred Inflows	(5,183)	(5,183)	(3,110)	-	(13,476)	-
Net cash provided/(used) by operating activities	(156,061)	630,941	534,983	(300)	1,009,563	134,161

Non-cash transactions

At December 31, 2017 and 2016, the Water fund purchased \$14,119 and \$31,045 respectively, in capital assets on account
At December 31, 2017 and 2016, the Sewer fund purchased \$11,295 and \$29,790 respectively, in capital assets on account
At December 31, 2017 and 2016, the Storm Water fund purchased \$11,295 and \$29,790 respectively, in capital assets on account

City of Gahanna, Ohio
 Statement of Fiduciary Assets and Liabilities
 December 31, 2017

	<u>Agency</u>
Assets	
Equity in Pooled Cash & Investments	\$ 1,241,204
Cash in Segregated Accounts	32,916
Accounts Receivable	305,441
Total Assets	<u>\$ 1,579,561</u>
Liabilities	
Accounts Payable	97
Contracts payable	153,220
Intergovernmental Payable	22,609
Deposits Held & Due to Others	1,403,635
Total Liabilities	<u>\$ 1,579,561</u>

The notes to the basic financial statements are an integral part of this statement

NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY

The City of Gahanna (the “City”) is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own Charter. The current Charter, which provides for a Mayor-Council form of government, was adopted by the electorate June 27, 1961, was completely renumbered by the Clerk of Council in January, 1992 and was amended as part of the Charter review process in 2011.

Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61 “The Financial Reporting Entity: Omnibus”. A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments and activities which are not legally separate from the City. They comprise the City’s legal entity which provides various services including public safety, street maintenance, parks and recreation, senior services, and engineering. The City of Gahanna is also responsible for the construction, maintenance, and repairs associated with the water and sewer lines. The City purchases water and sewer treatment services from the City of Columbus. Council and the Mayor have direct responsibility for these activities.

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

The City appoints the Board members of the Community Improvement Corporation (CIC) of Gahanna, but the City’s accountability for the CIC does not extend beyond making the appointments. The CIC of Gahanna was formed in 1965 to advance, encourage and promote the industrial, economic, commercial and civic development of Gahanna and the territory surrounding Gahanna.

The City in conjunction with the Gahanna Area Chamber of Commerce, Olde Gahanna Community Partnership, Gahanna Jefferson Public Schools, Hospitality Advisory Committee and general managers or owner designees of all hotels/motels operating within the City of Gahanna have created the Gahanna Convention and Visitors Bureau (CVB). The Board of Directors is composed of four City representatives, one representative from each of the other groups and eight additional at large members elected by the preceding for a total of seventeen members on the Board of Directors. The Gahanna CVB was formed in 2008 for the purpose of marketing Gahanna as a visitor destination; planning promoting and executing public events; preparing and distributing promotional items about Gahanna’s public activities and spaces. The City has no equity interest in the Gahanna CVB.

The City is a member of the Central Ohio Health Care Consortium (the “Pool”), a risk sharing pool which provides health insurance (See Note 16). The City participates in a joint operation with the Gahanna Jefferson Public School District. These organizations jointly operate a maintenance facility (See Note 17). The City is a member of the Regional Income Tax Agency (RITA) a jointly governed organization established to administer and collect municipal income taxes (See Note 18).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The City's Basic Financial Statements consist of Government-wide Statements, including a Statement of Net Position, Statement of Activities and Fund Financial Statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for Fiduciary Funds. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities.

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

Fund Financial Statements

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

B. Fund Accounting

The City uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain City functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds utilized by the City: Governmental, Proprietary and Fiduciary.

Governmental Funds

Governmental Funds are those through which most governmental functions are financed. Governmental Fund reporting focuses on the sources, uses and balances of current financial resources. Expendable

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

assets are assigned to the various Governmental Funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between Governmental Fund Assets plus Deferred Outflows of Resources and Liabilities plus Deferred Inflows of Resources is reported as Fund Balance. The following are the City's major Governmental Funds:

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

Tax Increment Equivalent Fund – This fund accounts for annual service payments in lieu of taxes related to Tax Increment Financing (TIF) projects within the City. The payments are distributed to the City by the County Treasurer. The payments are restricted for infrastructure in the City and other activities set forth in the individual TIF agreements.

Capital Improvement Fund – This fund accounts for resources and expenditures restricted for acquiring, purchasing, improving and/or constructing permanent improvements within the City.

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

Proprietary Funds

Proprietary Funds focus on the determination of operating income, changes in net position, and cash flows. The City's Proprietary Funds are Enterprise Funds and the Internal Service Fund.

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

Water Fund – This fund is used to account for the provision of water service to the residents and businesses within the City including capital maintenance and improvements.

Sewer Fund – This fund is used to account for the provision of sanitary sewer service to the residents and businesses within the City including capital maintenance and improvements.

Storm Water Fund – This fund is used to account for charges assessed to residents and businesses of the City for the improvement of the storm water system.

Internal Service Fund – The Internal Service Fund is used to account for the financing of goods or services provided by one department or agency or other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The only Internal Service Fund of the City accounts for interfund charges and claims payments applicable to the City's self-insurance program for workers' compensation.

Fiduciary Funds

Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Fund category is split into four classifications: Pension Trust Funds, Investment Trust Funds, Private-purpose Trust Funds, and Agency Funds. The three types of trust funds should be used to report

*Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2017*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

resources held and administered by the City when it is acting in a fiduciary capacity for individuals, private organizations, or other governments. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has seven Agency Funds which are used to account for money held for other governments or nonprofit organizations, compliance with building codes, senior center programs, veterans' memorial, refuse collection and the distribution of mayor's court fines. Two Agency Funds, TIZ Real Estate Escrow and GYFBL, were closed as of the end of 2017 as the programs are no longer in existence or have been transferred to another entity.

C. Measurement Focus

Government-wide Financial Statements

The Government-wide Financial Statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the City are included on the Statement of Net Position. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Fund Financial Statements

All Governmental Funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the Governmental Activities of the Government-wide Financial Statements are prepared. The Governmental Fund Financial Statements therefore include reconciliations with brief explanations to better identify the relationship between the Government-wide Statements and the Statements for Governmental Funds.

Like the Government-wide Statements, all Enterprise Funds are accounted for using a flow of economic resources measurement focus. All assets, all deferred outflows of resources, all liabilities and all deferred inflows of resources associated with the operation of these funds are included on the Statement of Fund Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (e.g., revenues) and decreases (e.g., 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 Enterprise Activities.

D. Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

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

“Measurable” means the amount of the transaction can be determined and “available” means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used

*Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2017*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

to pay liabilities of the current year. For the City, available means expected to be received within thirty-one days of year end.

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

Deferred Inflows and Outflows of Resources

Deferred inflows and outflows of resources are defined by GASB Concepts Statement No. 4 and GASB Statements No. 63 and 65 requiring a reclassification of items previously reported as assets and liabilities as deferred outflows or inflows of resources. A deferred outflow of resources represents a consumption of net position that applies to future periods and will not be recognized as an expense/expenditure until then. The deferred charge on refunding, which results from the difference in the carrying value of the refunded debt and its reacquisition price, has been recorded as a deferred outflow of resources.

A deferred inflow of resources represents an acquisition of net position that applies to future periods and will not be recognized as revenue until that time. Property taxes and revenue in lieu of taxes for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance year 2018 operations have been recorded as a deferred inflow of resources on the Governmental-wide Statement of Net Position and Governmental Funds Balance Sheet. In addition, the Governmental Funds Balance Sheet also includes receivables not collected within the available period as deferred inflows of resources, such as, income taxes, delinquent property taxes, grants and entitlements and other accounts receivable.

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.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of Governmental Fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in Governmental Funds.

E. Budgets and Budgetary Accounting

All funds, other than Agency Funds, are legally required to be budgeted and appropriated. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Appropriation Ordinance, all of which are prepared on the budgetary basis of accounting. The Tax Budget demonstrates

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a need for existing or increased tax rates. The Certificate of Estimated Resources establishes a limit on the amount Council may appropriate. The Appropriation Ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the fund, function and object level for all funds.

The Certificate of Estimated Resources may be amended during the year if projected increases or decreases in revenue are identified by the City. The amounts reported as the original budgeted amounts on the Budgetary Statements reflect the amounts on the Certificate of Estimated Resources when the original appropriations were adopted. The amounts reported as final budgeted amounts represent estimates from the amended certificate in effect at the time final appropriations were passed by Council.

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

F. Equity in Pooled Cash and Investments

To improve cash management, cash received by the City is pooled. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "Equity in Pooled Cash & Investments" on the Financial Statements. The City has permissive motor vehicle license monies which are held by the Franklin County Engineer and are distributed to the City for approved projects. The balance in this account is presented as "Cash with Fiscal Agent". The Mayor's Court has its own checking account for the collection and distribution of court fines and forfeitures and is presented on the Fiduciary Statement of Assets and Liabilities – Agency Funds as "Cash in Segregated Accounts".

During the year, investments consisted of government and government sponsored entity bonds such as Federal Home Loan Bank (FHLB) bonds, Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Credit (FHLMC) bonds and US Treasury Obligations. The City also invested in U.S. government money market mutual funds, negotiable certificates of deposit and STAR Ohio. Investments are reported at fair value.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Note 4 provides information on the City's recurring fair value measurements as of December 31, 2017. Mutual funds are reported at fair value which is determined by the mutual fund's current shares price.

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

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to

Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

\$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Investment income is distributed to the funds according to Ohio constitutional and statutory requirements. Investment income credited to the general fund during 2017 amounted to \$562,068 of which 59% or \$331,620 is assigned from other funds.

For purposes of the Statement of Cash Flows, investments with an original maturity of three months or less are considered to be cash equivalents. In addition, all cash and investments of the cash management pool are considered to be cash equivalents because they are sufficiently liquid to permit withdrawal by the Proprietary Funds on demand. Investments with maturities greater than three months that are not part of the cash management pool are not considered to be cash equivalents.

G. Materials and Supplies Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption. On the Fund Financial Statements, reported materials and supplies inventory is equally offset by a nonspendable fund balance which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2017, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed. At year end, because payments are not available to finance future Governmental Fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the Fund Financial Statements.

I. Capital Assets

General capital assets are those capital assets that are associated with Governmental Activities. These assets generally result from expenditures in Governmental Funds. These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but are not reported in the Fund Financial Statements. Capital assets used by the Enterprise Funds are reported in both the Business-type Activities column of the Government-wide Statement of Net Position and in the respective funds.

Capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and reductions during the year. Donated capital assets are recorded at acquisition values on the date donated. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

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

Notes to the Basic Financial Statements
 For the Fiscal Year Ended December 31, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Descriptions	Estimated Life
Buildings	50 years
Improvements other than buildings	20 years
Machinery and equipment	
Machinery and equipment	5-30 years
Furniture and fixtures	20 years
Computers	5 years
Vehicles	5-8 years
Infrastructure	
Bridges and culverts	50 years
Sidewalks	20 years
Street lighting	15 years
Traffic control lighting	10 years
Alleys, fiber optics, etc.	20-65 years
Storm sewer lines	65 years
Sewer and water lines	65 years
Miscellaneous water and sewer infrastructure	25-65 years

The City has elected the modified approach for road infrastructure. Under the modified approach infrastructure assets that meet the following criteria are not depreciated.

1. The infrastructure assets are maintained by the City in an asset inventory system.
2. The City performs a condition assessment of the infrastructure assets using a rating methodology general accepted in the industry that considers all relevant factors affecting the overall condition and results in an overall single rating for each element (road segment) being considered.
3. The City estimates each year the annual budget requirements to maintain and preserve the infrastructure assets at a minimum condition level.

The City performs a condition assessment of all roads annually to determine that the roads are being maintained at approximately the condition level established by the City in accordance with the condition assessment policy. Costs for maintenance and preservation of the roads are expensed in the period incurred. Additions and improvements are capitalized.

J. Compensated Absences

Vacation benefits and compensatory time are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation time and compensatory time when earned for all employees after six months of service. Compensatory time is accumulated by employees at the applicable overtime rate for each hour of overtime worked. City employees may carry over vacation and compensatory time in accordance with employment contracts or ordinances.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the City’s past experience of making termination payments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the Government-wide Financial Statements. All payables, accrued liabilities, and long-term obligations payable from the Enterprise Funds are reported on the Enterprise Funds Financial Statements.

In general, Governmental Fund payables and accrued liabilities are reported, once incurred, as obligations of the funds, if they are paid in a timely manner and in full from current financial resources. However, compensated absences that will be paid from Governmental Funds are reported as liabilities on the Fund Financial Statements only to the extent that they are due for payment during the current year. Long-term bonds, loans and capital leases are recognized on the Governmental Fund Financial Statements when due.

L. Unamortized Bond Premiums

Premiums for Government-wide Statements and Enterprise Fund Statements are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an increase to the face amount of the bonds payable.

M. Deferred Charge on Refunding

On the Government-wide Financial Statements and Enterprise Fund Statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt is the deferred charge on refunding and is reported as a deferred outflow. The amount is amortized as a component of interest expense on a straight line basis, since the results are not significantly different from the effective interest rate method, over the shorter life of the new debt or old debt.

N. Fund Balance

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In Governmental Funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of City Council, which includes giving the Director of Finance the authority to constrain monies for intended purposes.

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

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

O. Budget Stabilization/General Fund Balance Reserve

Under the Emergency Reserve policy, the General Fund is required to maintain a fund balance emergency reserve of 25% of planned General Fund operating expenditures and shall be communicated to City Council during the appropriations process. Formal action of City Council is required to use the reserve. As of December 31, 2017, the amount of the reserve was \$7,109,940. This amount is included in the committed fund balance of the General Fund.

P. Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund services provided and used are not eliminated on the Statement of Activities. Transfers between Governmental and Business-type Activities on the Government-wide Financial Statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and after nonoperating revenues/expenses in Enterprise Funds. Interfund transfers are eliminated on the Entity-wide Statement of Activities.

Q. Due to/from other funds & Interfund Loans Payable/Receivable

On Fund Financial Statements, outstanding interfund loans are reported as “Interfund Loans Receivable” and “Interfund Loans Payable.” Unpaid amounts for interfund services are reported as “Due to Other Funds” and “Due from Other Funds”. Interfund balances are eliminated on the Government-wide Statement of Net Position except for any net residual amounts due between Governmental and Business-type Activities, which are presented as “Internal Balances.”

During 2017, the General Fund loaned \$630,000 to the Water Fund to assist with the payment of a master meter reading error that resulted in the City owing the City of Columbus \$1,260,000 in previously unbilled water purchases. The loan will be repaid over a five year period with an annual interest rate of 2%.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows 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 use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The Government-wide Statement of Net Position reports \$13,728,051 of restricted net position, none of which is restricted by enabling legislation.

S. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Funds. For the City, these revenues are charges for services for water, sewer and storm water utility services. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as non-operating.

T. Contributions of Capital

Contributions of capital in Governmental Activities and Proprietary Fund Financial Statements arise from outside contributions of capital assets, transfers of capital assets between Governmental and Proprietary Funds, or from grants or outside contributions of resources restricted to capital acquisition and construction.

U. 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.

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of Generally Accepted Accounting Principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual (non-GAAP Budgetary Basis) presented for the General Fund and the Tax Increment Equivalent Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

Notes to the Basic Financial Statements
 For the Fiscal Year Ended December 31, 2017

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING (continued)

- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an accounts payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);
- (e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
- (f) Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the Fund Financial Statements) to the Budgetary Basis Statements for all Governmental Funds for which a Budgetary Basis Statement is presented:

Net Change in Fund Balance

	General	Tax Increment Equivalent
Budget basis	\$ (5,290,080)	\$ 242,688
Net adjustment for revenue accruals	225,526	-
Net adjustment for expenditure accruals	110,650	-
Net adjustment for other sources/(uses)	634,020	-
Funds budgeted elsewhere	18,237	-
Adjustment for Encumbrances	4,432,559	60,000
GAAP basis	<u>\$ 130,912</u>	<u>\$ 302,688</u>

Certain funds that are legally budgeted in separate Special Revenue Funds are considered part of the General Fund on a GAAP basis. This includes the Police Duty Weapon Fund, the Vending Machine Fund, Reserve for Sick/Vacation Fund and Unclaimed Monies Fund.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City Treasury, in commercial accounts payable or withdrawable on demand, or in money market deposit accounts.

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

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

NOTE 4 – DEPOSITS AND INVESTMENTS (continued)

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. The State Treasurer's investment pool (STAR Ohio and STAR Plus). Any other investment pools operating in Ohio and available exclusively to public fund agencies of Ohio. The instruments of these pools must have the full faith and credit backing of the United States or be fully collateralized or insured;
6. Bonds and other obligations of any legally constituted taxing subdivision of the State of Ohio, such as but not limited to, counties, municipal corporations and school districts. At the time of investment the entity must not be in default of payment for any outstanding obligations and the securities must be general obligation backed by the full faith and credit of the government entity issuing the bonds rated at least second highest by any nationally recognized rating agency;
7. Commercial paper issued by companies incorporated under the laws of the United States and which are rated at the time of purchase in the single highest classification by two nationally recognized rating agencies;
8. Bankers acceptances which are eligible for purchase by the Federal Reserve System which are issued by institutions ranked nationally as one of the top fifty in asset and deposit size within the industry;
9. Corporate bonds or medium term notes issued by corporations incorporated under the laws of the United States and operating within the United States with assets in excess of \$500 million and rated at least second highest by at least two nationally recognized rating agencies at the time of purchase.
10. Money market funds consisting of investments described herein;
11. Any other investments not listed herein but that are otherwise eligible under Chapter 135 of the Ohio Revised Code.

Notes to the Basic Financial Statements
 For the Fiscal Year Ended December 31, 2017

NOTE 4 – DEPOSITS AND INVESTMENTS (continued)

Protection of the City’s deposits is provided by the Federal Deposit Insurance Corporation (FDIC), or by the Ohio Pooled Collateral System (OPCS). The OPCS allows for the City’s financial institution to pledge collateral to the Ohio Treasurer’s Office to secure the City’s public deposits. The Treasurer’s Office is the sole administrator and monitor of the program.

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

Cash with Fiscal Agent: At year end, the City had \$268,756 on deposit with the Franklin County Treasurer. The data regarding insurance and collateralization can be obtained from the Franklin County Comprehensive Annual Financial Report for the year ended December 31, 2017. This amount is not included in the City’s depository balance below.

Cash in Segregated Accounts: At year end, the City had \$31,336 deposited with a financial institution for monies related to the Mayor’s Court Agency Fund. This amount is included in the City’s depository balance below.

Deposits with Financial Institutions

At December 31, 2017, the carrying amount of all City deposits was \$1,117,431, which excludes \$3,275 of petty cash on hand. The bank balance of all City deposits was \$1,699,733 of which \$281,336 was covered by FDIC insurance and \$1,418,397 was uninsured. Of the remaining uninsured bank balance, all was collateralized with securities held by the pledging institution’s trust department, not in the City’s name.

Investments

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

Investment type	Fair Value	Investment Maturities			
		1 Year or Less	1 to 2 Years	2 to 3 Years	Greater Than 3 Years
Government & Government Sponsored Entity Bonds					
FHLB	15,727,040	5,987,254	5,256,404	3,099,168	1,384,213
FHLMC	23,198,979	9,515,715	5,690,422	1,732,918	6,259,924
FNMA	13,567,610	-	11,117,753	1,474,148	975,710
US Treasury Bill	1,449,205	1,449,205	-	-	-
US Treasury Notes	497,930	497,930	-	-	-
Other Investments					
Negotiable CD's	245,218	245,218	-	-	-
U.S. Government Money Market	291,312	291,312	-	-	-
STAR Ohio	2,562,771	2,562,771	-	-	-
Total	<u>\$ 57,540,065</u>	<u>\$ 20,549,405</u>	<u>\$ 22,064,579</u>	<u>\$ 6,306,234</u>	<u>\$ 8,619,847</u>

The weighted average length to maturity of the investments is 1.59 years.

Notes to the Basic Financial Statements
 For the Fiscal Year Ended December 31, 2017

NOTE 4 – DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk: As a means of limiting its exposure to fair value losses caused by rising interest rates, the City’s investment policy requires that, to the extent possible, investments will match anticipated cash flow requirements. No investment shall be made unless the Director of Finance, at the time of making the investment, reasonably expects it can be held to its maturity. Unless matched to a specific obligation or debt of the City, the City will not directly invest in securities maturing more than five years from the date of investment.

Credit Risk: The City’s investments in government and government sponsored entity bonds carry a rating of Aaa by Moody’s and AA+ by Standard and Poors. STAROhio and the U.S. government money market mutual funds carry a rating of AAAM by Standard and Poor’s. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

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. The City’s investment policy requires all security transactions, including collateral for repurchase agreements, are entered into on a delivery-versus-payment basis. Should an independent third party custodian be used to hold securities the City’s investment policy requires security transactions be evidenced by safekeeping receipts and that there be a written custodial agreement. Currently the City is not exposed to custodial credit risk as all investments are purchased on a delivery versus payment basis and are in the City’s name.

Concentration of Credit Risk: The City’s investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. 100% may be invested in US Treasury Obligations, US Agency Securities, STAR Ohio or Other Ohio Investment Pools; up to 40% in Certificates of Deposit; up to 25% in Commercial Paper, Bankers Acceptance, Repurchase Agreements or State and Local Government Securities; up to 15% in Corporate Bonds or Money Market Funds. In regard to Local Government Securities and Corporate Bonds no more than 5% of the City’s investment portfolio may be invested in any one single issuer.

The following table includes the fair value hierarchy and percentage of each investment type held by the City at December 31, 2017:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>	<u>Fair Value Hierarchy *</u>
Government & Government Sponsored Entity Bonds			
FHLB	15,727,040	27.33%	Level 2
FHLMC	23,198,979	40.32%	Level 2
FNMA	13,567,610	23.58%	Level 2
US Treasury Bill	1,449,205	2.52%	Level 1
US Treasury Notes	497,930	0.87%	Level 1
Total Government Securities & Obligations	<u>54,440,764</u>	<u>94.62%</u>	
Other Investments			
Negotiable CD's	245,218	0.42%	Level 2
U.S. Government money market	291,312	0.51%	N/A
STAR Ohio	<u>2,562,771</u>	<u>4.45%</u>	N/A
Total	<u>\$ 57,540,065</u>	<u>100%</u>	

*Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2017*

NOTE 4 – DEPOSITS AND INVESTMENTS (continued)

* - Level 1 fair value inputs consist of institutional bond quotes and evaluations based on various market and industry inputs.

* - Level 2 fair value inputs consist of market prices, mortgage backed securities pricing, institutional bond quotes and evaluations based on various market and industry inputs.

NOTE 5 – MUNICIPAL INCOME TAX

The City levies and collects an income tax of one and one-half percent on all income earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of eighty-three and one-third percent of the tax paid to another municipality. The credit is applied to the lesser of the amount levied by the other municipality or the amount levied by the City. In no instance shall the credit exceed the amount levied by the City. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City monthly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. All proceeds go to the General Fund. The City has entered into an agreement with the Regional Income Tax Agency (RITA) for income tax administration (see Note 18)

NOTE 6 – PROPERTY TAX

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Gahanna. The County Treasurer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2017 and for which there is an enforceable legal claim. In the Governmental Funds and Governmental Activities, the current portion receivable has been offset by a deferred inflow of resources since current taxes were not levied to finance 2017 operations. The collection of delinquent taxes has been recorded as a receivable and revenue on the accrual basis and a deferred inflow of resources on the modified basis.

Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2017

NOTE 6 – PROPERTY TAX (continued)

The full tax rate for all City operations for the year ended December 31, 2017 was \$2.40 per \$1,000 of assessed value. The assessed values of real and public utility upon which 2017 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 716,493,970
Commercial/industrial	196,021,550
<u>Public utility</u>	
Real	95,360
Personal	<u>24,530,740</u>
Total assessed value	<u><u>\$ 937,141,620</u></u>

NOTE 7 – RECEIVABLES

Receivables at December 31, 2017, are considered fully collectible and will be received within one year with the exception of property taxes and income taxes. Property and income taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. Water, sewer, and storm water charges receivable which, if delinquent, may be certified and collected as a special assessment, are subject to foreclosure for nonpayment.

Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2017

NOTE 8 – CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2017 was as follows:

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
<u>Governmental Activities</u>				
Non-depreciable Capital Assets				
Land & Land Improvements	\$ 27,154,016	\$ 384,871	\$ -	\$ 27,538,887
Right of Way Easements	6,295,511	-	-	6,295,511
Infrastructure	70,619,454	-	-	70,619,454
Construction in Progress	3,140,357	714,436	(48,645)	3,806,148
Total Non-depreciable Capital Assets	107,209,338	1,099,307	(48,645)	108,260,000
Depreciable Capital Assets				
Buildings	24,647,531	-	-	24,647,531
Improvements Other Than Buildings	16,973,315	-	-	16,973,315
Machinery & Equipment	4,974,531	486,845	(309,387)	5,151,989
Vehicles	3,297,859	596,760	(212,313)	3,682,306
Infrastructure	13,133,784	276,950	-	13,410,734
Total Depreciable Capital Assets	63,027,020	1,360,555	(521,700)	63,865,875
Less: Accumulated Depreciation				
Buildings	(6,234,874)	(495,710)	-	(6,730,584)
Improvements Other Than Buildings	(8,917,594)	(779,309)	-	(9,696,903)
Machinery & Equipment	(2,955,049)	(371,082)	290,238	(3,035,893)
Vehicles	(1,890,856)	(361,413)	193,416	(2,058,853)
Infrastructure	(10,042,527)	(290,328)	-	(10,332,855)
Total Accumulated Depreciation	(30,040,900)	(2,297,842)	483,654	(31,855,088)
Governmental Activities Capital Assets, Net	\$ 140,195,458	\$ 162,020	\$ (86,691)	\$ 140,270,787

Depreciation expense was charged to governmental programs as follows:

General Government	\$ 605,257
Security of Persons & Property	288,667
Community Environment	615,434
Leisure Time Activities	653,133
Transportation	135,351
Total Depreciation Expense	\$ 2,297,842

Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2017

NOTE 8 – CAPITAL ASSETS (continued)

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
<u>Business-type Activities</u>				
Non-depreciable Capital Assets				
Land & Land Improvements	\$ 749,024	\$ -	\$ -	\$ 749,024
Right of Ways	12,665	113,087	-	125,752
Construction in Progress	230,586	89,557	(284,969)	35,174
Total Non-depreciable Capital Assets	<u>992,275</u>	<u>202,644</u>	<u>(284,969)</u>	<u>909,950</u>
Depreciable Capital Assets				
Buildings	4,011,472	-	-	4,011,472
Machinery & Equipment	517,090	236,867	(17,552)	736,405
Vehicles	743,779	103,554	(13,522)	833,811
Infrastructure				
Storm Sewer Lines	22,591,675	186,812	-	22,778,487
Water Lines & Other	37,422,545	65,000	-	37,487,545
Sewer Lines & Other	22,614,905	-	-	22,614,905
Total Depreciable Capital Assets	<u>87,901,466</u>	<u>592,233</u>	<u>(31,074)</u>	<u>88,462,625</u>
Less: Accumulated Depreciation				
Buildings	(851,469)	(39,645)	-	(891,114)
Machinery & Equipment	(184,227)	(36,533)	12,398	(208,362)
Vehicles	(689,082)	(17,439)	13,522	(692,999)
Infrastructure				
Storm Sewer Lines	(8,879,594)	(349,308)	-	(9,228,902)
Water Lines & Other	(16,055,329)	(575,752)	-	(16,631,081)
Sewer Lines & Other	(11,645,568)	(345,725)	-	(11,991,293)
Total Accumulated Depreciation	<u>(38,305,269)</u>	<u>(1,364,402)</u>	<u>25,920</u>	<u>(39,643,751)</u>
Business-type Activities Capital Assets, Net	<u>\$ 50,588,472</u>	<u>\$ (569,525)</u>	<u>\$ (290,123)</u>	<u>\$ 49,728,824</u>

Depreciation expense was charged to the enterprise funds as follows:

Water	\$ 635,820
Sewer	372,556
Storm Water	356,026
Total Depreciation Expense	<u>\$ 1,364,402</u>

NOTE 9 – DEFINED BENEFIT PENSION PLANS

A. 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. Pension obligations are paid from the same fund as the employees' gross pay.

B. Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police, 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.

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.

Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2017

NOTE 9 – DEFINED BENEFIT PENSION PLANS (continued)

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 Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
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

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% 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%. There were no benefit changes in 2017.

Notes to the Basic Financial Statements
 For the Fiscal Year Ended December 31, 2017

NOTE 9 – DEFINED BENEFIT PENSION PLANS (continued)

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2017 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2017 Actual Contribution Rates			
Employer:			
Pension	13.0 %	17.1 %	17.1 %
Post-employment Health Care Benefits	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.
 ** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2% greater than the Public Safety rate.

The City does not have any members in the Public Safety and Law Enforcement plans. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,015,882 for 2017.

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

Plan Description – City's full-time police participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. The City does not employ any firefighters. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

Notes to the Basic Financial Statements
 For the Fiscal Year Ended December 31, 2017

NOTE 9 – DEFINED BENEFIT PENSION PLANS (continued)

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

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3% 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 3% of their base pension or disability benefit.

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

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

The City does not have any members in the Firefighter plan. Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OP&F was \$1,005,479 for 2017.

D. 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, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F’s total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City’s proportion of the net pension liability 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:

Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2017

NOTE 9 – DEFINED BENEFIT PENSION PLANS (continued)

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$11,798,096	\$13,553,342	\$25,351,438
Proportion of the Net Pension Liability	0.051955%	0.2139810%	
Pension Expense	\$2,504,761	\$1,672,933	\$4,177,694

At December 31, 2017, 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	\$1,757,009	\$1,650,518	\$3,407,527
Change in City's Proportionate Share of the Net Pension Liability	277,781	1,692,236	1,970,017
City contributions subsequent to the measurement date	1,015,882	1,005,479	2,021,361
Change of Assumptions	1,871,323	-	1,871,323
Differences between expected and actual experience	15,991	3,834	19,825
Total Deferred Outflows of Resources	<u>\$4,937,986</u>	<u>\$4,352,067</u>	<u>\$9,290,053</u>

Deferred Inflows of Resources			
Differences between expected and actual experience	\$70,216	\$31,205	\$101,421
Change in City's Proportionate Share of the Net Pension Liability	-	1,077,343	1,077,343
Net difference between projected and actual earnings on pension plan investments	-	332,515	332,515
Total Deferred Inflows of Resources	<u>\$70,216</u>	<u>\$1,441,063</u>	<u>\$1,511,279</u>

\$2,021,361 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, 2018. 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>
2018	1,602,526	596,925	2,199,451
2019	1,653,073	573,429	2,226,502
2020	718,808	585,690	1,304,498
2021	(42,108)	70,882	28,774
2022	-	160,611	160,611
2023	-	(141,196)	(141,196)
2024	-	(21,227)	(21,227)
Total	<u>\$3,932,299</u>	<u>\$1,825,114</u>	<u>\$5,757,413</u>

NOTE 9 – DEFINED BENEFIT PENSION PLANS (continued)

E. 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. Changes were made in both demographic and economic assumptions in 2017 with the most notable being the change in rate of return from 8% to 7.5%.

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, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75%
Future Salary Increases, including inflation	3.25% to 10.75% including wage inflation
COLA or Ad Hoc COLA	3%, simple through 2018 then 2.15%, simple
Investment Rate of Return	7.5%
Actuarial Cost Method	Individual Entry Age

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

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

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

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

Notes to the Basic Financial Statements
 For the Fiscal Year Ended December 31, 2017

NOTE 9 – 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 2016 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 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other investments	18.00	4.92
Total	100.00 %	5.66 %

Discount Rate The discount rate used to measure the total pension liability was 7.5%, post experience study results for all plans. 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, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for all plans 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 7.5%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5%) or one-percentage-point higher (8.5%) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
City's proportionate share of the net pension liability	\$18,024,229	\$11,798,096	\$6,609,715

F. Actuarial Assumptions – OP&F

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

Notes to the Basic Financial Statements
 For the Fiscal Year Ended December 31, 2017

NOTE 9 – DEFINED BENEFIT PENSION PLANS (continued)

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

Valuation Date	January 1, 2016
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25%
Projected Salary Increases	4.25% - 11%
Inflation Assumptions	3.25%
Cost of Living Adjustments	2.60% to 3.00%, simple

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F’s target asset allocation as of December 31, 2016 are summarized below:

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

* levered 2x

Note: Assumptions are geometric

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

Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2017

NOTE 9 – DEFINED BENEFIT PENSION PLANS (continued)

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

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25%), or one percentage point higher (9.25%) than the current rate.

	1% Decrease 7.25%	Current Discount Rate 8.25%	1% Increase 9.25%
City’s proportionate share of the net pension liability	\$18,051,445	\$13,553,342	\$9,741,138

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

NOTE 10 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined Plans. This trust is also used to fund health care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

To qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have twenty years or more of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code 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 Ohio Revised Code. The healthcare coverage provided by OPERS meets the definition of an Other Post Employment Benefit as described in GASB Statement 45. Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting www.opers.org/financial/reports.shtml, writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside to fund OPERS health care plans. Employer contribution rates are expressed as a percentage

*Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2017*

NOTE 10 - POSTRETIREMENT BENEFIT PLANS (continued)

of the covered payroll of active employees. In 2017, local government employers contributed 14.00% of covered payroll (18.10% for public safety and law enforcement). These are the maximum employer contribution rates permitted by Ohio Revised Code. Active members do not make contributions to the post-employment healthcare plan.

Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the health care plans. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional and Combined Plans for 2017 was 1.00%. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the RMA for participants in the Member Directed Plan for 2017 was 4%.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2017, 2016, and 2015 were \$77,321, \$148,609, and \$140,495, respectively; which represent 100% of the required obligations for 2017, 2016 and 2015.

B. Ohio Police and Fire Pension Fund

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

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

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

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

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% of covered payroll for police and 24 % if the City had firefighters. The Ohio Revised Code states that the employer contribution may not exceed these percentages for police and fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts, one for health care benefits under an Internal Revenue Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code Section 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2017, .5% of the employer contributions were allocated to health care. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees'

NOTE 10 - POSTRETIREMENT BENEFIT PLANS (continued)

primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers for December 31, 2017, 2016 and 2015 were \$26,460, \$24,870, and \$24,593, respectively; which represent 100% of the required obligations for 2017, 2016 and 2015.

NOTE 11 – EMPLOYEE BENEFITS

A. Compensated Absences

Vacation leave is earned bi-weekly at a rate which varies depending upon negotiated agreements or employment ordinances, length of service and standard work week. Current policy allows the unused balance to be accumulated at levels which depend upon negotiated agreements and employment ordinances. City employees are paid for earned, unused vacation leave at the time of termination of employment.

Sick leave is earned bi-weekly at variable rates based on negotiated agreements or employment ordinances based on years of service worked and can be accumulated without limit. Each employee with the City is paid, according to contract or ordinance, a portion of their earned unused sick leave upon termination from the City. In lieu of payment, an employee may elect to transfer the full balance or a portion of earned unused sick leave to another governmental agency. In the event that an employee dies as the result of injuries sustained on the job, his or her estate will be paid the total allowable amount of all earned unused sick leave.

City employees working in excess of designated work hours are entitled to either overtime pay or compensatory time according to the Fair Labor Standards Act. Employees may elect to receive compensatory time in lieu of overtime pay. Current policy allows accumulation of compensatory time to levels established by negotiated agreements or employment ordinances and there are no timing restrictions on when accumulated compensatory time must be used. City employees are paid for earned, unused compensatory leave at the time of termination of employment.

All termination benefits are paid from the General Fund. Leave usage is paid from the same fund as the employee's regular wages.

B. Deferred Compensation Plan

Employees of the City may elect to participate in the Ohio Public Employees Deferred Compensation Program or other deferred compensation plans created in accordance with Internal Revenue Code Section 457. Under these programs, employees elect to defer a portion of their pay. Deferred pay and any income earned on it are not subject to Federal and State income taxation until actually received by the employee. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

C. Health Care Benefits

The City provides health care benefits through the Central Ohio Health Care Consortium (the "Pool"), a risk-sharing pool that provides basic hospital, surgical and prescription drug coverage. See Note 16 for

Notes to the Basic Financial Statements
 For the Fiscal Year Ended December 31, 2017

NOTE 11 – EMPLOYEE BENEFITS (continued)

further information. Dental, vision, and life insurance coverage is provided by Delta Dental, Vision Service Plan, and Cigna Insurance Company, respectively. For those employees covered under the labor contract with United Steel, Paper, Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers

International (USW), the City provides health care, dental, and vision insurance coverage through the Steelworker Health and Welfare Plan. Life insurance for employees covered under the labor contract with USW is provided by the Cigna Insurance Company.

NOTE 12 – RISK MANAGEMENT

A. Property and Liability

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, vehicles, general liability insurance and police professional liability insurance. The City also carries public official’s liability insurance. Settlements have not exceeded coverage in any of the last three years. There has not been a significant reduction in coverage from the prior year.

B. Workers’ Compensation

The City is self-insured for Workers’ Compensation and administers its own worker’s compensation program. The City has established an employee benefits self-insurance internal service fund to account for assets set aside for claim settlements and related liabilities associated with the program. Liabilities of the fund are reported when an employee injury has occurred, it is probably that a claim will be filed under the program and the amount of the claim can be reasonably estimated. For 2016 and 2017 there were no transactions that met this criteria as a result the beginning and ending liability amount for both years is \$0. The City utilizes the services of a third party administrator to review, process, and pay employee claims.

NOTE 13 – INTERFUND TRANSFERS

Transfers made during the year ended December 31, 2017, were as follows:

		Transfers To						
		General	Capital Improvement	Nonmajor Governmental	Water	Sewer	Storm Water	Total
Transfers From	General	\$ -	\$ 2,478,710	\$ 1,351,136	\$ -	\$ -	\$ 20,000	\$ 3,849,846
	Tax Increment Equivalent	300,000	-	604,200	354,100	46,500	-	1,304,800
	Capital Improvement	-	-	269,600	-	-	-	269,600
	Nonmajor Governmental	-	-	449,200	-	-	-	449,200
	Water	-	-	14	-	-	-	14
	Sewer	-	-	14	-	-	-	14
	Stormwater	-	-	2,750	-	-	-	2,750
	Nonmajor Proprietary	-	-	-	-	-	276,762	276,762
	Total	\$ 300,000	\$ 2,478,710	\$ 2,676,914	\$ 354,100	\$ 46,500	\$ 296,762	\$ 6,152,986

Transfers were made to move unrestricted balances to support programs and projects accounted for in other funds. The transfers from the General and Nonmajor Governmental Funds to the Bond Retirement

Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2017

NOTE 13 – INTERFUND TRANSFERS(continued)

Fund (a Nonmajor Governmental Fund) were made to service annual debt payments. The transfer from the OEPA Fund to the Stormwater Fund was to move all assets to the Stormwater Fund as the grant project has been completed.

NOTE 14 – OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS

A. Bonded Debt and Other Long-Term Obligations

Bonded debt and other long-term obligations payable activity for fiscal year 2017 follows:

Types / Issues	Balance 12/31/2016	Issued	Retired	Balance 12/31/2017	Due Within One Year
<u>Governmental activities:</u>					
<u>General obligation bonds</u>					
2007 - Various Purpose					
Serial Bonds 3.76% to 4.6%	847,958	-	(412,339)	435,619	435,619
Premium on Bonds Issued	72,616	-	(38,996)	33,620	-
2013 - Refunding Bonds					
Serial Bonds 2% to 3%	3,888,300	-	(77,600)	3,810,700	615,950
Term Bonds 3.5% to 4%	4,499,600	-	-	4,499,600	-
Premium on Bonds Issued	618,147	-	(44,153)	573,994	-
2015 - Refunding Bonds					
Serial Bonds 2% to 3%	4,907,950	-	(542,050)	4,365,900	23,100
Term Bonds 3.5% to 4%	642,950	-	-	642,950	-
Premium on Bonds Issued	482,395	-	(43,854)	438,541	-
2015 - Street Improvement Bonds					
Serial Bonds 2% to 3%	2,190,000	-	(190,000)	2,000,000	195,000
Term Bonds 3.5% to 4%	2,720,000	-	-	2,720,000	-
Premium on Bonds Issued	208,233	-	(10,960)	197,273	-
Total general obligations bonds	21,078,149	-	(1,359,952)	19,718,197	1,269,669
<u>Other long-term obligations</u>					
2006 - OPWC Loan 0% (CC13G)	47,855	-	(47,855)	-	-
2009 - OPWC Loan 0% (CC02L)	725,424	-	(51,816)	673,608	51,816
2011 - OPWC Loan 0% (CC16M)	551,344	-	(36,756)	514,588	36,756
Lease Purchase Agreement	104,284	-	(104,284)	-	-
Compensated absences payable	2,132,706	1,607,169	(1,294,470)	2,445,405	1,092,592
Net Pension Liability:					
OPERS	7,534,748	2,729,596	-	10,264,344	-
OP&F	15,060,397	-	(1,507,055)	13,553,342	-
Total Net Pension Liability	22,595,145	2,729,596	(1,507,055)	23,817,686	-
Total other long-term obligations	26,156,758	4,336,765	(3,042,236)	27,451,287	1,181,164
Total governmental activities	\$ 47,234,907	\$ 4,336,765	\$ (4,402,188)	\$ 47,169,484	\$ 2,450,833

Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2017

NOTE 14 – OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS (continued)

Types / Issues	Balance 12/31/2016	Issued	Retired	Balance 12/31/2017	Due Within One Year
Business-type activities:					
<u>General obligation bonds</u>					
Water fund					
2007 - Various Purpose					
Serial Bonds 3.76% to 4.6%	\$ 33,520	\$ -	\$ (16,330)	\$ 17,190	\$ 17,190
Premium on Bonds Issued	2,525	-	(1,263)	1,262	-
2015 - Refunding Bonds					
Serial Bonds 2% to 4%	171,000	-	(900)	170,100	900
Term Bonds 3% to 3.5%	25,050	-	-	25,050	-
Premium on Bonds Issued	15,053	-	(1,368)	13,685	-
Sewer fund					
2007 - Various Purpose					
Serial Bonds 3.76% to 4.6%	33,520	-	(16,330)	17,190	17,190
Premium on Bonds Issued	2,524	-	(1,263)	1,261	-
2015 - Refunding Bonds					
Serial Bonds 2% to 4%	171,000	-	(900)	170,100	900
Term Bonds 3% to 3.5%	25,050	-	-	25,050	-
Premium on Bonds Issued	15,053	-	(1,368)	13,685	-
Storm water fund					
2007 - Various Purpose					
Serial Bonds 3.76% to 4.6%	190,000	-	(95,000)	95,000	95,000
Premium on Bonds Issued	14,506	-	(7,254)	7,252	-
2013 - Refunding Bonds					
Serial Bonds 2% to 3%	101,700	-	(2,400)	99,300	19,050
Term Bonds 3.5% to 4%	65,400	-	-	65,400	-
Premium on Bonds Issued	12,026	-	(859)	11,167	-
2015 - Refunding Bonds					
Serial Bonds 2% to 4%	985,050	-	(21,150)	963,900	5,100
Term Bonds 3% to 3.5%	141,950	-	-	141,950	-
Premium on Bonds Issued	90,317	-	(8,210)	82,107	-
Total General Obligations Bonds	<u>2,095,244</u>	<u>-</u>	<u>(174,595)</u>	<u>1,920,649</u>	<u>155,330</u>
<u>Other long-term obligations</u>					
Compensated absences payable	65,877	97,933	(81,693)	82,117	82,117
Net Pension Liability:					
Water	433,032	156,873	-	589,905	-
Sewer	433,032	156,873	-	589,905	-
Storm Water	259,818	94,124	-	353,942	-
Total Net Pension Liability	<u>1,125,882</u>	<u>407,870</u>	<u>-</u>	<u>1,533,752</u>	<u>-</u>
Total other long-term obligations	<u>1,191,759</u>	<u>505,803</u>	<u>(81,693)</u>	<u>1,615,869</u>	<u>82,117</u>
Total business-type activities	<u>\$ 3,287,003</u>	<u>\$ 505,803</u>	<u>\$ (256,288)</u>	<u>\$ 3,536,518</u>	<u>\$ 237,447</u>

Notes to the Basic Financial Statements
 For the Fiscal Year Ended December 31, 2017

NOTE 14 – OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS (continued)

The City’s overall voted legal debt margin (the ability to issue additional amounts of general obligation debt) was \$98,399,870, with an unvoted debt margin of \$51,542,789 at December 31, 2017.

Annual debt service requirements to maturity for Governmental Activities long-term obligations are:

Year Ending December 31,	Government-Type Activities				OPWC
	Serial Bonds		Term Bonds		Loan
	Principal	Interest	Principal	Interest	Principal
2018	1,269,669	622,022	-	-	88,572
2019	1,298,050	586,852	-	-	88,572
2020	1,339,000	547,443	-	-	88,572
2021	1,385,650	506,784	-	-	88,572
2022	1,424,450	464,453	-	-	88,572
2023-2027	3,295,400	768,010	4,152,550	783,575	442,861
2028-2032	600,000	61,925	2,715,000	383,213	302,475
2033-2035	-	-	995,000	70,125	-
Totals	<u>\$ 10,612,219</u>	<u>\$ 3,557,489</u>	<u>\$ 7,862,550</u>	<u>\$ 1,236,913</u>	<u>\$ 1,188,196</u>

Annual debt service requirements to maturity for Business-type Activities long term obligations are:

Year Ending December 31,	Business-Type Activities					
	Water General Obligation Bonds		Sewer General Obligation Bonds		Stormwater General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	18,090	8,049	18,090	8,049	119,150	53,429
2019	18,600	7,311	18,600	7,311	124,750	48,864
2020	19,050	6,567	19,050	6,567	127,900	44,261
2021	20,100	5,805	20,100	5,805	134,150	39,544
2022	20,850	5,001	20,850	5,001	138,850	34,583
2023-2027	115,650	12,992	115,650	12,992	720,750	88,570
Totals	<u>\$ 212,340</u>	<u>\$ 45,725</u>	<u>\$ 212,340</u>	<u>\$ 45,725</u>	<u>\$ 1,365,550</u>	<u>\$ 309,251</u>

The 2013 term bonds maturing on December 1, 2027 in the amount of \$3,310,000 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 of the years and in the respective principal amounts as follows:

Year Ending December 31,	Amount
2023	\$695,000
2024	725,000
2025	760,000
2026	555,000
Total	<u>\$2,735,000</u>

The remaining principal amount of \$575,000 will mature at stated maturity of December 1, 2027.

Notes to the Basic Financial Statements
 For the Fiscal Year Ended December 31, 2017

NOTE 14 – OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS *(continued)*

The 2013 term bonds maturing on December 1, 2030 in the amount of \$1,255,000 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 of the years and in the respective principal amounts as follows:

Year Ending December 31,	Amount
2029	\$620,000

The remaining principal amount of \$635,000 will mature at stated maturity of December 1, 2030.

The 2015 term bonds maturing on December 1, 2029 in the amount of \$1,660,000 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 of the years and in the respective principal amounts as follows:

Year Ending December 31,	Amount
2027	\$695,000
2028	725,000
Total	<u>\$1,420,000</u>

The remaining principal amount of \$285,000 will mature at stated maturity of December 1, 2029.

The 2015 term bonds maturing on December 1, 2031 in the amount of \$590,000 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 of the years and in the respective principal amounts as follows:

Year Ending December 31,	Amount
2030	\$290,000

The remaining principal amount of \$300,000 will mature at stated maturity of December 1, 2030.

The 2015 term bonds maturing on December 1, 2033 in the amount of \$630,000 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 of the years and in the respective principal amounts as follows:

Year Ending December 31,	Amount
2032	\$310,000

The remaining principal amount of \$320,000 will mature at stated maturity of December 1, 2033.

Notes to the Basic Financial Statements
 For the Fiscal Year Ended December 31, 2017

NOTE 14 – OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS *(continued)*

The 2015 term bonds maturing on December 1, 2035 in the amount of \$675,000 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 of the years and in the respective principal amounts as follows:

Year Ending	Amount
<u>December 31,</u>	<u> </u>
2034	\$330,000

The remaining principal amount of \$345,000 will mature at stated maturity of December 1, 2035.

B. General Obligation Bonds

During 2007, the City issued \$11,350,000 in general obligation bonds for various purposes including park improvements, street improvements, broadband strategic plan development, infrastructure improvements, and storm water system improvements. \$8,683,665 was issued as Governmental Activities general obligation bonds and \$2,666,335 was issued as Enterprise obligation bonds. All are direct obligations and pledge the full faith and credit of the City for repayment. The City obtained a financial guarantee insurance policy from MBIA Insurance Corporation (MBIA) to insure the payment of the principal and interest on the bonds when due. These bonds are 20 year serial bonds with varying amounts of principal maturing each year. Bond payments relating to the Governmental Activities general obligation bonds are paid with property taxes from the Debt Service Fund as well as other non-income tax revenues. Bond payments relating to the Enterprise general obligation bonds are paid from revenues from the operations of the Water, Sewer, and Storm Water systems. The 2007 bonds maturing December 1, 2019 through December 1, 2027 were refunded in 2016.

During 2013, the City issued \$8,975,000 of various purpose refunding bonds to advance refund a portion of bonds issued during 2005. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old bonds of \$1,133,621. This is reported as a deferred outflow on the Entity-wide and Proprietary Statement of Net Position and is being amortized as interest and fiscal charges on a straight line basis through 2030. The bond proceeds were deposited in an irrevocable trust with an escrow agent and invested in obligations guaranteed as to both principal and interest by the United States Government. The principal and interest earned by the trust will be used to pay the principal and interest of the refunded bonds. The City completed the advance refunding to reduce debt service payments by \$1,059,470 over the life of the bonds and to obtain an economic gain of \$889,496.

During 2015, the City issued \$7,620,000 of various purpose refunding bonds to advance refund the remaining 2005 bonds and a portion of the bonds issued during 2007. The 2005 and 2007 refunding resulted in a difference between the reacquisition price and the net carrying amount of the old bonds of \$22,146 and \$672,149 respectively. This is reported as a deferred outflow on the Entity-wide and Proprietary Statement of Net Position and is being amortized as interest and fiscal charges on a straight line basis through 2027. The bond proceeds were deposited in an irrevocable trust with an escrow agent and invested in obligations guaranteed as to both principal and interest by the United States Government. The principal and interest earned by the trust will be used to pay the principal and interest of the refunded bonds. The City completed the advance refunding to reduce debt service payments by \$41,911 and \$540,821 over the life of the bonds and to obtain an economic gain of \$40,701 and \$460,539 for the 2005 and 2007 bonds respectively.

Notes to the Basic Financial Statements
 For the Fiscal Year Ended December 31, 2017

NOTE 14 – OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS (continued)

During 2015, the City issued \$5,095,000 of various purpose bonds for constructing, resurfacing and improving a portion of the City’s Detroit streets. The bonds are un-voted general obligation debt of the City secured by a pledge of the full faith and credit of the City. The bonds are payable from lawfully available municipal income tax revenue.

C. Ohio Public Works Commission (OPWC) Loans

The 2006 OPWC Loan consists of \$957,137 borrowed from the Ohio Public Works Commission for the widening of Hamilton Road. The 10 year loan is payable with property taxes from the Debt Service Fund and transfers from the General Fund. This note was retired in 2017.

The 2009 OPWC Loan consists of \$1,036,320 borrowed from the Ohio Public Works Commission for U.S. Route 62 roadway improvements. The 20 year loan will be paid with property taxes from the Debt Service Fund and transfers from the General Fund.

The 2011 OPWC loan consists of \$735,124 borrowed from the Ohio Public Works Commission for U.S. 62 and Stygler Road improvements. The 20 year loan will be paid with property taxes from the Debt Service Fund and transfers from the General Fund.

D. Lease Purchase Agreement

During 2011, the City entered into a lease purchase agreement with the Gahanna Community Improvement Corporation (the CIC) to acquire land. The lease is interest free and the City agrees to make annual payments of \$104,286 for a period of seven years to the CIC beginning March 27, 2011. The CIC shall sell and convey the land on or before the eighth year anniversary and shall deliver said deed to the City at the time of closing. The lease will be paid with revenue in lieu of taxes from the Tax Increment Equivalent Fund. The lease was retired in 2017.

E. Conduit Debt

During 2015 the City authorized the issuance of \$15,000,000 of economic development revenue bonds for the acquisition, construction, renovation, installation and equipping of certain capital expenditures of the Columbus Academy. The Bonds are not general obligations of the City and do not represent a pledge of the faith and credit of the City. The bonds are collateralized by pledged revenue to be received under a loan agreement with the Columbus Academy. The City has no responsibility for the repayment of the bonds and the bonds do not create a liability to the City. As such, the bonds are not reported as a liability on the City’s financial statements.

NOTE 15 – OPERATING LEASE

During 2015, the City entered into an operating lease for 30 golf carts. The City has the option to purchase the golf carts for \$1 after all lease obligations have been paid. The City paid \$29,864 in rental payments during 2017. Future minimum lease payments are as follows:

Fiscal Year Ending December 31,	Operating Lease Obligation
2018	29,864
2019	29,863
Total Minimum Lease Payments	59,727
Less: Amount Representing Interest	(6,014)
Present Value of Minimum Lease Payments	<u>\$ 53,713</u>

NOTE 16 – SHARED RISK POOL

On January 1, 1992, the City joined the Central Ohio Health Care Consortium (the "Pool"), a risk-sharing pool, which provides employee health care benefits for all full-time employees who wish to participate in the Pool. The Pool, which commenced business on January 1, 1992, has ten members consisting of various cities, villages and townships who pool risk for basic hospital, surgical and prescription drug coverage. The members originally entered into an irrevocable agreement to remain members of the Pool for a minimum of three years. This agreement was renewed for an additional three years on January 1, 2017. The Pool is governed by a Board of Directors consisting of one director appointed by each member.

The Board elects a Chairman, a Vice Chairman, a Treasurer and a Secretary. The Board is responsible for its own financial matters and the Pool maintains its own books of account. Budgeting and financing of the Pool is subject to the approval of the Board. The City has no explicit and measurable equity interest in the Pool. The City has no ongoing financial responsibility other than the three year minimum membership. The City pays monthly contributions to the Pool, which are used to cover claims and administrative costs, purchase excess loss insurance for the Pool and establish adequate reserves.

Each member's contribution rate is established based on the number of employees and officers enrolled in the plan and the prior loss experience of the respective member group. In total, the members' contributions represent an amount in excess of the projected pool costs to allow for adequate funding to establish and maintain an excess reserve for future operational needs. The Pool also entered into an agreement with an independent plan supervisor to oversee the day to day operations of the Pool, such as administration and approval of submitted claims, the payment of operating expenses incurred by the Pool and the preparation of a monthly activity report which is presented to the Board. The funds held by the Pool are maintained in a bank trust account established for the sole purpose and benefit of the Pool operations. Financial information for the Pool can be obtained from Debra Miller, Treasurer of the Central Ohio Health Care Consortium, 47 Hall Street, Powell, Ohio 43065. The City's payment to the Pool for insurance coverage was \$2,253,011 during 2017.

The Pool has entered into an agreement for individual and aggregate excess loss coverage with a commercial insurance carrier. The individual excess loss coverage has been structured to indemnify the Pool for medical claims paid for an individual in excess of \$200,000 with an unlimited individual lifetime maximum. The aggregate excess loss coverage has been structured to indemnify the Pool for aggregate claims paid in excess of \$12,622,553 to a maximum of \$1,000,000 annually per covered member. In the event that the losses of the Pool in any year exceeds amounts paid to the Pool, together with all stop-loss, reinsurance and other coverage then in effect, then the payment of all uncovered losses shall revert to and be the sole obligation of the political subdivision against which the claim was made. No such loss has occurred in the past five years. In the event that an entity should withdraw from the plan, the withdrawing member is required to either reimburse the Pool for claims paid on its behalf or the member must pay the claims directly.

NOTE 17 – UNDIVIDED INTEREST

On February 21, 1996, a contract was entered into between the Gahanna Jefferson Public School District (the "District") and the City of Gahanna to construct and operate a vehicle maintenance facility. Based on the terms of the agreement, the entities equally bear the cost related to the construction and maintenance of the facility. In addition, the City received a credit of \$93,980 on the construction and maintenance of this facility, representing the fair value of the 4.699 acres of land that the City deeded to the District for this project. The City's undivided interest in this facility is being shown as a capital asset in the Government-wide Financial Statements.

NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS

In 1971, 38 municipalities joined together to organize a Regional Council of Governments (RCOG) under the authority of Chapter 167 of the Ohio Revised Code to administer tax collection and enforcement concerns facing Cities and Villages. The purpose of the RCOG is to foster cooperation between the municipalities through sharing facilities for their common benefit. This includes the establishment of a central collection facility for the purpose of administering the income tax laws of the various municipal corporations who are members of the RCOG and for the purpose of collecting income taxes on behalf of each member municipality, doing all things allowed by law to accomplish such purpose. The first official act of the RCOG was to form the Regional Income Tax Agency (RITA). Today RITA serves as the income tax collection agency for 279 municipalities throughout the State of Ohio. During 2017, the City paid \$323,563, in income tax collection fees to RITA.

NOTE 19 – CONTINGENT LIABILITIES

A. Litigation

July 3, 2012 the City became party to a class action lawsuit concerning the application of the reduced credit on individual income tax forms for residents of the City who work in a different municipality with a higher income tax rate. In most Ohio municipalities, income taxes are levied on the income of residents as well as non-residents who work or provide services within the municipality. The collection of income taxes, for the most part, is performed through the residents' employer as a local income tax withholding based on the tax levied by the municipality where they are employed. Although taxes may be levied on an individual by multiple municipalities, they are only required to file an individual income tax form with the municipality they reside in. Some municipalities provide 100% credit for paying income taxes where a resident works and some municipalities provide a reduced credit. Gahanna provides a reduced credit under City Code Section 161.081 previously City Code Section 161.18(a).

At the time of the lawsuit, City Code Section 161.18(a) stated, in summary, that every individual taxpayer who resides in the City but has paid municipal income tax to another municipality shall be allowed a credit of 83-1/3% of the amount so paid to the other municipality to the extent of the tax assessed by this chapter. In no instance shall the allowable credit for tax paid to another municipality exceed the amount of tax imposed by this chapter.

The lawsuit claims that the individual income tax form does not apply the credit in accordance with City Code Section 161.18(a) and therefore the City has collected income taxes not owed to the City and the City has not refunded the overpayment to the residents of the City. The plaintiffs believe that in accordance with City code the credit of 83-1/3% should be applied to the amount paid to another municipality. If the amount of the credit is equal to or in excess of the resident's tax liability to the City, or 1.5% of the residents' income, then no amount is due to the City. However, the individual income tax form applies the 83-1/3% credit to the lesser of 1) the workplace tax paid or 2) the residency tax liability of 1.5% of income.

The City has consistently applied the credit to the lesser of the workplace tax paid or the residency tax liability since the establishment of the reduced credit and does not believe the City's individual income tax form misapplies the credit. Therefore the City has not over collected income taxes due from residents.

September 11, 2014 a summary judgement was made in the Franklin County Court of Common Pleas in favor of the plaintiffs concluding that the plaintiffs' interpretation of City Code Section 161.18(a) is correct and the individual income tax form should be amended to reflect the court's ruling or should stop being used. The Court also approved the case to proceed as a class action lawsuit. November 7, 2016 an appeal was filed by the City regarding the Court's summary judgement.

During 2015, the appeals court upheld the trial court's decision and determined the class claims begin July of 2009. RITA and the City appealed to the Ohio Supreme Court, who decided not to hear the case and

Notes to the Basic Financial Statements
 For the Fiscal Year Ended December 31, 2017

NOTE 19 – CONTINGENT LIABILITIES (continued)

sent it back to the Court of Common Pleas. March 2016, the Common Pleas Court included tax year 2014 as part of the class. May 13, 2016, RITA and the City were awaiting a trial court decision regarding RC 9.39. January of 2017, the trial court decided after oral argument that the City and Ms. Teal did not violate RC 9.39 and the claim was dismissed.

A damages hearing was held February 20-22, 2018 wherein the Court ordered all parties to file Proposed Findings of Fact and Conclusions of Law, which were filed May 7, 2018. The range of damages varies significantly between the three parties involved. The Plaintiffs are seeking \$16,217,462 in damages. The City asserts the damages are \$12,769,659 and RITA believes the damages are \$13,260,658. As of the date of this report the Court has not made a decision.

Based on the Court’s decision there may be an appeal filed either from the Plaintiffs or the City due to the significant differences in damages between the parties.

B. Federal and State Grants

For the period January 1, 2017 to December 31, 2017, the City received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 20 – OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General Fund	\$ 4,018,065
Tax Increment Financing	60,000
Capital Improvement	4,756,331
Other Governmental	<u>4,027,235</u>
Total	<u>\$ 12,861,631</u>

Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2017

NOTE 21 – FUND BALANCE

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

Fund Balance	General	Tax Increment Equivalent	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Material & Supplies Inventory	231,073	-	-	-	231,073
Prepayments	172,606	-	-	16,022	188,628
Unclaimed Monies	31,255	-	-	-	31,255
Total Unassigned	<u>434,934</u>	<u>-</u>	<u>-</u>	<u>16,022</u>	<u>450,956</u>
Restricted					
Debt Service	-	-	-	1,351,221	1,351,221
Capital Improvements	-	-	1,216,674	-	1,216,674
Hamilton Road Widening	-	-	1,726,230	-	1,726,230
General Government	-	-	-	753,917	753,917
Police Pension	-	-	-	864,452	864,452
Security of Persons & Property	-	-	-	418,855	418,855
Tax Increment Financing Districts	-	1,200,966	-	-	1,200,966
Bridge Maintenance & Improvements	-	-	633,299	-	633,299
Fiber Optic Expansion	-	-	354,553	-	354,553
Road Maintenance & Improvements	-	60,000	920,794	1,308,190	2,288,984
Trails	-	-	-	1,400,169	1,400,169
Park Acquisition & Improvements	-	-	-	100,000	100,000
Detroit Street Rebuild	-	-	-	628,631	628,631
Total Restricted	<u>-</u>	<u>1,260,966</u>	<u>4,851,550</u>	<u>6,825,435</u>	<u>12,937,951</u>
Committed					
Capital Improvements	-	-	-	265,787	265,787
Emergency Reserve	7,109,940	-	-	-	7,109,940
Leisure Time Activities	-	-	-	10,796	10,796
Park Acquisition & Improvements	-	-	-	292,193	292,193
Total Committed	<u>7,109,940</u>	<u>-</u>	<u>-</u>	<u>568,776</u>	<u>7,678,716</u>
Assigned					
Capital Improvements	893,397	-	-	246	893,643
Subsequent Year Appropriations	5,811,089	-	-	-	5,811,089
General Government	542,189	-	-	-	542,189
Security of Persons & Property	94,078	-	-	-	94,078
Community Environment	1,313,835	-	-	-	1,313,835
Leisure Time Activities	377,262	-	-	-	377,262
Fleet Replacement Program	653,752	-	-	-	653,752
Transportation	143,552	-	-	-	143,552
Total Assigned	<u>9,829,154</u>	<u>-</u>	<u>-</u>	<u>246</u>	<u>9,829,400</u>

Notes to the Basic Financial Statements
 For the Fiscal Year Ended December 31, 2017

NOTE 22 – TAX ABATEMENTS

The City has passed multiple resolutions and/or ordinances designating and amending five areas as Community Reinvestment Areas (CRA) under Ohio Revised Code (ORC) Sections 3735.65 to 3735.70. The ORC allows the City to exempt property owners from real property taxes on improvements made to existing structures and construction of new structures within the boundaries of the CRAs. These areas must be designated, through a statement of finding within the City’s resolution, as one in which housing facilities or structures of historical significance are located and new housing construction and repair of existing facilities or structures are discouraged.

The purpose of the tax exemption is to encourage economic stability; maintain real property value; and generate new employment by improving existing structures or building new structures. In accordance with ORC, the City may provide up to 100% tax exemption for up to 10 years on improvements made to dwellings with not more than two units with a remodel cost of \$2,500 or more; up to 12 years for dwellings with more than two units or commercial/industrial properties with a remodel or expansion cost of \$5,000 or more; and up to 15 years for new construction of a dwelling or commercial/industrial property.

For Commercial/industrial properties the percent exempted and number of years is based on project investment, the number of jobs created/retained and annual income tax paid to the City. This information is entered into an incentive financial information model to estimate if the rate of return for each dollar of incentive provided is equal to or exceeds the incentive being provided. For residential properties the percent exempted and number of years is based on the type of dwelling, total cost of improvements and potential increase of property value assigned by the Franklin County auditor as a result of the improvement.

The commitment made by the property owners to receive the incentive includes paying for the costs of the improvement or new construction, remaining current on property tax payments and maintaining the property within the City’s property and zoning laws. Additional commitments, such as, job growth and/or retention, requirement to stay at the location for a predetermined amount of time and/or others are set forth in separate agreements with the property owners and only apply to commercial/industrial properties.

Annually the Tax Incentive Review Council (TIRC) meets to determine if properties under exemption are within their commitments. The TIRC will make recommendations to the Housing Officer and Council to revoke or reduce the exemption based on failure to comply. In accordance with ORC, the Housing Officer and Council have the right to revoke or reduce an exemption, after the first year of exemption, based on their own inspection of the property without recommendation from the TIRC.

The gross dollar amount by which the City’s tax revenues were reduced as a result of the creation of the Community Reinvestment Areas is as follows:

CRA #	Foregone Property Tax Revenue
1	\$ 202,975
2	14,140
3	-
4	42,237
5	110,157
Total	<u>\$ 369,509</u>

*Required Supplementary Information
Condition Assessment of the City's Infrastructure*

The City of Gahanna reports road infrastructure assets using the modified approach as outlined in Governmental Accounting Standards Board (GASB) Statement No. 34. The following disclosures pertain to the condition assessment and budgeted versus actual expenditures for the preservation of these assets.

The condition of road pavement is evaluated and measured using a pavement condition rating system. This approach assigns a numerical rating to each road, or section thereof, being evaluated for the presence of numerous distresses (14 in all) and the severity level of each (low, medium, high) for arterial roadways, and the 5 most critical distress factors for local roadways.

The physical condition rating is determined by the City's Service Department based on the criteria below:

Pavement Condition Index	Road Condition Rating	Description
90-100	Very Good	Pavement structure is stable with no cracking, no patching and no deformation evident. Roadways in this category are usually fairly new. Nothing is needed to improve the roadway.
75-89	Good	Pavement structure is stable, but may have surface erosion or minor cracking, which is generally hairline and hard to detect, minor patching and possibly some minor deformation. Riding qualities are good.
65-74	Fair	Pavement structure is generally stable with minor areas of structural weakness evident. Cracking is easier to detect. The pavement might be patched, but not excessively. Although riding qualities are fair, deformation is more pronounced and easily noticed.
55-64	Fair to Poor	Roadway has areas of instability, marked evidence of structural deficiency, large crack patterns, heavy and numerous patches and very noticeable deformation. Riding qualities range from acceptable to poor. Spot repair of the pavement base may be required.
54-40	Poor	Roadway has widespread areas of instability, marked evidence of structural deficiency, large crack patterns, heavy and numerous patches and usually widespread pavement base deformation/failure. Riding qualities are poor. Pavement base repair required.
0-39	Very Poor	Widespread loss of the pavement structural section that would typically require a complete reconstruction or replacement.

April 18, 2016 Council adopted the GoForward Gahanna Strategic Plan which established a rating policy for the City. By 2019, major arterial roads will have a PCR (Pavement Condition Rating) of 70 or better and by 2021, local roads will have a PCR of 65 or better. Each roadway in the City is assessed on an annual basis.

City of Gahanna, Ohio

Required Supplementary Information
Condition Assessment of the City's Infrastructure

The following summarizes the physical condition assessment of City roads as of December 31, for 2017, 2016 and 2015:

Year	Paved Lane Miles Assessed	Average Pavement Condition Rating	Percent of Lane Miles Rated 75 or Better	Percent of Local Lane Miles Rated 65 or Better	Percent of Arterial Lane Miles rated 70 or better
2017 – Local	235.88	85.6	N/A	98%	N/A
2017 - Arterial	89.97	93.7	N/A	N/A	100%
2016 – Local	235.88	84.9	N/A	95%	N/A
2016 – Arterial	89.97	92.8	N/A	N/A	98%
2015	325.60	84.7	87.5%	N/A	N/A

The following is a five year comparison of budgeted and actual expenditures for preservation of the existing roadways and is reported on a cash-basis:

Year	Budget	Actual	Difference
2017	\$3,004,743	\$2,337,653	\$667,090
2016	3,155,333	2,668,071	487,262
2015	2,910,565	2,238,230	672,335
2014	884,591	859,256	25,335
2013	952,479	928,191	24,288

City of Gahanna, Ohio

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

	2016	2015	2014	2013
City's Proportion of the Net Pension Liability	0.0520%	0.0500%	0.0489%	0.0489%
City's Proportionate Share of the Net Pension Liability	\$ 11,798,096	\$ 8,660,630	\$ 5,897,887	\$ 5,764,673
City's Covered Employee Payroll	\$ 7,483,576	\$ 7,021,051	\$ 6,681,899	\$ 6,911,988
City's Proportionate Share of the Net Pension Liability as a percentage of of its Covered Employee Payroll	157.65%	123.35%	88.27%	83.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

(1) Information not available prior to 2013. The schedules will reflect ten years of data over time.

City of Gahanna, Ohio

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.2139810%	0.2341090%	0.1952296%	0.1952296%
City's Proportionate Share of the Net Pension Liability	\$ 13,553,342	\$ 15,060,397	\$ 10,113,707	\$ 9,508,294
City's Covered Employee Payroll	\$ 4,969,968	\$ 4,918,556	\$ 4,651,844	\$ 4,599,800
City's Proportionate Share of the Net Pension Liability as a percentage of of its Covered Employee Payroll	272.70%	306.20%	217.41%	206.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	72.20%	73.00%

(1) Information not available prior to 2013. The schedules will reflect ten years of data over time.

City of Gahanna, Ohio

Required Supplementary Information
 Schedule of City Contributions
 Ohio Public Employees Retirement System – Traditional Plan
 Last Five Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 1,015,882	\$ 896,890	\$ 842,970	\$ 801,926	\$ 899,589
Contribution in Relation to the Contractually Required Contribution	\$ 1,015,882	\$ 896,890	\$ 842,970	\$ 801,926	\$ 899,589
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Employee Payroll	\$ 7,778,776	\$ 7,483,576	\$ 7,021,051	\$ 6,681,899	\$ 6,911,988
Contribution as a Percentage of Covered- Employee Payroll	13%	12%	12%	12%	13%

(1) Information not available prior to 2013. The schedules will reflect ten years of data over time.

City of Gahanna, Ohio

Required Supplementary Information
 Schedule of the City Contributions
 Ohio Police and Fire Pension Fund
 Last Five Years (1)

	2017	2016	2015	2014	2013
Contractually Required Contribution	\$ 1,005,479	\$ 945,052	\$ 934,525	\$ 884,773	\$ 728,861
Contribution in Relation to the Contractually Required Contribution	\$ 1,005,479	\$ 945,052	\$ 934,525	\$ 884,773	\$ 728,861
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Employee Payroll	\$ 5,277,284	\$ 4,969,968	\$ 4,918,556	\$ 4,651,844	\$ 4,599,800
Contribution as a Percentage of Covered- Employee Payroll	19%	19%	19%	19%	16%

(1) Information not available prior to 2013. The schedules will reflect ten years of data over time.



SUPPLEMENTAL DATA

City Of Gahanna, Ohio

Nonmajor Governmental Fund Descriptions

SPECIAL REVENUE FUNDS

Special revenue funds are maintained to account for resources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The following describes the City's nonmajor special revenue funds.

Street Fund

The Street Fund receives a proportionate share of the State's Motor Vehicle Fuel Tax and the City's Permissive Motor Vehicle License Tax revenues restricted to expenditures for constructing, improving and maintaining public roads, highways, streets and maintenance and repair of bridges under Ohio Revised Code Chapter 5735 and 4504.

State Highway Fund

The State Highway Fund receives a portion of Franklin County's proportionate share of the State's Motor Vehicle Fuel Tax revenues and these funds are restricted to expenditures for constructing, improving and maintaining state highways and maintenance and repair of bridges within the City under Ohio Revised Code Chapter 5735.

Law Enforcement Trust Fund

The Law Enforcement Trust Fund receives a proportionate share of cash or proceeds resulting from the sale of contraband property seized or forfeited under the Contraband Seizure Forfeiture Act. Resources received by the fund are restricted for law enforcement purposes as defined by Ohio Revised Code Section 2981.13.

Enforcement & Education

The Enforcement & Education Fund receives a proportionate share of fines collected for motor vehicle infractions within the City of Gahanna. Resources received by the fund are restricted for law enforcement and law enforcement educational purposes as defined by City of Gahanna Code, section 133.092.

Parks & Recreation Donation

The Parks & Recreation Donation Fund receives cash and donations for use in programs for special needs of children in the community and is committed for this purpose under City of Gahanna Code, section 133.095.

Permanent Improvement

In 1978 the City established the Industrial Zone (TIZ) by purchasing 103 acres of land in the southwest area of town to spur business development and job creation in the community. Developable lots were leased through the City's Community Urban Redevelopment Corporation to individual businesses for a term of 30 years. Lease payments received are restricted under City of Gahanna Code, section 133.04 for maintenance and operating costs of permanent improvements, including debt payments for such improvements for public property not included within the TIZ.

Court

The Court Fund receives a proportionate share of cash or proceeds from cases heard in the Municipal Mayors Court and is restricted for court computer expenditures under City of Gahanna Code, section 133.093 and Auditor of State Bulletin 97-019.

City Of Gahanna, Ohio

Nonmajor Governmental Fund Descriptions

County Permissive

The County Permissive Fund receives a proportionate share of the County's Permissive Motor Vehicle License Tax revenues restricted to expenditures for planning, constructing, improving maintaining and repairing public roads, highways, streets, and for the maintaining and repair of bridges and viaducts under Ohio Revised Code Chapter 4504.

Cul-De-Sac Maintenance

The Cul-De-Sac Maintenance Fund receives fees from developers who plan to install cul-de-sac streets in their developments. The funds received are restricted for equipment capable of repairing cul-de-sacs under City of Gahanna code section 905.03.

Court Computerization

The Court Computer Fund receives a proportionate share of cash or proceeds from cases heard in the Municipal Mayor's Court and is restricted under ORC Section 1901.261(A) for computerization of the court. The fee is in addition to the Court fee established under City Charter Code 133.093 and ORC 1901.261(B).

Federal Law Enforcement Seizure

The Federal Law Enforcement Seizure Fund receives a proportionate share of cash or proceeds from property seized or forfeited under the United States Department of Justice Asset Forfeiture Program and is restricted for law enforcement expenditures defined under CFDA (Catalog of Federal Domestic Assistance) 16.922.

Treasury Equitable Sharing

The Treasury Equitable Sharing Fund receives a proportionate share of cash or proceeds from property seized or forfeited under the United States Department of Treasury Equitable Sharing Program and is restricted for law enforcement expenditures defined under CFDA (Catalog of Federal Domestic Assistance) 21.000.

AG Peace Officer Training

The AG Peace Officer Training Fund receives a reimbursement from the State Attorney General's office for the costs of continuing professional training programs completed by the City's police officers. The funding is restricted for continuing professional training programs under Ohio Revised Code, section 109.802.

Right of Way

The Right of Way Fund receives permit fee payments from citizens or businesses to construct and/or complete minor maintenance in the rights of way, as well as, annual maintenance fee payments based on miles of right of way being utilized. Revenues received are restricted by City of Gahanna Code, section 931 for costs associated with the administration of said code.

Police Pension Fund

The Police Pension Fund receives property tax revenue from a police pension property tax levy and is restricted for paying a share of the City's police pension obligation under Ohio Revised Code Chapter 5705.

Public Landscape Trust

The Public Landscape Trust fund receives donations, bequests and other funds for the specific purpose of constructing or materially improving public landscape areas and is committed for this purpose under City of Gahanna Code, section 133.098.

City Of Gahanna, Ohio

Nonmajor Governmental Fund Descriptions

CAPITAL PROJECTS FUNDS

Capital Projects funds are maintained to account for resources that are restricted, committed or assigned for capital outlays, which includes the acquisition, construction or improvement of City capital assets. The following describes the City's nonmajor capital projects funds.

OPWC

The OPWC Fund receives state grant funding from the Ohio Public Works Commission restricted for local transportation improvements under Ohio Revised Code, section 164.14.

State Capital Grant

The State Capital Grant receives state grant funding restricted for capital projects.

Bond Capital Improvement Fund

The Bond Capital Improvement Fund receives bond proceeds restricted for specific capital improvements as identified in the official bond issuing statement.

Park Improvement & Acquisition

The Park Improvement & Acquisition Fund was created for the improvement or acquisition of land for parks, recreational facilities, playgrounds, trails wetlands or development of existing park and playground sites.

Park

The Park Fund receives fees from developers of platted residential subdivisions prior to the issuance of building permits pursuant to City of Gahanna Code, section 1109.08(k). Payments are committed for cost associated with improvement of recreational facilities within existing publicly owned and operated park facilities and the purchase of recreational equipment.

Park In-Lieu of Fees

The Park In-Lieu of Fees Fund receives fees from developers in-lieu of mandatory land dedication provisions per the City's Subdivision Regulations when it is determined that such dedication is inappropriate or unacceptable. The funds are committed under City of Gahanna Code, section 1109.08(b)(2) for the acquisition of land for parks, recreational facilities, playgrounds, trails wetlands or development of existing park and playground sites.

Court Building Fund

The Court Building Fund receives a proportionate share of cash or proceeds from cases heard in the Gahanna Municipal Mayor's Court and is committed to expenditures for acquisition of land and/or construction or renovation of a facility to house the Mayor's Court under City of Gahanna Code, section 133.099.

DEBT SERVICE FUNDS

Debt Service funds are maintained to account for resources that are restricted for repayment of the City's debt obligations and for costs associated with the issuance of new debt. The following describes the City's nonmajor debt service funds.

General Bond Retirement Fund

The General Bond Retirement Fund receives property tax revenue from a general bond retirement property tax levy and is restricted for the repayment of principal and interest of the City's general obligation debt in

City Of Gahanna, Ohio

Nonmajor Governmental Fund Descriptions

accordance with Ohio Revised Code Chapter 5705. The fund also receives proceeds from the issuance of new debt a portion of which is restricted for the cost of the issuance of the debt.

Special Assessment Fund

The Special Assessment Fund was established for the purpose of receiving special assessment payments from property owners for repayment of principal and interest on special assessment debt obligations of the City and is restricted for such purpose under Ohio Revised Code Chapter 5705.

City of Gahanna, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	SPECIAL REVENUE FUNDS			
	Street Fund	State Highway	Law Enforcement Trust	Enforcement & Education
Assets				
Equity in Pooled Cash & Investments	\$ 515,365	\$ 342,340	\$ 83,377	\$ 34,687
Cash with Fiscal Agents	\$ -	\$ -	\$ -	\$ -
Receivables				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Accounts	\$ 406	\$ -	\$ -	\$ -
Intergovernmental	\$ 801,355	\$ 54,345	\$ -	\$ 68
Prepayments	\$ 2,852	\$ -	\$ -	\$ -
Total Assets	\$ 1,319,978	\$ 396,685	\$ 83,377	\$ 34,755
Liabilities				
Accounts Payable	\$ 41,538	\$ 808	\$ -	\$ -
Contracts Payable	\$ 3,001	\$ 2,420	\$ -	\$ -
Accrued Wages & Benefits	\$ 18,562	\$ 3,898	\$ -	\$ -
Intergovernmental Payable	\$ 2,868	\$ 602	\$ 8,926	\$ -
Due to Other Funds	\$ 371	\$ 78	\$ -	\$ -
Total Liabilities	\$ 66,340	\$ 7,806	\$ 8,926	\$ -
Deferred Inflows of Resources				
Property Taxes Levied for Subsequent Year	\$ -	\$ -	\$ -	\$ -
Unavailable Property Tax Revenue	\$ -	\$ -	\$ -	\$ -
Unavailable Intergovernmental Revenue	\$ 682,712	\$ 46,387	\$ -	\$ -
Total Deferred Inflows of Resources	\$ 682,712	\$ 46,387	\$ -	\$ -
Fund Balances				
Nonspendable	\$ 2,852	\$ -	\$ -	\$ -
Restricted	\$ 568,074	\$ 342,492	\$ 74,451	\$ 34,755
Committed	\$ -	\$ -	\$ -	\$ -
Assigned	\$ -	\$ -	\$ -	\$ -
Total Fund Balances	\$ 570,926	\$ 342,492	\$ 74,451	\$ 34,755
Total Liabilities, Deferred Inflows & Fund Balances	\$ 1,319,978	\$ 396,685	\$ 83,377	\$ 34,755

City of Gahanna, Ohio
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2017

SPECIAL REVENUE FUNDS

	Parks & Recreation Donation	Permanent Improvement	Court	County Permissive
Assets				
Equity in Pooled Cash & Investments	\$ 2,980	\$ 1,400,169	\$ 256,085	\$ 86,841
Cash with Fiscal Agents	\$ -	\$ -	\$ -	\$ 268,756
Receivables				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Accounts	\$ -	\$ -	\$ -	\$ -
Intergovernmental	\$ -	\$ -	\$ 1,612	\$ -
Prepayments	\$ -	\$ -	\$ 2,642	\$ -
Total Assets	\$ 2,980	\$ 1,400,169	\$ 260,339	\$ 355,597
Liabilities				
Accounts Payable	\$ -	\$ -	\$ 197	\$ -
Contracts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Wages & Benefits	\$ -	\$ -	\$ -	\$ -
Intergovernmental Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	\$ -	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ 197	\$ -
Deferred Inflows of Resources				
Property Taxes Levied for Subsequent Year	\$ -	\$ -	\$ -	\$ -
Unavailable Property Tax Revenue	\$ -	\$ -	\$ -	\$ -
Unavailable Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -
Total Deferred Inflows of Resources	\$ -	\$ -	\$ -	\$ -
Fund Balances				
Nonspendable	\$ -	\$ -	\$ 2,642	\$ -
Restricted	\$ -	\$ 1,400,169	\$ 257,500	\$ 355,597
Committed	\$ 2,980	\$ -	\$ -	\$ -
Assigned	\$ -	\$ -	\$ -	\$ -
Total Fund Balances	\$ 2,980	\$ 1,400,169	\$ 260,142	\$ 355,597
Total Liabilities, Deferred Inflows & Fund Balances	\$ 2,980	\$ 1,400,169	\$ 260,339	\$ 355,597

City of Gahanna, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

SPECIAL REVENUE FUNDS

	Cul-De-Sac Maintenance	Court Computerization	Federal Law Enforcement Seizure	Treasury Equitable Sharing	AG Peace Officer Training
Assets					
Equity in Pooled Cash & Investments	\$ 42,027	\$ 9,935	\$ 213,161	\$ 91,239	\$ 5,249
Cash with Fiscal Agents	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	\$ -	\$ 606	\$ -	\$ -	\$ -
Prepayments	\$ -	\$ -	\$ 10,528	\$ -	\$ -
Total Assets	\$ 42,027	\$ 10,541	\$ 223,689	\$ 91,239	\$ 5,249
Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Wages & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Inflows of Resources					
Property Taxes Levied for Subsequent Year	\$ -	\$ -	\$ -	\$ -	\$ -
Unavailable Property Tax Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Unavailable Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Total Deferred Inflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances					
Nonspendable	\$ -	\$ -	\$ 10,528	\$ -	\$ -
Restricted	\$ 42,027	\$ 10,541	\$ 213,161	\$ 91,239	\$ 5,249
Committed	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	\$ -	\$ -	\$ -	\$ -	\$ -
Total Fund Balances	\$ 42,027	\$ 10,541	\$ 223,689	\$ 91,239	\$ 5,249
Total Liabilities, Deferred Inflows & Fund Balances	\$ 42,027	\$ 10,541	\$ 223,689	\$ 91,239	\$ 5,249

City of Gahanna, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

SPECIAL REVENUE FUNDS

	Right Of Way	Police Pension	Public Landscape Trust	Total Nonmajor Special Revenue
Assets				
Equity in Pooled Cash & Investments	\$ 475,876	\$ 864,452	\$ 7,816	\$ 4,431,599
Cash with Fiscal Agents	\$ -	\$ -	\$ -	\$ 268,756
Receivables				
Property Taxes	\$ -	\$ 255,975	\$ -	\$ 255,975
Accounts	\$ 10,000	\$ -	\$ -	\$ 10,406
Intergovernmental	\$ -	\$ 17,393	\$ -	\$ 875,379
Prepayments	\$ -	\$ -	\$ -	\$ 16,022
Total Assets	<u>\$ 485,876</u>	<u>\$ 1,137,820</u>	<u>\$ 7,816</u>	<u>\$ 5,858,137</u>
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ 42,543
Contracts Payable	\$ -	\$ -	\$ -	\$ 5,421
Accrued Wages & Benefits	\$ -	\$ -	\$ -	\$ 22,460
Intergovernmental Payable	\$ -	\$ -	\$ -	\$ 12,396
Due to Other Funds	\$ -	\$ -	\$ -	\$ 449
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,269</u>
Deferred Inflows of Resources				
Property Taxes Levied for Subsequent Year	\$ -	\$ 250,496	\$ -	\$ 250,496
Unavailable Property Tax Revenue	\$ -	\$ 5,479	\$ -	\$ 5,479
Unavailable Intergovernmental Revenue	\$ -	\$ 17,393	\$ -	\$ 746,492
Total Deferred Inflows of Resources	<u>\$ -</u>	<u>\$ 273,368</u>	<u>\$ -</u>	<u>\$ 1,002,467</u>
Fund Balances				
Nonspendable	\$ -	\$ -	\$ -	\$ 16,022
Restricted	\$ 485,876	\$ 864,452	\$ -	\$ 4,745,583
Committed	\$ -	\$ -	\$ 7,816	\$ 10,796
Assigned	\$ -	\$ -	\$ -	\$ -
Total Fund Balances	<u>\$ 485,876</u>	<u>\$ 864,452</u>	<u>\$ 7,816</u>	<u>\$ 4,772,401</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 485,876</u>	<u>\$ 1,137,820</u>	<u>\$ 7,816</u>	<u>\$ 5,858,137</u>

City of Gahanna, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	CAPITAL PROJECTS FUNDS			
	State Capital Grant	Bond Capital Improvement	Park Improvement & Acquisition	Park
Assets				
Equity in Pooled Cash & Investments	\$ 100,000	\$ 628,631	\$ 246	\$ 239,791
Cash with Fiscal Agents	\$ -	\$ -	\$ -	\$ -
Receivables				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Accounts	\$ -	\$ -	\$ -	\$ -
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Prepayments	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ 100,000	\$ 628,631	\$ 246	\$ 239,791
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Contracts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Wages & Benefits	\$ -	\$ -	\$ -	\$ -
Intergovernmental Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	\$ -	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -	\$ -
Deferred Inflows of Resources				
Property Taxes Levied for Subsequent Year	\$ -	\$ -	\$ -	\$ -
Unavailable Property Tax Revenue	\$ -	\$ -	\$ -	\$ -
Unavailable Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -
Total Deferred Inflows of Resources	\$ -	\$ -	\$ -	\$ -
Fund Balances				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	\$ 100,000	\$ 628,631	\$ -	\$ -
Committed	\$ -	\$ -	\$ -	\$ 239,791
Assigned	\$ -	\$ -	\$ 246	\$ -
Total Fund Balances	\$ 100,000	\$ 628,631	\$ 246	\$ 239,791
Total Liabilities, Deferred Inflows & Fund Balances	\$ 100,000	\$ 628,631	\$ 246	\$ 239,791

City of Gahanna, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	CAPITAL PROJECTS FUNDS		
	Park In-Lieu Of Fees	Court Building	Total Nonmajor Capital Projects
Assets			
Equity in Pooled Cash & Investments	\$ 52,402	\$ 264,733	\$ 1,285,803
Cash with Fiscal Agents	\$ -	\$ -	\$ -
Receivables			
Property Taxes	\$ -	\$ -	\$ -
Accounts	\$ -	\$ -	\$ -
Intergovernmental	\$ -	\$ 1,054	\$ 1,054
Prepayments	\$ -	\$ -	\$ -
Total Assets	\$ 52,402	\$ 265,787	\$ 1,286,857
Liabilities			
Accounts Payable	\$ -	\$ -	\$ -
Contracts Payable	\$ -	\$ -	\$ -
Accrued Wages & Benefits	\$ -	\$ -	\$ -
Intergovernmental Payable	\$ -	\$ -	\$ -
Due to Other Funds	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -
Deferred Inflows of Resources			
Property Taxes Levied for Subsequent Year	\$ -	\$ -	\$ -
Unavailable Property Tax Revenue	\$ -	\$ -	\$ -
Unavailable Intergovernmental Revenue	\$ -	\$ -	\$ -
Total Deferred Inflows of Resources	\$ -	\$ -	\$ -
Fund Balances			
Nonspendable	\$ -	\$ -	\$ -
Restricted	\$ -	\$ -	\$ 728,631
Committed	\$ 52,402	\$ 265,787	\$ 557,980
Assigned	\$ -	\$ -	\$ 246
Total Fund Balances	\$ 52,402	\$ 265,787	\$ 1,286,857
Total Liabilities, Deferred Inflows & Fund Balances	\$ 52,402	\$ 265,787	\$ 1,186,857

City of Gahanna, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	DEBT SERVICE FUNDS			Total Nonmajor Governmental Funds
	General Bond Retirement	Special Assessment	Total Nonmajor Debt Service	
Assets				
Equity in Pooled Cash & Investments	\$ 1,351,199	\$ 22	\$ 1,351,221	\$ 7,068,623
Cash with Fiscal Agents	\$ -	\$ -	\$ -	\$ 268,756
Receivables				
Property Taxes	\$ 247,442	\$ -	\$ 247,442	\$ 503,417
Accounts	\$ -	\$ -	\$ -	\$ 10,406
Intergovernmental	\$ 16,811	\$ -	\$ 16,811	\$ 893,244
Prepayments	\$ -	\$ -	\$ -	\$ 16,022
Total Assets	\$ 1,615,452	\$ 22	\$ 1,615,474	\$ 8,760,468
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ 42,543
Contracts Payable	\$ -	\$ -	\$ -	\$ 5,421
Accrued Wages & Benefits	\$ -	\$ -	\$ -	\$ 22,460
Intergovernmental Payable	\$ -	\$ -	\$ -	\$ 12,396
Due to Other Funds	\$ -	\$ -	\$ -	\$ 449
Total Liabilities	\$ -	\$ -	\$ -	\$ 83,269
Deferred Inflows of Resources				
Property Taxes Levied for Subsequent Year	\$ 242,146	\$ -	\$ 242,146	\$ 492,642
Unavailable Property Tax Revenue	\$ 5,296	\$ -	\$ 5,296	\$ 10,775
Unavailable Intergovernmental Revenue	\$ 16,811	\$ -	\$ 16,811	\$ 763,303
Total Deferred Inflows of Resources	\$ 264,253	\$ -	\$ 264,253	\$ 1,266,720
Fund Balances				
Nonspendable	\$ -	\$ -	\$ -	\$ 16,022
Restricted	\$ 1,351,199	\$ 22	\$ 1,351,221	\$ 6,825,435
Committed	\$ -	\$ -	\$ -	\$ 568,776
Assigned	\$ -	\$ -	\$ -	\$ 246
Total Fund Balances	\$ 1,351,199	\$ 22	\$ 1,351,221	\$ 7,410,479
Total Liabilities, Deferred Inflows & Fund Balances	\$ 1,615,452	\$ 22	\$ 1,615,474	\$ 8,660,468

City of Gahanna, Ohio
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Fiscal Year Ended December 31, 2017

	SPECIAL REVENUE FUNDS			
	Street Fund	State Highway	Law Enforcement Trust	Enforcement & Education
Revenues				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, Permits & Fees	-	-	-	-
Fines & Forfeitures	-	-	986	2,066
Intergovernmental	1,647,908	112,138	-	-
Investment Income	-	-	-	-
Other	19,303	-	-	-
Total Revenues	<u>1,667,211</u>	<u>112,138</u>	<u>986</u>	<u>2,066</u>
Expenditures				
Current				
General Government	-	-	-	-
Security of Persons & Property	-	-	27,579	-
Transportation	995,508	79,803	-	-
Utility Services	-	589	-	-
Capital outlay	38,392	-	-	-
Debt service				
Principal Retirement	-	-	-	-
Interest & Fiscal Charges	-	-	-	-
Total Expenditures	<u>1,033,900</u>	<u>80,392</u>	<u>27,579</u>	<u>-</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	633,311	31,746	(26,593)	2,066
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	(449,200)	-	-	-
Proceeds From Sale of Capital Assets	18,186	-	-	-
Total Other Financing Sources (Uses)	<u>(431,014)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	202,297	31,746	(26,593)	2,066
Fund Balances, January 1	368,629	310,746	101,044	32,689
Fund Balances, December 31	<u>\$ 570,926</u>	<u>\$ 342,492</u>	<u>\$ 74,451</u>	<u>\$ 34,755</u>

City of Gahanna, Ohio
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Fiscal Year Ended December 31, 2017

	SPECIAL REVENUE FUNDS			
	Parks & Recreation Donation	Permanent Improvement	Court	County Permissive
Revenues				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, Permits & Fees	-	-	-	-
Fines & Forfeitures	-	-	23,152	-
Intergovernmental	-	-	-	155,537
Investment Income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>23,152</u>	<u>155,537</u>
Expenditures				
Current				
General Government	-	-	17,831	-
Security of Persons & Property	-	-	-	-
Transportation	-	-	-	198,149
Utility Services	-	-	-	-
Capital outlay	-	2,582	-	-
Debt service				
Principal Retirement	-	-	-	-
Interest & Fiscal Charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>2,582</u>	<u>17,831</u>	<u>198,149</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	-	(2,582)	5,321	(42,612)
Other Financing Sources (Uses)				
Transfers In	-	272,350	-	-
Transfers Out	-	-	-	-
Proceeds From Sale of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>272,350</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	269,768	5,321	(42,612)
Fund Balances, January 1	2,980	1,130,401	254,821	398,209
Fund Balances, December 31	<u>\$ 2,980</u>	<u>\$ 1,400,169</u>	<u>\$ 260,142</u>	<u>\$ 355,597</u>

City of Gahanna, Ohio
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Fiscal Year Ended December 31, 2017

	SPECIAL REVENUE FUNDS				
	Cul-De-Sac Maintenance	Court Computerization	Federal Law Enforcement Seizure	Treasury Equitable Sharing	AG Peace Officer Training
Revenues					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Permits & Fees	-	-	-	-	-
Fines & Forfeitures	-	8,458	-	-	-
Intergovernmental	-	-	16,453	3,342	16,915
Investment Income	-	-	2,143	-	-
Other	-	-	-	-	-
Total Revenues	<u>-</u>	<u>8,458</u>	<u>18,596</u>	<u>3,342</u>	<u>16,915</u>
Expenditures					
Current					
General Government	-	1,008	-	-	-
Security of Persons & Property	-	-	16,039	-	21,106
Transportation	-	-	-	-	-
Utility Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal Retirement	-	-	-	-	-
Interest & Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>1,008</u>	<u>16,039</u>	<u>-</u>	<u>21,106</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	-	7,450	2,557	3,342	(4,191)
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Proceeds From Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	7,450	2,557	3,342	(4,191)
Fund Balances, January 1	42,027	3,091	221,132	87,897	9,440
Fund Balances, December 31	<u>\$ 42,027</u>	<u>\$ 10,541</u>	<u>\$ 223,689</u>	<u>\$ 91,239</u>	<u>\$ 5,249</u>

City of Gahanna, Ohio
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Fiscal Year Ended December 31, 2017

	SPECIAL REVENUE FUNDS			
	Right Of Way	Police Pension	Public Landscape Trust	Total Nonmajor Special Revenue
Revenues				
Property Taxes	\$ -	\$ 247,780	\$ -	\$ 247,780
Licenses, Permits & Fees	35,176	-	-	35,176
Fines & Forfeitures	-	-	-	34,662
Intergovernmental	-	31,645	-	1,983,938
Investment Income	-	-	-	2,143
Other	5,000	-	-	24,303
Total Revenues	<u>40,176</u>	<u>279,425</u>	<u>-</u>	<u>2,328,002</u>
Expenditures				
Current				
General Government	-	-	-	18,839
Security of Persons & Property	-	1,029,706	-	1,094,430
Transportation	-	-	-	1,273,460
Utility Services	-	-	-	589
Capital outlay	-	-	-	40,974
Debt service				
Principal Retirement	-	-	-	-
Interest & Fiscal Charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>1,029,706</u>	<u>-</u>	<u>2,428,292</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	40,176	(750,281)	-	(100,290)
Other Financing Sources (Uses)				
Transfers In	-	670,980	-	943,330
Transfers Out	-	-	-	(449,200)
Proceeds From Sale of Capital Assets	-	-	-	18,186
Total Other Financing Sources (Uses)	<u>-</u>	<u>670,980</u>	<u>-</u>	<u>512,316</u>
Net Change in Fund Balance	40,176	(79,301)	-	412,026
Fund Balances, January 1	445,700	943,753	7,816	4,360,375
Fund Balances, December 31	<u>\$ 485,876</u>	<u>\$ 864,452</u>	<u>\$ 7,816</u>	<u>\$ 4,772,401</u>

City of Gahanna, Ohio
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Fiscal Year Ended December 31, 2017

	CAPITAL PROJECTS FUNDS			
	State Capital Grant	Bond Capital Improvement	Park Improvement & Acquisition	Park
Revenues				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, Permits & Fees	-	-	-	14,500
Fines & Forfeitures	-	-	-	-
Intergovernmental	100,000	-	-	-
Investment Income	-	17,652	-	-
Other	-	-	-	-
Total Revenues	100,000	17,652	-	14,500
Expenditures				
Current				
General Government	-	-	-	-
Security of Persons & Property	-	-	-	-
Transportation	-	1,034,225	-	-
Utility Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal Retirement	-	-	-	-
Interest & Fiscal Charges	-	-	-	-
Total Expenditures	-	1,034,225	-	-
Excess (Deficiency) of Revenue Over (Under) Expenditures	100,000	(1,016,573)	-	14,500
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds From Sale of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	100,000	(1,016,573)	-	14,500
Fund Balances, January 1	-	1,645,204	246	225,291
Fund Balances, December 31	\$ 100,000	\$ 628,631	\$ 246	\$ 239,791

City of Gahanna, Ohio
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Fiscal Year Ended December 31, 2017

	CAPITAL PROJECTS FUNDS		
	Park In-Lieu Of Fees	Court Building	Total Nonmajor Capital Projects
Revenues			
Property Taxes	\$ -	\$ -	\$ -
Licenses, Permits & Fees	-	-	14,500
Fines & Forfeitures	-	14,905	14,905
Intergovernmental	-	-	100,000
Investment Income	-	-	17,652
Other	-	-	-
Total Revenues	-	14,905	147,057
Expenditures			
Current			
General Government	-	-	-
Security of Persons & Property	-	-	-
Transportation	-	-	1,034,225
Utility Services	-	-	-
Capital outlay	60,541	-	60,541
Debt service	-	-	-
Principal Retirement	-	-	-
Interest & Fiscal Charges	-	-	-
Total Expenditures	60,541	-	1,094,766
Excess (Deficiency) of Revenue Over (Under) Expenditures	(60,541)	14,905	(947,709)
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	-	-	-
Proceeds From Sale of Capital Assets	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	(60,541)	14,905	(947,709)
Fund Balances, January 1	112,943	250,882	2,234,566
Fund Balances, December 31	\$ 52,402	\$ 265,787	\$ 1,286,857

City of Gahanna, Ohio
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Fiscal Year Ended December 31, 2017

	DEBT SERVICE FUNDS			Total Nonmajor Governmental Funds
	General Bond Retirement	Special Assessment	Total Nonmajor Debt Service	
Revenues				
Property Taxes	\$ 250,157	\$ -	\$ 250,157	\$ 497,937
Licenses, Permits & Fees	-	-	-	49,676
Fines & Forfeitures	-	-	-	49,567
Intergovernmental	30,588	-	30,588	2,114,526
Investment Income	-	-	-	19,795
Other	-	-	-	24,303
Total Revenues	<u>280,745</u>	<u>-</u>	<u>280,745</u>	<u>2,755,804</u>
Expenditures				
Current				
General Government	4,178	-	4,178	23,017
Security of Persons & Property	-	-	-	1,094,430
Transportation	-	-	-	2,307,685
Utility Services	-	-	-	589
Capital outlay	-	-	-	101,515
Debt service				
Principal Retirement	1,358,416	-	1,358,416	1,358,416
Interest & Fiscal Charges	655,420	-	655,420	655,420
Total Expenditures	<u>2,018,014</u>	<u>-</u>	<u>2,018,014</u>	<u>5,541,072</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(1,737,269)	-	(1,737,269)	(2,785,268)
Other Financing Sources (Uses)				
Transfers In	1,733,584	-	1,733,584	2,676,914
Transfers Out	-	-	-	(449,200)
Proceeds From Sale of Capital Assets	-	-	-	18,186
Total Other Financing Sources (Uses)	<u>1,733,584</u>	<u>-</u>	<u>1,733,584</u>	<u>2,245,900</u>
Net Change in Fund Balance	(3,685)	-	(3,685)	(539,368)
Fund Balances, January 1	1,354,884	22	1,354,906	7,949,847
Fund Balances, December 31	<u>\$ 1,351,199</u>	<u>\$ 22</u>	<u>1,351,221</u>	<u>\$ 7,410,479</u>

City Of Gahanna, Ohio

Agency Fund Descriptions

AGENCY FUNDS

Agency funds are maintained by the City in a fiduciary capacity on behalf of an outside third party. The following describes the City's agency funds.

GYFBL

The GYFBL Fund is the Gahanna Lions Youth Football League fund and accounts for registration payments for youth that qualify to be part of the program. The fund also receives fundraising and donation revenue for the program. The Gahanna Lions Youth Football League is a separate organization and City is acting as their fiscal agent until they are fully established.

Park Deposit Fund

The Park Deposit Fund receives deposits for park facility rentals. After the rental has occurred the deposit is returned as long as there is no damage or excessive clean up required from City staff. If there is damage or excess clean up the City retains all or a portion of the deposit. The amount retained by the City is paid into the General Fund.

Senior Escrow

The Senior Escrow Fund accounts for payments and donations made by citizens or other third parties expended by the Senior Center for activities or programs such as, memorial plaques, craft supplies, new appliances or other items for use by the members of the Senior Center.

Veterans Memorial

The Veterans Memorial Fund accounts for donations made by citizens or other third parties to purchase engraved bricks to be placed at the Veterans Memorial Park to honor veterans.

Refuse Escrow

The City belongs to a refuse consortium agreement with other Central Ohio municipalities to provide refuse collection services to its citizens. The cost of the refuse service is collected from the citizens as a component of their water/sewage utility bill. Amounts received from the collection of utility bills are held in the refuse escrow until payment is due to the service provider.

Developers Escrow

The Developers Escrow Fund accounts for payments made by real estate developers to be held by the City Engineer to cover the cost of inspections and potential site work related to private real estate development projects in the City. Cash received by the City for these purposes is held in the escrow fund until actual inspection and/or site work is completed.

TIZ Real Estate Escrow

In 1978 the City established the Industrial Zone (TIZ) by purchasing 103 acres of land in the southwest area of town to spur business development and job creation in the community. Developable lots were leased through the City's Community Urban Redevelopment Corporation to individual businesses for a term of 30 years. The City retains ownership of the property until the lease is paid in full and the property is transferred to the business, as a result, the City is responsible for payment of the property taxes. The City invoices the lease holders for the costs of the property taxes. Payments made by the businesses are placed in the TIZ Real Estate Escrow Fund until the taxes are due.

City Of Gahanna, Ohio

Agency Fund Descriptions

Insurance Demolition Fund

The Insurance Demolition Fund receives a portion of the insurance proceeds for a fire damaged structure within the City limits under ORC 3929.86. The insurance proceeds are returned to the named insured once the structure has been deemed safe for occupancy and the City has not incurred any costs associated with making the structure safe. If the City incurs any cost associated with making the structure safe the City may retain 100% or a portion of the proceeds for these costs incurred. The amount retained would be paid into the City's General Fund.

Mayor's Court

The Gahanna Mayor's Court provides judicial services for the City of Gahanna. This fund receives and disburses all fines and fees collected. The Mayor has fiduciary responsibility for the collection and distribution of court fines and fees.

City of Gahanna, Ohio
 Combining Statement of Assets and Liabilities
 Agency Funds
 December 31, 2017

	Parks Deposit Fund	Senior Escrow Fund	Veterans Memorial Fund	Refuse Escrow Fund	Developers Escrow Fund
Assets					
Equity in Pooled Cash & Investments	\$ 76	\$ 7,001	\$ 7,505	\$ 910,190	\$ 262,410
Cash in Segregated Accounts	-	-	-	-	-
Accounts Receivable	-	-	-	305,441	-
Total Assets	<u>\$ 76</u>	<u>\$ 7,001</u>	<u>\$ 7,505</u>	<u>\$ 1,215,631</u>	<u>\$ 262,410</u>
Liabilities					
Accounts Payable	-	97	-	-	-
Contracts payable	-	-	-	144,583	8,637
Intergovernmental Payable	-	-	-	-	59
Deposits Held & Due to Others	76	6,904	7,505	1,071,048	253,714
Total Liabilities	<u>\$ 76</u>	<u>\$ 7,001</u>	<u>\$ 7,505</u>	<u>\$ 1,215,631</u>	<u>\$ 262,410</u>

City of Gahanna, Ohio
 Combining Statement of Assets and Liabilities
 Agency Funds
 December 31, 2017

	Insurance Demolition Fund	Mayors Court Fund	Total Agency Funds
Assets			
Equity in Pooled Cash & Investments	\$ 54,022	\$ -	\$ 1,241,204
Cash in Segregated Accounts	-	32,916	32,916
Accounts Receivable	-	-	305,441
Total Assets	<u>\$ 54,022</u>	<u>\$ 32,916</u>	<u>\$ 1,579,561</u>
Liabilities			
Accounts Payable	-	-	97
Contracts payable	-	-	153,220
Intergovernmental Payable	-	22,550	22,609
Deposits Held & Due to Others	54,022	10,366	1,403,635
Total Liabilities	<u>\$ 54,022</u>	<u>\$ 32,916</u>	<u>\$ 1,579,561</u>

City of Gahanna, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2017

	Beginning Balance January 1, 2017	Additions	Deductions	Ending Balance December 31, 2017
GYFBL				
Assets				
Cash & Cash Equivalents	\$ 1,596	\$ 452	\$ (2,048)	\$ -
Total Assets	<u>\$ 1,596</u>	<u>\$ 452</u>	<u>\$ (2,048)</u>	<u>\$ -</u>
Liabilities				
Deposits Held & Due to Others	\$ 1,596	\$ -	\$ (1,596)	\$ -
Total Liabilities	<u>\$ 1,596</u>	<u>\$ -</u>	<u>\$ (1,596)</u>	<u>\$ -</u>
Senior Escrow Fund				
Assets				
Cash & Cash Equivalents	\$ 4,855	\$ 5,154	\$ (3,008)	\$ 7,001
Total Assets	<u>\$ 4,855</u>	<u>\$ 5,154</u>	<u>\$ (3,008)</u>	<u>\$ 7,001</u>
Liabilities				
Accounts Payable	\$ 72	\$ 97	\$ (72)	\$ 97
Deposits Held & Due to Others	4,783	2,121	-	6,904
Total Liabilities	<u>\$ 4,855</u>	<u>\$ 2,218</u>	<u>\$ (72)</u>	<u>\$ 7,001</u>
Veterans Memorial Fund				
Assets				
Cash & Cash Equivalents	\$ 8,377	\$ 1,104	\$ (1,976)	\$ 7,505
Total Assets	<u>\$ 8,377</u>	<u>\$ 1,104</u>	<u>\$ (1,976)</u>	<u>\$ 7,505</u>
Liabilities				
Deposits Held & Due to Others	\$ 8,377	\$ -	\$ (872)	\$ 7,505
Total Liabilities	<u>\$ 8,377</u>	<u>\$ -</u>	<u>\$ (872)</u>	<u>\$ 7,505</u>
Refuse Escrow Fund				
Assets				
Cash & Cash Equivalents	\$ 709,571	\$ 1,938,382	\$ (1,737,763)	\$ 910,190
Accounts Receivable	494,235	305,441	(494,235)	305,441
Total Assets	<u>\$ 1,203,806</u>	<u>\$ 2,243,823</u>	<u>\$ (2,231,998)</u>	<u>\$ 1,215,631</u>
Liabilities				
Contracts Payable	\$ 146,444	\$ 144,583	\$ (146,444)	\$ 144,583
Deposits Held & Due to Others	1,057,362	13,686	-	1,071,048
Total Liabilities	<u>\$ 1,203,806</u>	<u>\$ 158,269</u>	<u>\$ (146,444)</u>	<u>\$ 1,215,631</u>
Developers Escrow Fund				
Assets				
Cash & Cash Equivalents	\$ 566,592	\$ 199,968	\$ (504,150)	\$ 262,410
Total Assets	<u>\$ 566,592</u>	<u>\$ 199,968</u>	<u>\$ (504,150)</u>	<u>\$ 262,410</u>
Liabilities				
Contracts Payable	\$ 7,850	\$ 8,637	\$ (7,850)	\$ 8,637
Intergovernmental Payable	2,429	59	(2,429)	59
Deposits Held & Due to Others	556,313	-	(302,599)	253,714
Total Liabilities	<u>\$ 566,592</u>	<u>\$ 8,696</u>	<u>\$ (312,878)</u>	<u>\$ 262,410</u>
TIZ Real Estate Escrow Fund				
Assets				
Cash & Cash Equivalents	\$ (2,420)	\$ 2,420	\$ -	\$ -
Accounts Receivable	2,420	-	(2,420)	-
Total Assets	<u>\$ -</u>	<u>\$ 2,420</u>	<u>\$ (2,420)</u>	<u>\$ -</u>
Liabilities				
Deposits Held & Due to Others	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Gahanna, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2017

	Beginning Balance January 1, 2017	Additions	Deductions	Ending Balance December 31, 2017
Mayors Court Fund				
Assets				
Cash in Segregated Accounts	\$ 35,466	\$ 32,916	\$ (35,466)	\$ 32,916
Total Assets	<u>\$ 35,466</u>	<u>\$ 32,916</u>	<u>\$ (35,466)</u>	<u>\$ 32,916</u>
Liabilities				
Intergovernmental Payable	\$ 25,959	\$ 22,550	\$ (25,959)	\$ 22,550
Deposits Held & Due to Others	9,507	-	859	10,366
Total Liabilities	<u>\$ 35,466</u>	<u>\$ 22,550</u>	<u>\$ (25,100)</u>	<u>\$ 32,916</u>
Insurance Demolition				
Assets				
Cash & Cash Equivalents	\$ -	\$ 54,022	\$ -	\$ 54,022
Total Assets	<u>\$ -</u>	<u>\$ 54,022</u>	<u>\$ -</u>	<u>\$ 54,022</u>
Liabilities				
Deposits Held & Due to Others	\$ -	\$ 54,022	\$ -	\$ 54,022
Total Liabilities	<u>\$ -</u>	<u>\$ 54,022</u>	<u>\$ -</u>	<u>\$ 54,022</u>
Park Deposit				
Assets				
Cash & Cash Equivalents	\$ -	\$ 76	\$ -	\$ 76
Total Assets	<u>\$ -</u>	<u>\$ 76</u>	<u>\$ -</u>	<u>\$ 76</u>
Liabilities				
Deposits Held & Due to Others	\$ -	\$ 76	\$ -	\$ 76
Total Liabilities	<u>\$ -</u>	<u>\$ 76</u>	<u>\$ -</u>	<u>\$ 76</u>
Total Agency Funds				
Assets				
Cash & Cash Equivalents	\$ 1,288,571	\$ 2,201,578	\$ (2,248,945)	\$ 1,241,204
Cash in Segregated Accounts	35,466	32,916	(35,466)	32,916
Accounts Receivable	496,655	305,441	(496,655)	305,441
Total Assets	<u>\$ 1,820,692</u>	<u>\$ 2,539,935</u>	<u>\$ (2,781,066)</u>	<u>\$ 1,579,561</u>
Liabilities				
Accounts Payable	\$ 72	\$ 97	\$ (72)	\$ 97
Contracts Payable	154,294	153,220	(154,294)	153,220
Intergovernmental Payable	28,388	22,609	(28,388)	22,609
Deposits Held & Due to Others	1,637,938	69,905	(304,208)	1,403,635
Total Liabilities	<u>\$ 1,820,692</u>	<u>\$ 245,831</u>	<u>\$ (486,962)</u>	<u>\$ 1,579,561</u>

City of Gahanna, Ohio
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Income Tax	19,838,400	18,400,886	(1,437,514)
Property Taxes	1,500,495	1,498,069	(2,426)
Other Local Taxes	507,300	516,195	8,895
Charges for Services	1,826,433	1,775,580	(50,853)
Licenses Permits & Fees	1,579,100	1,324,345	(254,755)
Fines & Forfeitures	533,000	291,243	(241,757)
Intergovernmental	1,018,900	945,912	(72,988)
Investment Income	487,800	624,950	137,150
Rent	42,000	29,544	(12,456)
Contributions & Donations	-	4,590	4,590
Other	26,000	163,431	137,431
Total Revenues	27,359,428	25,574,745	(1,784,683)
Expenditures			
General Government			
Council Office			
Salaries & Benefits	313,275	291,563	21,712
Contractual Services	312,058	255,017	57,041
Supplies & Materials	38,808	26,010	12,798
Total Council Office	664,141	572,590	91,551
Finance			
Salaries & Benefits	382,600	367,462	15,138
Contractual Services	960,497	857,040	103,457
Supplies & Materials	153,100	130,043	23,057
Capital Outlay	150,000	150,000	-
Total Finance	1,646,197	1,504,545	141,652
Human Resources			
Salaries & Benefits	310,110	292,208	17,902
Contractual Services	58,833	56,864	1,969
Supplies & Materials	42,522	42,512	10
Total Human Resources	411,465	391,584	19,881
Office of the Mayor			
Salaries & Benefits	599,610	535,211	64,399
Contractual Services	333,863	285,909	47,954
Supplies & Materials	21,861	19,364	2,497
Total Office of the Mayor	955,334	840,484	114,850
Public Service			
Salaries & Benefits	645,570	615,010	30,560
Contractual Services	704,165	672,126	32,039
Supplies & Materials	772,015	610,027	161,988
Capital Outlay	77,581	77,581	-
Total Public Service	2,199,331	1,974,744	224,587
Department of Law			
Salaries & Benefits	113,730	111,228	2,502
Contractual Services	272,844	269,959	2,885
Supplies & Materials	13,200	13,150	50
Total Department of Law	399,774	394,337	5,437
Clerk of Court			
Salaries & Benefits	254,200	237,840	16,360
Contractual Services	72,998	63,329	9,669
Supplies & Materials	6,330	3,076	3,254
Total Clerk of Court	333,528	304,245	29,283
Total General Government	6,609,770	5,982,529	627,241

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 General Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Security of Persons & Property			
Public Safety			
Salaries & Benefits	8,895,416	8,572,507	322,909
Contractual Services	408,580	364,093	44,487
Supplies & Materials	320,646	259,594	61,052
Capital Outlay	1,194,187	1,194,187	-
Total Public Safety	10,818,829	10,390,381	428,448
Total Security of Persons & Property	10,818,829	10,390,381	428,448
Public Health & Welfare			
Public Safety			
Contractual Services	294,000	283,384	10,616
Total Public Safety	294,000	283,384	10,616
Total Public Health & Welfare	294,000	283,384	10,616
Transportation			
Public Service			
Salaries & Benefits	495,323	475,615	19,708
Contractual Services	12,100	12,100	-
Supplies & Materials	907,264	734,204	173,060
Capital Outlay	902,249	901,383	866
Total Public Service	2,316,936	2,123,302	193,634
Total Transportation	2,316,936	2,123,302	193,634
Community Environment			
Council Office			
Salaries & Benefits	71,658	63,420	8,238
Contractual Services	500	195	305
Supplies & Materials	9,775	4,396	5,379
Total Council Office	81,933	68,011	13,922
Finance			
Supplies & Materials	430,900	425,307	5,593
Total Finance	430,900	425,307	5,593
Information Technology			
Salaries & Benefits	510,362	456,214	54,148
Contractual Services	320,594	229,585	91,009
Supplies & Materials	371,292	216,528	154,764
Capital Outlay	233,748	233,748	-
Total Information Technology	1,435,996	1,136,075	299,921
Public Service			
Salaries & Benefits	489,290	463,747	25,543
Contractual Services	280,988	263,201	17,787
Supplies & Materials	138,100	104,386	33,714
Capital Outlay	24,000	24,000	-
Total Public Service	932,378	855,334	77,044
Planning & Development			
Salaries & Benefits	423,960	421,130	2,830
Contractual Services	1,048,474	751,334	297,140
Supplies & Materials	799,964	799,444	520
Capital Outlay	125,000	125,000	-
Total Planning & Development	2,397,398	2,096,908	300,490
Total Community Environment	5,278,605	4,581,635	696,970

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 General Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Leisure Time Activities			
Parks & Recreation			
Salaries & Benefits	2,846,894	2,710,025	136,869
Contractual Services	401,972	394,640	7,332
Supplies & Materials	1,250,549	1,214,822	35,727
Capital Outlay	326,525	325,625	900
Total Parks & Recreation	<u>4,825,940</u>	<u>4,645,112</u>	<u>180,828</u>
Total Leisure Time Activities	<u>4,825,940</u>	<u>4,645,112</u>	<u>180,828</u>
Total Expenditures	<u>30,144,080</u>	<u>28,006,343</u>	<u>2,137,737</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(2,784,652)</u>	<u>(2,431,598)</u>	<u>353,054</u>
Other Financing Sources (Uses)			
Sale of Assets	31,000	15,605	(15,395)
Insurance Proceeds	20,000	22,110	2,110
Advance Out	(630,000)	(630,000)	-
Transfer In	1,759,370	1,661,071	(98,299)
Transfer Out	(3,946,462)	(3,927,268)	19,194
Total Other Financing Sources (Uses)	<u>(2,766,092)</u>	<u>(2,858,482)</u>	<u>(92,390)</u>
Net Change in Fund Balance	(5,550,744)	(5,290,080)	260,664
Fund balance at beginning of year	21,110,220	21,110,220	-
Prior Year Encumbrance Appropriated	3,595,572	3,595,572	-
Fund balance at end of year	<u>19,155,048</u>	<u>19,415,712</u>	<u>260,664</u>

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Tax Increment Equivalent Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Revenue in Lieu of Taxes	2,297,600	2,895,815	598,215
Intergovernmental	29,700	49,405	19,705
Charges for Services	199,500	203,719	4,219
Total Revenues	<u>2,526,800</u>	<u>3,148,939</u>	<u>622,139</u>
Expenditures			
Community Environment			
Finance			
Contractual Services	1,468,545	1,437,165	31,380
Capital Outlay	164,290	164,286	4
Total Expenditures	<u>1,632,835</u>	<u>1,601,451</u>	<u>31,384</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>893,965</u>	<u>1,547,488</u>	<u>653,523</u>
Other Financing Sources (Uses)			
Transfer Out	(1,304,800)	(1,304,800)	-
Total Other Financing Sources (Uses)	<u>(1,304,800)</u>	<u>(1,304,800)</u>	<u>-</u>
Net Change in Fund Balance	(410,835)	242,688	653,523
Fund balance at beginning of year	958,281	958,281	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u>547,446</u>	<u>1,200,969</u>	<u>653,523</u>

City of Gahanna, Ohio
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Capital Improvement Capital Projects Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Other	42,600	111,200	68,600
Total Revenues	<u>42,600</u>	<u>111,200</u>	<u>68,600</u>
Expenditures			
Capital Improvement			
Finance			
Capital Outlay	7,461,131	7,433,025	28,106
Total Expenditures	<u>7,461,131</u>	<u>7,433,025</u>	<u>28,106</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(7,418,531)</u>	<u>(7,321,825)</u>	<u>96,706</u>
Other Financing Sources (Uses)			
Transfer In	2,478,710	2,478,710	-
Transfer Out	(269,600)	(269,600)	-
Total Other Financing Sources (Uses)	<u>2,209,110</u>	<u>2,209,110</u>	<u>-</u>
Net Change in Fund Balance	(5,209,421)	(5,112,715)	96,706
Fund balance at beginning of year	1,457,804	1,457,804	-
Prior Year Encumbrance Appropriated	3,751,621	3,751,621	-
Fund balance at end of year	<u>4</u>	<u>96,710</u>	<u>96,706</u>

City of Gahanna, Ohio
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Street Special Revenue Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Intergovernmental	1,620,000	1,656,392	36,392
Other	1,000	18,027	17,027
Total Revenues	<u>1,621,000</u>	<u>1,674,419</u>	<u>53,419</u>
Expenditures			
Transportation			
Public Service			
Salaries & Benefits	759,854	681,432	78,422
Contractual Services	144,620	135,286	9,334
Supplies & Materials	252,775	237,564	15,211
Capital Outlay	215,195	215,195	-
Total Expenditures	<u>1,372,444</u>	<u>1,269,477</u>	<u>102,967</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>248,556</u>	<u>404,942</u>	<u>156,386</u>
Other Financing Sources (Uses)			
Sale of Assets	10,000	18,186	8,186
Insurance Proceeds	-	895	895
Transfer Out	(449,200)	(449,200)	-
Total Other Financing Sources (Uses)	<u>(439,200)</u>	<u>(430,119)</u>	<u>9,081</u>
Net Change in Fund Balance	(190,644)	(25,177)	165,467
Fund balance at beginning of year	238,880	238,880	-
Prior Year Encumbrance Appropriated	26,968	26,968	-
Fund balance at end of year	<u><u>75,204</u></u>	<u><u>240,671</u></u>	<u><u>165,467</u></u>

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 State Highway Special Revenue Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Intergovernmental	108,000	112,729	4,729
Total Revenues	<u>108,000</u>	<u>112,729</u>	<u>4,729</u>
Expenditures			
Transportation			
Public Service			
Salaries & Benefits	20,950	5,929	15,021
Contractual Services	54,569	47,438	7,131
Supplies & Materials	32,057	30,948	1,109
Total Expenditures	<u>107,576</u>	<u>84,315</u>	<u>23,261</u>
Net Change in Fund Balance	424	28,414	27,990
Fund balance at beginning of year	292,430	292,430	-
Prior Year Encumbrance Appropriated	10,526	10,526	-
Fund balance at end of year	<u>303,380</u>	<u>331,370</u>	<u>27,990</u>

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Law Enforcement Trust Special Revenue Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Fines & Forfeitures	<u>9,100</u>	<u>986</u>	<u>(8,114)</u>
Total Revenues	<u>9,100</u>	<u>986</u>	<u>(8,114)</u>
Expenditures			
Security of Persons & Property			
Public Safety			
Supplies & Materials	<u>20,290</u>	<u>20,290</u>	<u>-</u>
Total Expenditures	<u>20,290</u>	<u>20,290</u>	<u>-</u>
Net Change in Fund Balance	(11,190)	(19,304)	(8,114)
Fund balance at beginning of year	97,763	97,763	-
Prior Year Encumbrance Appropriated	<u>4,919</u>	<u>4,919</u>	<u>-</u>
Fund balance at end of year	<u>91,492</u>	<u>83,378</u>	<u>(8,114)</u>

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Enforcement & Education Special Revenue Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Fines & Forfeitures	3,700	2,115	(1,585)
Total Revenues	<u>3,700</u>	<u>2,115</u>	<u>(1,585)</u>
Expenditures			
Security of Persons & Property			
Public Safety	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	3,700	2,115	(1,585)
Fund balance at beginning of year	32,572	32,572	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u><u>36,272</u></u>	<u><u>34,687</u></u>	<u><u>(1,585)</u></u>

City of Gahanna, Ohio
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Parks & Recreation Donation Special Revenue Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Total Revenues	-	-	-
Total Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund balance at beginning of year	2,980	2,980	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u>2,980</u>	<u>2,980</u>	<u>-</u>

City of Gahanna, Ohio
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Permanent Improvement Special Revenue Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Intergovernmental	<u>272,090</u>	<u>-</u>	<u>(272,090)</u>
Total Revenues	<u>272,090</u>	<u>-</u>	<u>(272,090)</u>
Expenditures			
Leisure Time Activities			
Public Service			
Capital Outlay	<u>1,674,840</u>	<u>1,674,840</u>	<u>-</u>
Total Expenditures	<u>1,674,840</u>	<u>1,674,840</u>	<u>-</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(1,402,750)</u>	<u>(1,674,840)</u>	<u>(272,090)</u>
Other Financing Sources (Uses)			
Transfer In	<u>272,350</u>	<u>272,350</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>272,350</u>	<u>272,350</u>	<u>-</u>
Net Change in Fund Balance	(1,130,400)	(1,402,490)	(272,090)
Fund balance at beginning of year	1,130,401	1,130,401	-
Prior Year Encumbrance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>1</u></u>	<u><u>(272,089)</u></u>	<u><u>(272,090)</u></u>

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Court Special Revenue Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Fines & Forfeitures	42,900	23,152	(19,748)
Total Revenues	<u>42,900</u>	<u>23,152</u>	<u>(19,748)</u>
Expenditures			
General Government			
Clerk of Court			
Contractual Services	16,500	11,731	4,769
Supplies & Materials	11,287	9,481	1,806
Total Expenditures	<u>27,787</u>	<u>21,212</u>	<u>6,575</u>
Net Change in Fund Balance	15,113	1,940	(13,173)
Fund balance at beginning of year	250,253	250,253	-
Prior Year Encumbrance Appropriated	287	287	-
Fund balance at end of year	<u><u>265,653</u></u>	<u><u>252,480</u></u>	<u><u>(13,173)</u></u>

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 County Permissive Special Revenue Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Intergovernmental	<u>153,010</u>	<u>219,000</u>	<u>65,990</u>
Total Revenues	<u>153,010</u>	<u>219,000</u>	<u>65,990</u>
Expenditures			
Transportation			
Public Service			
Capital Outlay	<u>219,000</u>	<u>219,000</u>	<u>-</u>
Total Expenditures	<u>219,000</u>	<u>219,000</u>	<u>-</u>
Net Change in Fund Balance	(65,990)	-	65,990
Fund balance at beginning of year	65,991	65,991	-
Prior Year Encumbrance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>1</u>	<u>65,991</u>	<u>65,990</u>

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Cul-De-Sac Maintenance Special Revenue Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
License Permits & Fees	-		-
Total Revenues	-	-	-
Total Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund balance at beginning of year	42,027	42,027	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u>42,027</u>	<u>42,027</u>	<u>-</u>

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Court Computerization Special Revenue Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Fines & Forfeitures	16,740	8,422	(8,318)
Total Revenues	<u>16,740</u>	<u>8,422</u>	<u>(8,318)</u>
Expenditures			
General Government			
Clerk of Court			
Contractual Services	3,000	1,512	1,488
Total Expenditures	<u>3,000</u>	<u>1,512</u>	<u>1,488</u>
Net Change in Fund Balance	13,740	6,910	(6,830)
Fund balance at beginning of year	2,521	2,521	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u><u>16,261</u></u>	<u><u>9,431</u></u>	<u><u>(6,830)</u></u>

City of Gahanna, Ohio
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Federal Law Enforcement Seizure Special Revenue Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Intergovernmental	25,000	16,453	(8,547)
Investment Income	2,000	2,143	143
Total Revenues	<u>27,000</u>	<u>18,596</u>	<u>(8,404)</u>
Expenditures			
Security of Persons & Property			
Public Safety			
Supplies & Materials	28,955	28,955	-
Capital Outlay	67,000	67,000	-
Total Expenditures	<u>95,955</u>	<u>95,955</u>	<u>-</u>
Net Change in Fund Balance	(68,955)	(77,359)	(8,404)
Fund balance at beginning of year	144,177	144,177	-
Prior Year Encumbrance Appropriated	76,955	76,955	-
Fund balance at end of year	<u>152,177</u>	<u>143,773</u>	<u>(8,404)</u>

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Treasury Equitable Sharing Special Revenue Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Intergovernmental	-	3,342	3,342
Total Revenues	-	3,342	3,342
Total Expenditures	-	-	-
Net Change in Fund Balance	-	3,342	3,342
Fund balance at beginning of year	87,897	87,897	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u>87,897</u>	<u>91,239</u>	<u>3,342</u>

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 AG Peace Officer Training Special Revenue Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Intergovernmental	<u>13,640</u>	<u>16,915</u>	<u>3,275</u>
Total Revenues	<u>13,640</u>	<u>16,915</u>	<u>3,275</u>
Expenditures			
Security of Persons & Property			
Public Safety			
Contractual Services	<u>23,080</u>	<u>23,080</u>	<u>-</u>
Total Expenditures	<u>23,080</u>	<u>23,080</u>	<u>-</u>
Net Change in Fund Balance	(9,440)	(6,165)	3,275
Fund balance at beginning of year	9,440	9,440	-
Prior Year Encumbrance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>-</u></u>	<u><u>3,275</u></u>	<u><u>3,275</u></u>

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Right of Way Special Revenue Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
License Permits & Fees	50,000	35,176	(14,824)
Total Revenues	50,000	35,176	(14,824)
Total Expenditures	-	-	-
Net Change in Fund Balance	50,000	35,176	(14,824)
Fund balance at beginning of year	440,700	440,700	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	490,700	475,876	(14,824)

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Police Pension Special Revenue Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Property Taxes	249,105	247,780	(1,325)
Intergovernmental	31,800	31,645	(155)
Total Revenues	<u>280,905</u>	<u>279,425</u>	<u>(1,480)</u>
Expenditures			
Security of Persons & Property			
Public Safety			
Salaries & Benefits	1,064,480	1,025,820	38,660
Contractual Services	5,000	3,886	1,114
Total Expenditures	<u>1,069,480</u>	<u>1,029,706</u>	<u>39,774</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(788,575)</u>	<u>(750,281)</u>	<u>38,294</u>
Other Financing Sources (Uses)			
Transfer In	670,980	670,980	-
Total Other Financing Sources (Uses)	<u>670,980</u>	<u>670,980</u>	<u>-</u>
Net Change in Fund Balance	(117,595)	(79,301)	38,294
Fund balance at beginning of year	943,753	943,753	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u><u>826,158</u></u>	<u><u>864,452</u></u>	<u><u>38,294</u></u>

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Police Duty Weapons Special Revenue Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Other	<u>12,500</u>	<u>11,807</u>	<u>(693)</u>
Total Revenues	<u>12,500</u>	<u>11,807</u>	<u>(693)</u>
Expenditures			
Security of Persons & Property			
Public Safety			
Supplies & Materials	<u>8,000</u>	<u>7,731</u>	<u>269</u>
Total Expenditures	<u>8,000</u>	<u>7,731</u>	<u>269</u>
Net Change in Fund Balance	4,500	4,076	(424)
Fund balance at beginning of year	14,725	14,725	-
Prior Year Encumbrance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>19,225</u>	<u>18,801</u>	<u>(424)</u>

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Public Landscape Trust Special Revenue Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Total Revenues	-	-	-
Total Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund balance at beginning of year	7,816	7,816	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u>7,816</u>	<u>7,816</u>	<u>-</u>

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Vending Machine Special Revenue Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Total Revenues	-	-	-
Total Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund balance at beginning of year	1,610	1,610	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	1,610	1,610	-

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Reserve for Sick & Vacation Special Revenue Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Total Revenues	-	-	-
Expenditures			
General Government			
Finance			
Salaries & Benefits	155,180	61,212	93,968
Total Expenditures	155,180	61,212	93,968
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(155,180)	(61,212)	93,968
Other Financing Sources (Uses)			
Transfer In	75,000	75,000	-
Total Other Financing Sources (Uses)	75,000	75,000	-
Net Change in Fund Balance	(80,180)	13,788	93,968
Fund balance at beginning of year	397,201	397,201	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	317,021	410,989	93,968

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 State Capital Grants
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Intergovernmental	<u>225,000</u>	<u>100,000</u>	<u>(125,000)</u>
Total Revenues	<u>225,000</u>	<u>100,000</u>	<u>(125,000)</u>
Expenditures			
Capital Improvement			
Parks & Recreation			
Capital Outlay	<u>225,000</u>	<u>225,000</u>	<u>-</u>
Total Expenditures	<u>225,000</u>	<u>225,000</u>	<u>-</u>
Net Change in Fund Balance	-	(125,000)	(125,000)
Fund balance at beginning of year	-	-	-
Prior Year Encumbrance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>-</u>	<u>(125,000)</u>	<u>(125,000)</u>

City of Gahanna, Ohio
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
OPWC Capital Projects Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Intergovernmental	<u>1,725,299</u>	<u>780,120</u>	<u>(945,179)</u>
Total Revenues	<u>1,725,299</u>	<u>780,120</u>	<u>(945,179)</u>
Expenditures			
Capital Improvement			
Finance			
Capital Outlay	<u>1,725,298</u>	<u>1,725,298</u>	<u>-</u>
Total Expenditures	<u>1,725,298</u>	<u>1,725,298</u>	<u>-</u>
Net Change in Fund Balance	1	(945,178)	(945,179)
Fund balance at beginning of year	(1,725,298)	(1,725,298)	-
Prior Year Encumbrance Appropriated	<u>1,725,298</u>	<u>1,725,298</u>	<u>-</u>
Fund balance at end of year	<u>1</u>	<u>(945,178)</u>	<u>(945,179)</u>

City of Gahanna, Ohio
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Bond Capital Improvement Capital Projects Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Investment Income	1,225	17,652	16,427
Total Revenues	1,225	17,652	16,427
Expenditures			
Transportation			
Public Service			
Capital Outlay	1,645,540	1,645,540	-
Total Expenditures	1,645,540	1,645,540	-
Excess of Expenditures over Revenues	(1,644,315)	(1,627,888)	16,427
Other Financing Sources (uses)			
Transfer Out	887	-	887
Total Other Financing Sources (uses)	887	-	887
Net Change in Fund Balance	(1,643,428)	(1,627,888)	17,314
Fund balance at beginning of year	20,581	20,581	-
Prior Year Encumbrance Appropriated	1,624,623	1,624,623	-
Fund balance at end of year	1,776	17,316	17,314

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Park Improvement & Acquisition Capital Projects Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Total Revenues	-	-	-
Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund balance at beginning of year	246	246	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	246	246	-

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Park Capital Projects Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
License Permits & Fees	20,000	14,500	(5,500)
Total Revenues	<u>20,000</u>	<u>14,500</u>	<u>(5,500)</u>
Expenditures			
Leisure Time Activities			
Parks & Recreation			
Capital Outlay	200,000	200,000	-
Total Expenditures	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net Change in Fund Balance	(180,000)	(185,500)	(5,500)
Fund balance at beginning of year	25,291	25,291	-
Prior Year Encumbrance Appropriated	200,000	200,000	-
Fund balance at end of year	<u><u>45,291</u></u>	<u><u>39,791</u></u>	<u><u>(5,500)</u></u>

City of Gahanna, Ohio
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Park In-Lieu of Fees Capital Projects Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Total Revenues	-	-	-
Expenditures			
Leisure Time Activities			
Parks & Recreation			
Capital Outlay	100,000	100,000	-
Total Expenditures	100,000	100,000	-
Net Change in Fund Balance	(100,000)	(100,000)	-
Fund balance at beginning of year	12,943	12,943	-
Prior Year Encumbrance Appropriated	100,000	100,000	-
Fund balance at end of year	12,943	12,943	-

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Court Building Capital Projects Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Fines & Forfeitures	<u>26,700</u>	<u>14,881</u>	<u>(11,819)</u>
Total Revenues	<u>26,700</u>	<u>14,881</u>	<u>(11,819)</u>
Expenditures			
General Government			
Clerk of Court			
Contractual Services	<u>3,500</u>	<u>-</u>	<u>3,500</u>
Total Expenditures	<u>3,500</u>	<u>-</u>	<u>3,500</u>
Net Change in Fund Balance	23,200	14,881	(8,319)
Fund balance at beginning of year	249,852	249,852	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u>273,052</u>	<u>264,733</u>	<u>(8,319)</u>

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 General Bond Retirement Debt Service Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Property Taxes	240,824	250,157	9,333
Intergovernmental	30,800	30,588	(212)
Total Revenues	<u>271,624</u>	<u>280,745</u>	<u>9,121</u>
Expenditures			
General Government			
Finance			
Contractual Services	5,400	3,757	1,643
Debt Service	2,242,700	2,242,629	71
Total Expenditures	<u>2,248,100</u>	<u>2,246,386</u>	<u>1,714</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(1,976,476)</u>	<u>(1,965,641)</u>	<u>10,835</u>
Other Financing Sources (Uses)			
Transfer In	1,978,900	1,961,956	(16,944)
Total Other Financing Sources (Uses)	<u>1,978,900</u>	<u>1,961,956</u>	<u>(16,944)</u>
Net Change in Fund Balance	2,424	(3,685)	(6,109)
Fund balance at beginning of year	1,348,547	1,348,547	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u><u>1,350,971</u></u>	<u><u>1,344,862</u></u>	<u><u>(6,109)</u></u>

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Special Assessment Debt Service Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Total Revenues	-	-	-
Total Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund balance at beginning of year	22	22	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	22	22	-

City of Gahanna, Ohio
 Schedule of Revenues, Expenditures and Changes in
 Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis)
 Workers Compensation Internal Service Fund
 For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Charges for Services	<u>276,040</u>	<u>263,204</u>	<u>(12,836)</u>
Total Revenues	<u>276,040</u>	<u>263,204</u>	<u>(12,836)</u>
Expenditures			
Contract Services			
Human Resources			
Contractual Services	<u>230,800</u>	<u>135,171</u>	<u>95,629</u>
Total Expenditures	<u>230,800</u>	<u>135,171</u>	<u>95,629</u>
Net Change in Fund Equity	45,240	128,033	82,793
Fund equity at beginning of year	386,634	386,634	-
Prior Year Encumbrance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Fund equity at end of year	<u>431,874</u>	<u>514,667</u>	<u>82,793</u>



Statistical SECTION



City Of Gahanna, Ohio

Statistical Section

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

<u>Contents</u>	<u>Pages</u>
Financial Trends	142-146

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity	147-155
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These schedules contain information to help the reader assess the City's most significant local revenue sources, municipal income tax and property taxes.

Debt Capacity	156-159
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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.

Demographic and Economic Information	160-161
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information	162-165
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These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities										
Net Investment in Capital Assets	\$ 122,523,098	\$ 120,714,997	\$ 118,970,770	\$ 118,249,600	\$ 116,148,500	\$ 63,455,491	\$ 68,285,441	\$ 64,354,828	\$ 61,259,010	\$ 60,042,672
Restricted	13,728,051	14,039,314	15,169,012	12,389,607	12,445,887	13,687,434	11,049,344	13,723,679	14,162,242	11,935,778
Unrestricted	9,919,798	13,499,101	13,666,163	13,870,290	24,788,995	21,235,666	17,947,623	21,249,773	21,997,293	25,220,459
Total Governmental Activities	\$ 146,170,947	\$ 148,253,412	\$ 147,805,945	\$ 144,509,497	\$ 153,383,382	\$ 98,378,591	\$ 97,282,408	\$ 99,328,280	\$ 97,418,545	\$ 97,198,909
Net Position										
Business-Type Activities										
Net Investment in Capital Assets	\$ 47,920,299	\$ 48,493,228	\$ 48,938,983	\$ 48,731,148	\$ 48,345,728	\$ 49,068,153	\$ 49,960,158	\$ 50,158,280	\$ 49,292,971	\$ 49,865,655
Unrestricted	18,781,532	19,232,061	15,077,893	16,400,790	17,861,779	17,742,989	18,568,401	19,766,123	23,292,753	22,516,890
Total Business-Type activities	\$ 66,701,831	\$ 67,725,289	\$ 64,016,876	\$ 65,131,938	\$ 66,207,507	\$ 66,811,142	\$ 68,528,559	\$ 69,924,403	\$ 72,585,724	\$ 72,382,545
Net Position										
Primary Government										
Net Investment in Capital Assets	\$ 170,443,397	\$ 169,208,225	\$ 167,909,753	\$ 166,980,748	\$ 164,484,228	\$ 112,523,644	\$ 118,245,599	\$ 114,513,108	\$ 110,551,981	\$ 109,908,327
Restricted	13,728,051	14,039,314	15,169,012	12,389,607	12,445,887	13,687,434	11,049,344	13,723,679	14,162,242	11,935,778
Unrestricted	28,701,330	32,731,162	28,744,056	30,271,080	42,650,774	38,978,655	36,516,024	41,015,896	45,290,046	47,737,349
Total Primary Government	\$ 212,872,778	\$ 215,978,701	\$ 211,822,821	\$ 209,641,435	\$ 219,590,889	\$ 165,189,733	\$ 165,810,967	\$ 169,252,683	\$ 170,004,269	\$ 169,581,454
Net Position										

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

	2017	2016	2015	Restated 2014	2013	Restated 2012	Restated 2011	Restated 2010	Restated 2009	2008
Expenses										
Governmental Activities										
General Government	\$ 4,855,877	\$ 4,535,792	\$ 5,516,390	\$ 4,135,409	\$ 4,538,713	\$ 4,456,167	\$ 4,591,521	\$ 4,959,182	\$ 4,006,381	\$ 4,417,484
Security of Persons & Property	11,526,650	11,239,302	10,219,622	9,464,485	8,994,894	9,347,802	8,553,504	8,686,610	9,082,898	8,882,162
Public Health & Welfare	282,874	268,111	258,421	223,003	216,427	206,424	215,060	195,382	195,382	181,060
Transportation	4,179,729	5,037,742	4,945,121	2,961,415	4,659,802	4,059,871	5,610,420	3,571,469	4,198,845	5,402,208
Community Environment	5,125,922	4,866,823	4,496,115	4,926,795	4,224,762	4,517,023	5,790,535	4,376,125	5,168,287	5,574,128
Leisure Time Activities	5,223,188	4,636,591	3,990,528	3,658,521	3,949,682	3,591,675	2,643,767	3,285,193	3,238,751	3,004,206
Utility Services	460,437	447,664	417,906	478,318	562,939	504,919	474,867	2,253,385	2,295,336	1,691,119
Interest & Fiscal Charges	623,828	664,879	545,747	709,657	761,277	928,555	1,039,207	900,076	925,503	963,467
Total Governmental Activities Expenses	32,878,505	31,696,904	30,389,850	26,557,603	27,908,496	27,612,436	28,918,881	28,227,422	29,111,383	30,115,834
Business-Type Activities										
Water	9,480,789	7,723,349	7,204,101	6,030,998	6,403,114	6,748,836	5,903,450	6,385,501	5,080,513	4,293,663
Sewer	7,817,706	5,355,806	8,328,948	8,004,427	7,337,381	7,424,007	6,676,639	7,642,442	6,343,851	5,329,467
Storm Water	1,078,851	1,027,101	1,130,109	953,932	886,458	963,282	821,295	811,894	611,248	1,603,400
Total Business-Type Activities Expenses	18,377,346	14,106,256	16,663,158	14,991,357	14,625,953	15,136,125	13,401,384	14,839,837	12,035,612	11,226,530
Total Primary Government Expenses	\$ 51,255,851	\$ 45,803,160	\$ 47,053,008	\$ 41,548,960	\$ 42,535,449	\$ 42,748,561	\$ 42,320,265	\$ 43,067,259	\$ 41,146,995	\$ 41,342,364
Program Revenues										
Governmental Activities										
Charges for Services	\$ 757,358	\$ 1,306,326	\$ 1,725,026	\$ 1,779,433	\$ 1,944,536	\$ 799,150	\$ 1,062,848	\$ 663,857	\$ 553,735	\$ 649,653
Security of Persons & Property	169,298	162,217	183,274	183,739	207,783	354,525	154,552	178,005	545,423	151,581
Public Health & Welfare	-	-	-	-	-	-	-	-	-	-
Transportation	8,992	7,674	8,047	9,304	11,389	39,100	46,786	390,699	362,326	433,508
Community Environment	932,419	1,034,062	907,641	1,100,020	750,802	506,381	304,844	267,750	242,223	407,771
Leisure Time Activities	1,534,010	1,485,692	1,468,139	1,384,657	1,338,484	1,511,989	981,039	1,054,016	1,031,125	730,881
Utility Services	-	-	-	-	-	-	159,432	1,960,712	1,867,026	1,863,163
Interest & Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Operating Grants & Contributions	1,977,760	2,055,703	2,350,014	2,617,569	1,902,075	2,099,228	1,748,552	2,267,903	1,898,377	1,830,914
Capital Grants & Contributions	100,000	1,084,459	3,255,153	1,159,852	1,531,363	630,617	1,179,040	1,183,273	1,557,616	1,145,349
Total Governmental Activities	5,479,837	7,136,133	9,897,294	8,234,574	7,686,432	5,940,990	5,637,093	7,966,215	8,057,851	7,212,820
Business-Type Activities										
Charges for Services	7,841,524	8,363,476	7,560,244	7,571,853	7,189,091	6,722,456	5,788,248	5,587,024	4,274,932	4,552,582
Water	7,957,118	7,593,655	6,251,577	5,620,111	5,548,467	5,261,204	5,057,911	5,439,343	6,774,106	8,434,677
Storm Water	1,137,424	1,117,601	1,131,231	1,079,371	1,085,246	987,008	980,800	934,765	923,661	1,006,822
Operating Grants & Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants & Contributions	-	187,292	-	202,917	60,000	-	-	45,000	-	-
Total Business-Type Activities	16,936,066	17,262,024	14,943,052	14,474,252	13,885,804	12,970,668	11,826,959	12,006,132	11,972,699	13,994,081
Program Revenues	22,415,903	24,398,157	24,840,346	22,708,826	21,572,236	18,911,658	17,464,052	19,972,347	20,030,550	21,206,901
Total Primary Government	(27,398,668)	(24,560,771)	(20,492,556)	(18,323,029)	(20,222,064)	(21,671,446)	(23,281,788)	(20,261,207)	(21,053,532)	(22,903,014)
Net Expense/Revenue	\$ (1,441,280)	\$ 3,155,768	\$ (1,720,106)	\$ (517,105)	\$ (741,149)	\$ (2,165,457)	\$ (1,574,425)	\$ (2,833,705)	\$ (62,913)	\$ 2,767,551
Total Governmental Activities	\$ (28,839,948)	\$ (21,405,003)	\$ (22,212,662)	\$ (18,840,134)	\$ (20,963,213)	\$ (23,836,903)	\$ (24,856,213)	\$ (23,094,912)	\$ (21,116,445)	\$ (20,135,463)

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

**General Revenues and Other
 Changes in Net Position**

	2017	2016	2015	2014	2013	Restated 2012	Restated 2011	Restated 2010	Restated 2009	2008
Governmental Activities										
Income Tax Levied For										
General Purposes										
Property Taxes Levied For										
General Purposes	1,488,227	1,506,677	1,445,670	1,408,366	1,415,106	1,444,786	1,532,042	1,612,081	1,586,545	1,602,232
Debt Service	248,579	248,778	241,999	234,525	237,652	240,742	260,652	258,003	251,693	251,353
Police	246,148	252,278	239,628	236,116	236,561	247,503	260,656	266,656	254,996	259,980
Revenue in Lieu of Taxes	2,895,815	1,966,279	2,025,314	1,699,552	1,435,780	1,908,942	1,002,203	2,661,218	67,885	1,420,967
Other Local Taxes	516,087	509,095	495,884	465,007	408,373	435,863	421,791	868,501	842,211	902,649
Grants & Entitlements not Restricted	1,060,783	1,031,949	1,238,661	1,208,215	1,453,288	741,106	1,991,744	2,413,448	3,395,583	2,287,655
Investment Earnings	589,822	386,626	435,926	596,924	115,597	492,569	653,169	736,662	1,098,874	2,308,530
Increase/(Decrease) in FV of Investments	-	-	-	-	-	(35,400)	178,767	(27,004)	346,999	(492,910)
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	95,995	11,055
Miscellaneous	702,458	421,451	269,126	194,416	535,882	1,004,594	539,491	43,977	339,393	300,967
Transfers	(417,822)	(494,470)	(565,458)	(20,000)	(145,754)	(244,637)	(20,000)	434,711	(44,726)	(47,000)
Total Governmental Activities	25,316,203	25,008,238	23,789,004	22,527,714	22,490,689	22,767,629	21,235,916	22,170,942	21,273,168	22,239,954
Business Type Activities										
Investment Earnings	-	-	-	-	-	-	28	63	2,383	40,404
Miscellaneous	-	58,175	39,586	77,110	42,728	203,403	158,553	-	218,983	213,108
Transfers	417,822	494,470	565,458	20,000	145,754	244,637	20,000	172,321	44,726	47,000
Total Business-Type Activities	417,822	552,645	605,044	97,110	188,482	448,040	178,581	172,384	266,092	300,512
Total Primary Government	\$ 25,734,025	\$ 25,560,883	\$ 24,394,048	\$ 22,624,824	\$ 22,679,171	\$ 23,215,669	\$ 21,414,497	\$ 22,343,326	\$ 21,539,260	\$ 22,540,466
Change in Net Position										
Governmental Activities	(2,082,465)	447,467	3,296,448	4,204,685	2,268,625	1,096,183	(2,045,872)	1,909,735	219,636	(663,060)
Business-Type Activities	(1,023,458)	3,708,413	(1,115,062)	(419,995)	(552,667)	(1,717,417)	(1,395,844)	(2,661,321)	203,179	3,068,063
Total Primary Government	\$ (3,105,923)	\$ 4,155,880	\$ 2,181,386	\$ 3,784,690	\$ 1,715,958	\$ (621,234)	\$ (3,441,716)	\$ (751,586)	\$ 422,815	\$ 2,405,003

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

	2017	2016	2015	2014	2013	2012	2011	Restated * 2010	2009	2008
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,092,012	\$ 10,429,996
Unreserved	-	-	-	-	-	-	-	-	12,828,174	13,964,988
Nonspendable	434,934	320,241	415,987	451,228	351,145	311,003	324,995	347,140	-	-
Committed	7,109,940	6,666,565	6,567,000	7,590,692	1,190,692	1,190,692	1,274,618	1,611,494	-	-
Assigned	9,829,154	4,851,710	6,794,860	4,251,908	3,314,438	6,156,546	3,661,298	5,254,630	-	-
Unassigned	8,583,469	13,988,069	11,136,092	10,235,991	15,203,690	10,395,966	16,251,643	12,678,805	-	-
Total General Fund	\$ 25,957,497	\$ 25,826,585	\$ 24,913,939	\$ 22,529,819	\$ 20,059,965	\$ 18,054,207	\$ 21,512,554	\$ 19,892,069	\$ 18,920,186	\$ 24,394,984
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,257,799	\$ 2,986,118
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	5,419,456	4,349,271
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	4,256,324	3,519,235
Nonspendable	16,022	2,707	39	5,760	2,164	3,784	2,335	3,027	-	-
Restricted	12,937,951	13,257,721	14,373,034	11,531,254	11,784,236	12,933,340	9,722,408	11,813,879	-	-
Committed	568,776	641,939	613,870	839,354	636,846	522,648	455,915	450,445	-	-
Assigned	246	246	246	246	246	246	246	246	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 13,522,995	\$ 13,902,613	\$ 14,987,189	\$ 12,376,614	\$ 12,423,492	\$ 13,460,018	\$ 10,180,904	\$ 12,267,597	\$ 12,933,579	\$ 10,854,624

* - Restated for implementation of GASB 54 during fiscal year 2011. The City has elected to not restate prior fund balance amounts for fiscal years prior to implementation.

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

	2017	2016	2015	2014	2013	2012	2011	Restated 2010	2009	2008
Revenues										
Income Taxes	\$ 18,638,374	\$ 18,858,453	\$ 17,719,609	\$ 17,066,389	\$ 16,540,915	\$ 15,176,200	\$ 14,405,894	\$ 13,838,380	\$ 12,973,103	\$ 14,131,280
Property Taxes	1,996,006	2,003,393	1,947,202	1,891,759	1,898,016	1,953,823	2,056,285	2,140,235	2,118,489	2,096,004
Other Local Taxes	516,087	509,095	495,884	465,007	408,373	435,863	421,791	901,175	841,659	878,774
Revenue in Lieu of Taxes	2,895,815	1,966,279	1,699,552	1,699,552	1,435,780	1,908,942	1,002,203	2,661,218	1,342,299	1,199,393
Charges for Services	2,047,008	2,104,634	1,925,843	1,803,476	1,604,154	1,147,643	1,224,707	3,542,692	3,290,260	3,101,067
Licenses Permits & Fees	1,368,462	1,504,565	1,794,823	1,875,386	1,876,445	1,114,882	896,537	343,701	308,831	459,019
Fines & Forfeitures	337,386	422,141	649,427	626,312	553,782	773,617	534,385	535,885	881,155	519,527
Intergovernmental	3,105,916	4,188,694	6,849,707	4,905,347	5,216,865	4,437,473	4,465,679	6,782,304	5,766,762	4,712,686
Investment Income	581,863	388,059	430,456	593,294	112,468	520,233	674,841	715,554	1,212,167	2,294,196
Rental Income	29,544	25,989	19,495	36,655	49,863	67,915	78,363	92,762	121,612	156,943
Contributions & Donations	4,590	43,047	-	-	10	2,615	26,510	2,560	1,560	17,000
Increase (Decrease) in Fair Value of Investments	698,584	423,595	223,461	146,442	509,907	(35,400)	178,767	(27,004)	346,999	(482,910)
Other	-	-	-	-	-	351,937	449,968	433,117	364,944	242,013
Total Revenues	32,219,635	32,437,924	34,017,221	31,109,619	30,206,578	27,855,743	26,415,910	31,962,579	29,569,840	29,314,992
Expenditures										
Current:										
General Government	3,795,776	3,915,494	3,872,201	3,408,521	3,825,471	3,402,233	4,085,990	4,303,225	3,767,165	3,847,668
Security of Persons & Property	10,180,464	9,645,764	9,739,039	9,120,846	8,755,192	9,065,929	8,580,044	8,528,510	8,427,575	8,384,841
Public Health & Welfare	282,874	268,111	258,421	223,003	216,427	206,424	215,060	195,382	195,382	181,060
Transportation	4,449,927	4,907,830	4,862,411	2,907,602	3,128,758	2,594,625	6,908,770	2,214,302	2,030,005	2,405,665
Community Environment	4,272,236	4,235,203	3,961,655	4,445,993	3,823,133	4,167,512	4,127,894	2,943,729	4,505,304	3,928,308
Leisure Time Activities	4,106,148	3,951,982	3,497,745	3,052,861	3,244,203	2,920,356	2,996,505	2,760,515	2,997,090	2,691,317
Utility Services	460,437	447,664	418,745	478,318	562,939	504,919	474,867	2,255,385	2,295,336	1,691,119
Capital Outlay	2,411,217	2,741,045	3,477,539	1,828,163	2,766,860	3,372,482	3,801,856	7,369,642	7,610,239	12,536,384
Debt Service	1,462,700	1,462,880	3,282,862	2,515,355	2,495,422	1,662,652	979,500	773,436	772,864	1,222,926
Principal Retirement	655,420	688,282	728,558	769,261	838,760	895,176	892,242	916,677	942,074	982,484
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Issuance Costs	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 32,079,199	\$ 32,264,255	\$ 34,099,176	\$ 28,749,923	\$ 29,663,165	\$ 28,792,308	\$ 32,662,668	\$ 32,258,803	\$ 33,523,034	\$ 37,871,772
Excess (deficiency) of revenue over (under) expenditures	\$ 140,436	\$ 173,669	\$ (81,955)	\$ 2,359,696	\$ 543,413	\$ (936,565)	\$ (6,246,758)	\$ (295,224)	\$ (3,953,194)	\$ (8,556,780)
Other Financing Sources (Uses)										
Transfers in	5,455,624	5,936,360	4,138,699	4,325,720	3,321,151	4,983,806	3,076,136	2,012,348	4,346,478	3,352,331
Transfers out	(5,873,446)	(6,430,830)	(4,626,099)	(4,345,720)	(3,327,522)	(4,983,806)	(3,096,136)	(2,012,348)	(4,391,204)	(3,399,331)
Lease Purchase Transaction	-	-	-	-	9,287	-	730,000	-	-	-
Insurance Recovery	-	47,266	58,482	40,063	49,236	-	-	-	-	-
Proceeds from Sale of Capital Assets	28,680	101,605	49,156	43,227	37,293	42,711	28,799	43,977	-	11,055
Premium and Interest on Bonds Sold	-	-	772,849	-	-	-	-	-	-	-
Bonds Issued	-	-	5,095,000	-	-	-	-	-	-	-
Refunding Bonds Issued	-	-	6,078,400	-	8,795,300	-	-	-	-	-
Issuance of Loans	-	-	-	-	206,769	714,621	5,041,751	558,148	478,172	-
Payments to Refunded Bond Escrow	-	-	(6,489,837)	-	(9,438,378)	-	-	-	-	-
Total Other Financing (Sources) Uses	(889,142)	(345,599)	5,076,650	63,280	425,819	757,332	5,780,550	602,125	557,351	(95,945)
Net Change in Fund Balance	(248,706)	(171,930)	4,994,695	2,422,976	969,232	(179,233)	(466,208)	305,901	(3,395,843)	(6,592,725)
Debt Service as a Percentage of Noncapital Expenditures	7.14%	7.29%	13.10%	12.20%	12.40%	10.06%	6.49%	6.79%	6.62%	8.70%

City of Gahanna, Ohio
 Income Tax Revenue by Payer Type, Net of Refunds
 Cash Basis Last Ten Fiscal Years

Year	Income Tax Rate	Withholding	% of Total	Individual	% of Total	Net Profit	% of Total	Total
2017	1.50%	\$ 12,852,447	69.85%	\$3,480,381	18.91%	\$2,068,056	11.24%	\$18,400,884
2016	1.50%	13,010,477	69.68%	3,651,194	19.56%	2,009,056	10.76%	18,670,727
2015	1.50%	12,106,831	68.95%	3,542,776	20.18%	1,909,759	10.88%	17,559,366
2014	1.50%	11,773,903	69.43%	3,148,912	18.57%	2,035,352	12.00%	16,958,167
2013	1.50%	11,394,114	69.35%	3,513,214	21.38%	1,522,423	9.27%	16,429,751
2012	1.50%	10,858,782	72.37%	3,337,927	22.25%	806,921	5.38%	15,003,630
2011	1.50%	9,843,007	65.32%	3,272,454	21.72%	1,952,819	12.96%	15,068,280
2010	1.50%	9,206,203	68.65%	3,213,644	23.96%	990,298	7.38%	13,410,145
2009	1.50%	9,139,894	68.47%	3,109,729	23.30%	1,098,749	8.23%	13,348,372
2008	1.50%	9,502,622	66.86%	3,162,712	22.25%	1,547,741	10.89%	14,213,075

City of Gahanna, Ohio
 Top Income Tax Payers - Withholder Accounts
 Current Year and Nine Years Ago

Range of Amount Withheld	2017		2008	
	Number of Withholding Accounts	Percent of Total Withholding Received	Number of Withholding Accounts	Percent of Total Withholding Received
\$500,000 and higher	2	10.32%	2	18.02%
\$499,999 - \$100,000	22	26.92%	8	12.14%
\$99,999 - \$75,000	1	0.75%	4	3.79%
\$74,999 - \$50,000	-	0.00%	7	4.41%
\$49,999 - \$25,000	-	0.00%	4	2.07%
Total	25	37.99%	25	40.42%
All Others	3,645	62.01%	2,365	59.58%
Total	<u>3,670</u>	<u>100%</u>	<u>2,390</u>	<u>100%</u>

Source: RITA and Income Tax Revenue by Payer Type, Net of Refunds Table

Note: Due to confidentiality the names of the top withholders cannot be reported. The above serves as an alternative to the top principal revenue payers.

City of Gahanna, Ohio
 Top Income Tax Payers - Individual Accounts
 Current Year and Nine Years Ago

Range of Income Assessed	2017		2008	
	Number of Individuals	Percent of Total Individuals	Number of Individual Accounts	Percent of Total Individuals
\$500,000 and higher	51	0.57%	85	0.69%
\$499,999 - \$400,000	48	0.54%	52	0.42%
\$399,999 - \$300,000	111	1.24%	115	0.94%
\$299,999 - \$200,000	456	5.10%	391	3.18%
\$199,999 - \$100,000	<u>2,180</u>	<u>24.36%</u>	<u>2,383</u>	<u>19.39%</u>
Total	2,846	31.81%	3,026	24.62%
All Others	6,102	68.19%	9,267	75.38%
Total	<u><u>8,948</u></u>	<u><u>100%</u></u>	<u><u>12,293</u></u>	<u><u>100%</u></u>

Source: RITA

Note: The above tables are useful to understand the income thresholds of which income taxes are assessed and is not a complete number of all individual accounts on file. RITA provides this information from individual income tax filings they have reconciled as of the date of the information request and not from total individual filings received.

City of Gahanna, Ohio
 Assessed Valuation and Estimated Actual Value of Taxable Property
 Last Ten Collection Years

Collection Year	Real Property (a)		Tangible Personal Property (b)		Public Utility (c)		Total Assessed Value	Total Est. Actual Value	Direct Tax Rate
	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value			
2017	\$ 912,515,520	\$ 2,607,187,200	\$ -	\$ -	\$ 24,626,100	\$ 70,360,286	\$ 937,141,620	\$ 2,677,547,486	2.40
2016	\$ 910,478,660	\$ 2,601,367,600	\$ -	\$ -	\$ 17,448,920	\$ 49,854,057	\$ 927,927,580	\$ 2,651,221,657	2.40
2015	901,367,310	2,575,335,171	-	-	11,611,250	33,175,000	912,978,560	2,608,510,171	2.40
2014	892,421,180	2,549,774,800	-	-	10,344,730	29,556,371	902,765,910	2,579,331,171	2.40
2013	890,838,100	2,545,251,714	-	-	9,768,120	27,908,914	900,606,220	2,573,160,628	2.40
2012	894,928,870	2,556,939,629	-	-	9,701,520	27,718,629	904,630,390	2,584,658,258	2.40
2011	950,816,350	2,716,618,143	-	-	11,572,850	33,065,286	962,389,200	2,749,683,429	2.40
2010	941,679,190	2,690,511,971	460,083	460,083	13,067,930	37,336,943	955,207,203	2,728,308,997	2.40
2009	937,586,400	2,678,818,286	920,167	920,167	11,751,890	33,576,829	950,258,457	2,713,315,282	2.40
2008	925,152,780	2,643,293,657	11,683,301	186,932,816	10,352,920	29,579,771	947,189,001	2,859,806,244	2.40

Source : Franklin County Auditor

(a) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the rules of the State Tax Commissioner.

(b) The rate at which tangible personal property used in business is assessed for purposes of ad valorem property taxation decreased one percent each year from 35% in 1983 until it reached 25% in 1993. The rate decreased by 6.25% to 18.75% in 2006 and by an additional 6.25% to 12.5% in 2007. The rate continued to decrease by 6.25% in 2008 and reached 0 in 2009. Personal property assessed for collection year 2009-2010 is for delinquent taxes outstanding.

(c) Assumes public utilities are assessed at 35% of true value.

City of Gahanna, Ohio
 Real Property Tax Rates - Direct and Overlapping
 Last Ten Years
 City of Gahanna-Gahanna Jefferson SD (District #025)
 (Per \$1000 Assessed Value)

Collection Year	City of Gahanna	Franklin County	Gahanna Jefferson School District	Columbus Metropolitan Library	Eastland Career Center	Township	Total Rate	Residential/Agriculture Effective Rate	Commercial/Industrial Effective Rate
2017	2.40	18.47	73.26	2.80	2.00	14.50	113.43	82.354045	88.891872
2016	2.40	18.47	73.26	2.80	2.00	14.50	113.43	82.420307	89.456444
2015	2.40	18.47	72.61	2.80	2.00	14.50	112.78	81.780925	89.676388
2014	2.40	18.47	72.10	2.80	2.00	14.50	112.27	81.526464	87.852181
2013	2.40	18.47	72.10	2.80	2.00	14.50	112.27	81.437803	87.746158
2012	2.40	18.07	72.10	2.80	2.00	14.50	111.87	80.346654	86.988447
2011	2.40	18.07	66.73	2.80	2.00	10.70	102.70	68.378701	76.810544
2010	2.40	18.07	66.73	2.20	2.00	10.70	102.10	66.132253	74.823675
2009	2.40	18.02	66.78	2.20	2.00	10.70	102.10	64.714526	74.080299
2008	2.40	18.49	65.80	2.20	2.00	10.70	101.59	61.707361	73.615481

Note: The City of Gahanna consists of three taxing Districts:
 City of Gahanna - Gahanna Jefferson School District (District #025)
 City of Gahanna - Columbus City School District (District #026)
 City of Gahanna - Jefferson Township/Gahanna Jefferson School District (District #027)

Source: Office of the County Auditor, Franklin County, Ohio

Real Property Tax Rates - Direct and Overlapping
 Last Ten Years
 City of Gahanna-Columbus City School District (District #026)
 (Per \$1000 Assessed Value)

<u>Collection Year</u>	<u>City of Gahanna</u>	<u>Franklin County</u>	<u>Columbus City School District</u>	<u>Columbus Metropolitan Library</u>	<u>Township</u>	<u>Total Rate</u>	<u>Residential/ Agriculture Effective Rate</u>	<u>Commercial/ Industrial Effective Rate</u>
2017	2.40	18.47	81.88	2.80	14.50	120.05	88.076227	99.798861
2016	2.40	18.47	75.90	2.80	14.50	114.07	82.095288	93.735180
2015	2.40	18.47	76.10	2.80	14.50	114.27	82.268192	93.908604
2014	2.40	18.47	76.00	2.80	14.50	114.17	81.325141	92.797438
2013	2.40	18.47	76.15	2.80	14.50	114.32	81.296732	92.451919
2012	2.40	18.07	75.85	2.80	14.50	113.62	79.826491	91.239815
2011	2.40	18.07	75.50	2.80	10.70	109.47	72.249939	85.773798
2010	2.40	18.07	75.50	2.20	10.70	108.87	69.950174	83.543560
2009	2.40	18.02	75.50	2.20	10.70	108.82	68.404347	82.468688
2008	2.40	18.49	67.65	2.20	10.70	101.44	58.343956	75.461416

Note: The City of Gahanna consists of three taxing Districts:
 City of Gahanna - Gahanna Jefferson School District (District #025)
 City of Gahanna - Columbus City School District (District #026)
 City of Gahanna - Jefferson Township/Gahanna Jefferson School District (District #027)

Source: Office of the County Auditor, Franklin County, Ohio

City of Gahanna, Ohio
 Real Property Tax Rates - Direct and Overlapping
 Last Ten Years
 City of Gahanna-Jefferson Township/Gahanna Jefferson SD (District #027)
 (Per \$1000 Assessed Value)

Collection Year	City of Gahanna	Franklin County	Gahanna Jefferson School District	Columbus Metropolitan Library	Eastland Career Center	Township	Total Rate	Residential/Agriculture Effective Rate	Commercial/Industrial Effective Rate
2017	1.63	18.47	73.26	2.80	2.00	12.47	110.63	78.543211	86.583837
2016	1.63	18.47	73.26	2.80	2.00	12.57	110.73	78.713435	86.947576
2015	1.63	18.47	72.61	2.80	2.00	13.57	111.08	78.833316	87.975055
2014	1.63	18.47	72.10	2.80	2.00	12.57	109.57	77.504360	85.401273
2013	1.63	18.47	72.10	2.80	2.00	9.57	106.57	74.407900	82.391582
2012	1.63	18.07	72.10	2.80	2.00	9.54	106.14	73.293370	81.642260
2011	1.63	18.07	66.73	2.80	2.00	9.54	100.77	65.334279	74.459773
2010	1.63	18.07	66.73	2.20	2.00	9.54	100.17	63.044436	72.519424
2009	1.63	18.02	66.78	2.20	2.00	9.54	100.17	61.632338	71.822031
2008	1.63	18.49	65.80	2.20	2.00	9.49	99.61	59.339024	71.738044

Note: The City of Gahanna consists of three taxing Districts:
 City of Gahanna - Gahanna Jefferson School District (District #025)
 City of Gahanna - Columbus City School District (District #026)
 City of Gahanna - Jefferson Township/Gahanna Jefferson School District (District #027)

Source: Office of the County Auditor, Franklin County, Ohio

City of Gahanna, Ohio
Principal Property Taxpayers
Current Year and Nine Years Ago

December 31, 2017

	Total Assessed Valuation	% of Total Assessed Valuation
Public Utilities		
1 . Ohio Power Company	\$24,004,520	2.56%
2 . Columbus Southern Power Co	\$6,313,700	0.67%
3 . Columbia Gas of Ohio Inc	\$3,210,260	0.34%
Real Estate		
1 . Stoneridge Plaza Shops LLC	12,525,810	1.34%
2 . Vista at Rocky Fork LP	9,012,510	0.96%
3 . AERC Christopher Wren Inc.	5,407,500	0.58%
4 . Cole of Phoenix AZ LLC	4,670,030	0.50%
5 . McGraw Hill Education LLC	4,200,010	0.45%
6 . Meritex Properties LLC	3,920,020	0.42%
7 . BW Investors LLC	3,408,220	0.36%
8 . RCS-COP II LLC	3,223,500	0.34%
9 . Duff Warehouses Inc	3,080,010	0.33%
10 . Morse & Hamilton LP	3,067,090	0.33%
ALL OTHERS	851,098,440	90.82%
TOTAL ASSESSED VALUATION	\$937,141,620	100.00%

December 31, 2008

	Total Assessed Valuation	% of Total Assessed Valuation
Public Utilities		
1 . Columbus Southern Power Co	\$11,257,990	1.19%
Real Estate		
1 . Morse & Hamilton L P	10,909,610	1.15%
2 . Vista at Rocky Fork L P	7,844,490	0.83%
3 . AERC Christopher Wren Inc	4,851,010	0.51%
4 . Continental/Eagle IV LLC	3,452,790	0.36%
5 . Morrison Arbors LLC	3,394,450	0.36%
6 . Ozre Lodging II LLC	3,379,570	0.36%
7 . McGraw Hill Inc	3,244,680	0.34%
8 . Gahanna Realty LLC	2,975,000	0.31%
9 . Forum Center LLC	2,627,110	0.28%
10 . Gahanna Retirement	2,520,010	0.27%
Tangible Personal Property *		
1 . Mc Graw Hill Companies Inc	2,071,680	0.22%
2 . Ohio Bell Telephone Company	814,830	0.09%
3 . Basell USA, Inc	493,300	0.05%
4 . Kroger Co	490,890	0.05%
5 . Time Warner Entertainment Company LP	357,240	0.04%
6 . Tamarkin Company	310,430	0.03%
7 . JE Grote Company	272,018	0.03%
8 . Suburban Steel Company, LP	236,430	0.02%
9 . Ometek, Inc	221,110	0.02%
10 . HT Hackney Co	220,013	0.02%
ALL OTHERS	885,244,350	93.46%
TOTAL ASSESSED VALUATION	\$947,189,001	100.00%

Source : Franklin County Auditor's Office

Assessed Values are for the valuation year of 2017 and 2008 respectively

* House Bill 66 (the State's biennial budget) began the phase out of Tangible Personal Property Tax (TPP) in FY 2006, which will continue over three years. The rate decreased by 6.25% to 18.75% in 2006 and by an additional 6.25% to 12.5% in 2007. The rate will continued to decrease by 6.25% in 2008 and will reach 0 in 2009.

City of Gahanna, Ohio
 Property Tax Levies and Collections
 Last Ten Years

Collection Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2017	\$ 2,246,469	\$ 2,152,901	95.83	\$ 49,796	\$ 2,202,697	98.05	\$ 43,772	1.95
2016	2,280,868	2,235,736	98.02	44,751	2,280,487	99.98	56,825	2.49
2015	2,188,637	2,145,670	98.04	53,312	2,198,982	100.47	54,058	2.47
2014	2,164,785	2,053,384	94.85	45,268	2,098,652	96.95	72,390	3.34
2013	2,224,429	1,941,685	87.29	49,069	1,990,754	89.50	85,142	3.83
2012	2,230,058	2,126,685	95.36	60,926	2,187,611	98.10	93,839	4.21
2011	2,363,365	2,256,672	95.49	47,912	2,304,584	97.51	133,898	5.67
2010	2,358,218	2,206,189	93.55	63,634	2,269,823	96.25	117,843	5.00
2009	2,349,651	2,217,000	94.35	62,031	2,279,031	96.99	121,338	5.16
2008	2,337,158	2,208,843	94.51	58,246	2,267,089	97.00	146,594	6.27

Note: The information above is for real estate, public utilities and tangible personal property collections and levies.

Source: Office of the County Auditor, Franklin County, Ohio

City of Gahanna, Ohio
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Year	Governmental Activities			Business-type Activities		Total Primary Government	(b) Percentage of Personal Income	(b) Per Capita
	(a) Bonded Debt	(a) Loans	(a) Capital Lease	(a) Bonded Debt	(a) Loans			
2017	\$ 19,718,197	\$ 1,188,196	\$ -	\$ 1,920,648	\$ -	\$ 22,827,041	1.52%	\$ 672
2016	21,078,149	1,324,623	104,284	2,095,244	-	24,602,300	1.69%	728
2015	22,382,354	1,508,909	208,570	2,262,520	-	26,362,353	1.89%	790
2014	17,516,544	3,763,376	317,988	2,255,759	-	23,853,667	1.76%	716
2013	17,426,526	5,276,923	425,369	2,328,474	-	25,457,292	1.96%	765
2012	17,951,420	6,466,036	521,428	2,418,580	12,349	27,369,813	2.15%	823
2011	18,708,521	6,552,680	625,714	2,531,479	24,277	28,442,671	2.24%	825
2010	19,436,206	1,658,458	-	2,638,794	35,798	23,769,256	2.06%	715
2009	20,095,598	1,196,024	18,330	2,744,402	46,926	24,101,280	2.04%	700
2008	20,745,576	813,566	45,502	2,844,424	57,675	24,506,743	1.13%	323

Sources :

(a) Notes to the Financial Statements

(b) See Schedule "Demographic and Economic Statistics, Last Ten Years" for personal income, and population

City of Gahanna, Ohio
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Year	(a) Assessed Value	Governmental Activities			Business-Type Activities	Total Primary Government	% of Net Bonded Debt to Assessed Valuation	(d) Net Bonded Debt Per Capita
		(b) Gross Bonded Debt	(c) Less Debt Service	Net Bonded Debt	(b) Gross Bonded Debt	Net Bonded Debt		
2017	\$ 937,141,620	\$ 19,718,197	\$ 1,351,199	\$ 18,366,998	\$ 1,920,648	\$ 20,287,646	2.16%	\$ 540
2016	927,927,580	21,078,149	1,354,884	19,723,265	2,095,244	21,818,509	2.35%	584
2015	912,978,560	22,382,354	1,354,883	21,027,471	2,262,520	23,289,991	2.55%	630
2014	902,765,910	17,516,544	1,240,331	16,276,213	2,255,759	18,531,972	2.05%	488
2013	900,606,220	17,426,526	1,240,353	16,186,173	2,328,474	18,514,647	2.06%	486
2012	904,630,390	17,951,420	1,183,758	16,767,662	2,418,580	19,186,242	2.12%	504
2011	962,389,200	18,708,521	1,186,778	17,521,743	2,531,479	20,053,222	2.08%	508
2010	955,207,203	19,436,206	1,104,011	18,332,195	2,638,794	20,970,989	2.20%	551
2009	950,258,457	20,095,598	1,153,618	18,941,980	2,744,402	21,686,382	2.28%	550
2008	947,189,001	20,745,576	1,153,617	19,591,959	2,844,424	22,436,383	2.37%	570

Sources :

- (a) County Auditor
- (b) General Obligation debt outstanding per notes to the financial statements
- (c) Balance of Debt Service fund at end of fiscal year
- (d) See Schedule "Demographic and Economic Statistics, Last Ten Years" for population and enrollment information

City of Gahanna, Ohio
Computation of Direct and Overlapping General Obligation Bonded Debt
as of December 31, 2017

Governmental Unit	Gross Debt Outstanding	Percent Applicable to City	Amount Applicable to City
City of Gahanna	\$ 22,827,041	100.00%	\$22,827,041
Franklin County	221,125,000	3.46%	7,650,925
Jefferson Township	502,000	0.74%	3,715
Mifflin Township	670,000	96.61%	647,287
Columbus City School District	424,521,226	0.08%	339,617
Gahanna-Jefferson School District	14,725,253	63.97%	9,419,744
Eastland Fairfield Career Center	1,400,000	11.97%	167,580
SWACO	<u>49,545,000</u>	3.30%	<u>1,634,985</u>
Total Direct	22,827,041		22,827,041
Total Overlapping	712,488,479		19,863,853
Total Direct and Overlapping	<u>\$ 735,315,520</u>		<u>\$42,690,894</u>

Note: Overlapping governments with no outstanding debt are not reflected

Source: Ohio Municipal Advisory Council

City of Gahanna, Ohio
Legal Debt Margin Information
Last Ten Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Assessed Valuation	937,141,620	927,927,560	912,978,560	902,765,910	900,606,220	904,630,390	962,389,200	955,207,203	950,258,457	947,189,001
Overall Debt Limit - 10.5% of Assessed Valuation	98,399,870	97,432,396	95,862,749	94,790,421	94,563,653	94,986,191	101,050,866	100,296,756	99,777,138	99,454,845
Net Indebtedness (a)	18,366,998	19,723,265	21,027,471	16,276,213	16,186,173	16,767,662	17,521,743	18,332,195	18,941,980	19,591,959
Exempt (b)	(18,366,998)	(19,723,265)	(21,027,471)	(16,276,213)	(16,186,173)	(16,767,662)	(17,521,743)	(18,332,195)	(18,941,980)	(19,591,959)
Net Indebtedness Subject to Limitation	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	98,399,870	97,432,396	95,862,749	78,514,208	76,377,480	78,218,529	83,529,123	81,964,561	80,835,158	79,862,886
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	0%	0%	0%	17%	17%	18%	17%	18%	19%	20%
Unvoted Debt Limit - 5.5% of Assessed Valuation (General Limitation)	51,542,789	51,036,017	50,213,821	49,652,125	49,533,342	49,754,671	52,931,406	52,536,396	52,264,215	52,095,395
Unvoted Net Indebtedness	-	-	-	16,276,213	16,186,173	16,767,662	17,521,743	18,332,195	18,941,980	19,591,959
Legal Debt Margin	51,542,789	51,036,017	50,213,821	33,375,912	33,347,169	32,987,009	35,409,663	34,204,201	33,322,235	32,503,436
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	0%	0%	0%	33%	33%	34%	33%	35%	36%	36%

Note: Ohio Bond Law sets a limit of 10.5% for all debt and 5.5% for unvoted debt exclusive of certain exemptions and exceptions.

(a) - See schedule of Ratios of Net General Bonded Debt Outstanding

(b) - Debt secured by revenue other than property taxes is not subject to the limitation.

Source: Franklin County Auditor and Bond Counsel

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

Year	(a) Estimated Population	(b) Per Capita Income	Personal Income	(c) Unemployment Rate	(d) School Enrollment
2017	33,984	44,258	1,504,076,102	3.80%	7,448
2016	33,784	43,095	1,455,914,732	3.30%	7,496
2015	33,359	41,840	1,395,727,613	3.30%	7,243
2014	33,323	40,582	1,352,300,085	4.10%	7,190
2013	33,288	39,058	1,300,172,983	5.60%	7,019
2012	33,262	38,199	1,270,569,650	5.30%	7,073
2011	34,468	36,765	1,267,216,020	6.50%	7,075
2010	33,248	34,782	1,156,445,336	7.70%	7,142
2009	34,443	34,235	1,179,144,003	7.20%	7,147
2008	34,355	34,988	1,202,006,244	4.80%	7,036

Sources :

- (a) Population for the City is estimated based on estimates from Mid-Ohio Regional Planning Commission
- (b) US Department of Commerce, Bureau of Economic Analysis, Franklin County & US Census Bureau
- (c) Ohio Labor Market Information
- (d) Gahanna Jefferson School District CAFR

City of Gahanna, Ohio
 Principal Employers
 Current Year and Nine Years Ago

2017	
Employer	Type of Business
Gahanna-Jefferson Schools	Public School District
American Electric Power	Public Utility
Ohio Power Company	Public Utility
Zulily LLC	E-commerce
McGraw-Hill Education LLC	Education Materials Supplier
EASi LLC	Engineering
Columbus Academy	Private School K-12
Ohio Health Physicians Group	Healthcare Provider
The Ohio State University	Healthcare Provider
Donatos Pizzeria LLC	Food Service

2008	
Employer	Type of Business
American Electric Power	Public Utility
Gahanna-Jefferson Schools	Public School District
McGraw-Hill	Education Materials Supplier
DFAS	Federal Agency
City of Gahanna	Municipality
State of Ohio	State Government
Columbus Academy	Private School K-12
The Kroger Company	Grocery
Donatos Pizzeria LLC	Food Service
Columbus Southern Power Co	Public Utility

Note: Number of employees not available. As a result the top employers were based on the top income tax withholders for the City. Due to confidentiality the amount withheld cannot be reported.

Source: RITA, City Tax

City of Gahanna, Ohio
 Staffing Statistics - Head Count by Type and Function
 Last Ten Fiscal Years

	2017	2016	2015 ***	2014 ***	2013	2012	2011	2010	2009 **	2008
General Government										
Council Elected Officials	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Council Office Full-Time	3.00	2.50	3.00	3.00	2.40	2.80	2.80	2.80	2.80	3.10
Council Office Part-Time	-	1.00	1.00	-	3.00	2.00	2.00	2.00	1.00	1.00
Council Office Appointed Board Member	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Office of the Mayor Elected Officials	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Office of the Mayor Full-Time	6.00	5.00	4.05	4.00	6.00	6.00	5.00	5.00	5.00	4.00
Office of the Mayor Part-Time	2.66	6.00	3.00	3.00	2.00	2.00	4.00	3.00	4.00	4.00
Office of the Mayor Seasonal	3.00	-	-	-	-	-	-	-	-	-
Department of Law Elected Officials	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Department of Law Full-Time	-	-	-	-	0.10	0.30	0.30	0.30	0.30	0.30
Department of Law Part-Time	2.00	2.00	-	1.00	1.00	-	-	-	-	-
Human Resources Full-Time	3.00	3.00	3.00	3.00	3.00	3.00	2.00	3.00	2.00	3.00
Human Resources Part-Time	0.34	-	-	-	-	-	1.00	1.00	1.00	1.00
Finance Full-Time	4.00	4.00	4.95	4.00	5.00	5.00	5.00	6.00	5.50	4.00
Finance Part-Time	1.33	1.00	1.00	1.00	-	-	-	-	1.00	1.00
Income Tax Full-Time	-	-	-	-	-	-	-	-	3.50	4.00
Income Tax Part-Time	-	-	-	-	-	-	-	-	3.00	3.00
Public Service Full-Time	5.45	5.45	5.45	5.45	6.95	7.95	7.95	9.25	10.25	10.25
Public Service Part-Time	4.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	2.00	2.00
Public Service Seasonal	1.00	1.00	2.00	2.00	2.00	2.00	-	1.00	2.00	2.00
Total	50.78	47.95	44.45	43.45	48.45	48.05	45.05	49.35	58.35	57.65
Security of Persons & Property										
Police Full-Time	64.00	62.00	60.00	62.00	55.00	61.00	59.00	62.00	64.00	64.00
Police Part-Time	2.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Police Appointed Member	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Emergency Management Part-Time	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Dispatch	11.00	11.00	11.00	10.00	10.00	10.00	10.00	9.00	9.00	9.00
Total	78.00	77.00	76.00	78.00	71.00	77.00	75.00	77.00	79.00	79.00
Transportation										
Fleet Full-Time	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Fleet Part-Time	-	-	-	-	-	-	-	-	1.00	2.00
Streets Full-Time	6.42	6.42	6.42	6.25	6.25	6.25	6.68	7.25	7.25	7.25
Streets Part-Time	-	-	-	-	-	-	-	-	1.00	1.00
Streets Seasonal	0.25	0.50	1.50	2.00	2.00	2.00	-	-	1.00	1.00
Total	11.67	11.92	12.92	13.25	13.25	13.25	11.68	12.25	15.25	16.25
Community Environment										
Planning & Development Full-Time	4.00	4.00	9.00	9.00	9.50	9.90	9.90	9.90	10.90	9.60
Building & Zoning Full Time	5.00	5.50	2.00	2.00	1.00	1.00	1.00	2.00	5.00	7.00
Building & Zoning Part Time	2.00	1.00	-	-	-	-	-	-	-	-
Appointed Board Members	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Information Technology Full-Time	5.00	5.00	4.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00
Information Technology Part-Time	0.33	1.00	1.00	-	-	1.00	1.00	1.00	2.00	3.00
Information Technology Seasonal	1.00	1.00	1.00	-	-	1.00	1.00	1.00	2.00	3.00
Total	29.33	29.50	29.00	28.00	27.50	29.90	29.90	29.90	35.90	38.60
Leisure Time Activity										
Parks & Facilities Full-Time	8.00	7.00	6.97	6.85	6.85	6.85	6.85	7.85	7.85	7.85
Parks & Facilities Part-Time	33.80	34.80	36.00	36.00	31.98	34.90	30.93	28.14	35.08	32.49
Parks & Facilities Seasonal	1.00	-	1.00	3.00	2.37	2.00	4.52	2.00	10.00	10.00
Parks & Facilities Appointed Board Members	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Recreation Full-Time	3.00	3.00	2.88	2.00	3.00	3.40	3.10	3.15	3.40	2.10
Recreation Part-Time	8.04	7.25	5.50	6.00	3.75	4.70	2.72	2.00	5.02	4.29
Recreation Seasonal	47.00	39.00	43.00	27.00	41.45	39.40	37.98	38.00	36.56	27.00
Golf Course Full-Time	1.00	1.00	0.15	0.15	0.15	0.45	0.60	0.45	0.45	0.45
Golf Course Part-Time	5.00	6.45	5.00	5.00	7.73	7.40	7.35	5.86	5.90	6.22
Golf Course Seasonal	11.00	8.00	11.00	9.00	8.37	7.00	8.00	8.00	9.00	13.00
Senior Center Full-Time	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Center Part-Time	2.00	3.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Senior Center Seasonal	-	-	-	2.00	2.00	2.00	2.00	3.00	3.00	3.00
Pools Full-Time	1.00	1.00	-	-	-	0.30	0.45	0.55	0.30	0.60
Pools Part-Time	1.50	2.50	1.50	1.00	1.00	2.00	2.00	4.00	2.00	1.00
Pools Seasonal	77.00	82.00	63.00	6.00	85.35	80.60	68.50	78.00	101.44	30.00
Total	212.34	208.00	191.00	119.00	209.00	206.00	190.00	197.00	236.00	154.00
Business-Type Activities										
Water Full-Time	5.86	5.86	5.86	5.80	5.34	5.34	5.60	5.88	5.38	5.37
Water Part-Time	-	-	-	-	-	0.33	0.66	0.66	0.33	0.33
Water Seasonal	0.25	0.50	0.50	-	0.66	0.33	0.33	1.83	2.15	1.33
Sewer Full-Time	5.86	5.86	5.86	5.60	5.35	5.35	5.61	5.88	5.38	5.38
Sewer Part-Time	-	-	-	-	-	0.34	0.66	0.66	0.33	0.33
Sewer Seasonal	0.25	0.50	0.50	-	0.68	0.34	0.33	1.83	2.19	1.33
Storm Water Full-Time	3.41	3.41	3.41	3.10	3.11	3.11	3.16	2.75	2.75	2.75
Storm Water Part-Time	-	-	-	-	-	0.33	0.68	0.68	0.34	1.34
Storm Water Seasonal	0.25	0.50	0.50	1.00	0.66	0.33	0.34	1.33	1.65	3.34
Total	15.88	16.63	16.63	15.30	15.80	15.80	17.37	21.50	20.50	21.50
Total Elected Officials	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Total Full-Time	151.00	147.00	142.00	141.00	139.00	148.00	145.00	151.01	156.01	153.00
Total Part-Time	65.00	65.00	59.00	61.00	58.46	63.00	57.00	57.00	74.00	75.00
Total Seasonal	142.00	133.00	121.00	48.00	141.54	132.00	120.00	130.99	163.99	87.00
Total Appointed	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00
Total All Employees	398.00	391.00	370.00	297.00	385.00	390.00	369.00	387.00	445.00	367.00

** - The City acquired the Gahanna Swim Club in 2008 opening for operations in 2009 explaining the large fluctuation in pool seasonal staff from 2009 to current.

*** - The City hired a third party to operate the pools for 2014 explaining the decrease in leisure time activity and seasonal staffing. 2015 The City took back over the operations of the pool explaining the increase

Note - Unless otherwise indicated staff reported are full-time. Staff allocated to more than one function are allocated above by the same percentage. Head-count for part-time and full-time is as of the December 31. Head-count for seasonal is as of August 31.

Source - Payroll Records

Function	2017	2016	2015	2014	2013	2012	2011	2010	2009 **	2008
Governmental Activities										
General Government										
Active Income Tax Accounts										
Withholding										
Individual	3,670	3,670	3,528	3,265	3,154	3,094	2,978	2,801	2,683	N/A
Business	25,680	24,491	23,542	21,940	21,141	21,178	20,138	19,262	15,206	N/A
Total	2,075	2,418	2,197	2,075	2,132	2,383	2,329	2,246	1,905	N/A
Security of Persons & Property										
Dispatched Calls	31,959	34,599	40,490	38,750	39,317	37,589	41,809	39,225	34,279	33,695
Violent Crimes	274	249	248	227	211	239	163	195	242	277
Property Crimes	836	820	707	680	736	824	830	779	927	955
Traffic Citations & Accidents	4,276	6,563	6,919	6,649	5,870	4,577	4,916	4,693	4,194	4,637
Arrests	709	944	1,019	1,090	1,281	1,205	1,216	1,109	1,106	1,192
Leisure Time Activities										
Special Event Participation	42,225	33,414	19,950	19,609	26,520	30,986	23,005	20,890	22,717	N/A
Recreation Program Participation	1,418	4,825	700	4,747	3,386	3,105	2,809	3,078	3,190	2,780
Swimming Pool Admissions	46,600	47,307	40,533	37,460	38,809	38,885	35,630	33,196	30,474	N/A
Golf Course Admissions	17,482	17,482	18,992	20,281	19,362	22,518	15,837	19,602	22,846	20,348
Senior Center Members	515	520	427	460	576	N/A	N/A	590	N/A	657
Community Environment										
Commercial Permits Issued	454	534	554	512	979	612	433	319	352	577
Residential Permits Issued	1,087	1,045	1,047	901	884	840	734	798	664	727
Code Enforcement Complaints	760	700	682	666	727	705	672	597	595	684
Code Enforcement Violations	814	681	857	849	838	826	859	846	920	703
Jobs Created/Retained Through Economic Development Incentives *	997	1,246	1,436	3,188	3,385	4,393	4,324	2,965	3,070	3,423
Committed Capital Investment from Economic Development (in Millions)	\$29.80	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Private Investment Leveraged Per Dollar of Public Investment Incentives	N/A	\$ 156.68	\$ 118.07	\$ 15.18	\$ 33.82	\$ 29.04	\$ 40.02	\$ 39.84	\$ 38.35	\$ 40.80
Transportation										
Lane Miles of Street Rebuild	1.34	2.40	1.60	0.62	0.78	0.70	-	-	0.50	0.48
Lane Miles of Street Overlay	6.18	13.58	5.82	1.60	3.53	3.07	0.77	8.19	2.74	5.34
Lane Miles of Street Maintenance	7.44	4.70	8.76	16.80	24.11	15.41	-	-	3.71	3.99
Average Pavement Condition Rating	86.17%	85.42%	84.70%	87.60%	87.40%	86.20%	87.60%	89.70%	92.80%	92.00%
Business-Type Activities										
Residential Utility Accounts	10,058	10,125	10,095	10,164	10,031	10,023	10,017	10,017	10,016	10,013
Commercial Utility Accounts	599	652	621	630	628	625	620	617	616	614

* - Prior to 2012, Jobs Created and Retained through Economic Development Incentives were only tracked for Community Reinvestment Areas. After 2012 Office & Industrial Incentives are also included.

** - Transition year to RITA. Data not available prior to transition.

N/A - Data Not Available

Source - RITA, Department Records

City of Gahanna, Ohio
Capital Asset Statistics
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities										
General Government										
City Hall	1	1	1	1	1	1	1	1	1	1
Fleet	6	6	6	6	6	7	N/A	N/A	N/A	N/A
Security of Persons & Property										
Police Station	1	1	1	1	1	1	1	1	1	1
Police Fleet	35	31	37	37	42	50	N/A	N/A	N/A	N/A
Transportation										
Service Garage	1	1	1	1	1	1	1	1	1	1
Joint Maintenance Facility	1	1	1	1	1	1	1	1	1	1
Street Lane Miles	327.72	325.84	325.09	325.09	325.09	324.89	321.05	318.67	318.67	317.55
Street Lights	1,845	1,752	1,740	1,740	1,740	N/A	N/A	N/A	N/A	N/A
Traffic Signals	40	41	41	41	41	40	38	37	37	37
Fleet	20	15	16	16	17	18	N/A	N/A	N/A	N/A
Community Environment										
Office Building	1	1	1	1	1	1	1	-	-	-
Parking Garage	1	1	1	1	1	1	1	1	1	1
Miles of Fiber	34.80	20.25 **	14.58 **	14.42 **	20.26	18.75	15.12	13.75	12.60	7.42
Miles of Conduit	21.48	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Leisure Time Activities										
Park Acreage	774	768	768	759.2	759.13	759.13	759.13	702.25	693.35	651.18
Number of Parks	52	52	52	52	51	51	51	49	49	34
Rentable Shelters	8	8	8	8	6	6	6	6	6	4
Playgrounds	16	13	13	13	15	15	15	13	13	12
Senior Center	1	1	1	1	1	1	1	1	1	1
Herb Education Center	1	1	1	1	1	1	1	-	-	-
Golf Course	1	1	1	1	1	1	1	1	1	1
Dog Park	1	1	1	1	1	1	1	1	1	1
Skate Park	1	1	1	1	1	1	1	1	1	1
Pools	2	2	2	2	2	2	2	2	2	1
Parks Garage	1	1	1	1	1	1	1	1	1	1
Trail Miles	19	13 *	13 *	12 *	17.10	16.60	16.60	14.80	13.70	12.90
Fleet	27	26	28	30	35	43	N/A	N/A	N/A	N/A
Business-Type Activities										
Water Main Miles	150.99	152.76 **	152.76 **	152.37 **	177.42	175.00	174.69	173.21	170.39	170.03
Sanitary Sewer Miles	151.98	151.38 **	151.38 **	150.94 **	161.94	160.00	159.43	158.48	156.97	156.43
Storm Sewer Miles	114.62	126.04 **	126.04 **	125.46 **	148.59	145.00	144.86	142.01	137.43	135.07
Fleet	14	14	13	13	16.00	15.00	N/A	N/A	N/A	N/A

* - Prior to 2014 golf course cart paths and unpaved trails were included for trail miles.

** - Prior to 2014 privately owned portions of these utilities were included. 2014 accurately reflects what is owned by the City.

Source: Capital Asset System, Departmental Records

N/A - Information Not Available

Priority	Description	Goals	2017 Activity	2017 Status	2016 Activity	2016 Status
1	Business and Job Development					
1.1	Walkable Downtown District	2021 Encourage livable, walkable downtown district characterized by arts, culture, retail and entertainment.	<ul style="list-style-type: none"> > Working with City Attorney and Police Department to update mobile food vendor code > Newly formed Gahanna Cultural Arts Foundation will be engaged to discuss opportunities for arts, culture and entertainment in the downtown area. > To date 1,228 new jobs, 1,033 of which were in the targeted industries and areas, were developed > Multiple business attraction efforts are currently underway 	On Track	Met with other municipalities to learn about food truck regulation and code	On Track
1.2	Create 2,750 Well Paying Jobs	2021 develop 2,750 well-paying jobs in southeast and southwest Gahanna.	<ul style="list-style-type: none"> > Developed baseline data and data collection methodology for future comparison; awaiting updated data from outside sources for 2017 	On Track	Over 1000 new jobs developed or committed to develop.	On Track
1.3	Job Wages and Density	2019 newly developed jobs will be at a wage level and density greater than or equal to the 2015 average.	<ul style="list-style-type: none"> > Development Department in process of selecting a consultant to assist in this strategic result 	On Track	Measurement methodology finalized.	On Track
1.4	Updated and Accessible Development Plan	2017 an updated unified development plan for the City will be available to stakeholders.	<ul style="list-style-type: none"> > Updated Council on all existing development plans in February 	On Track	Began comprehensive review of zoning code.	On Track
2	Roads, Bridges and Infrastructure					
2.1	Arterial Roads will have a pavement condition rating of 70 or better	2019 major arterial roads will have a pavement condition rating of 70 or better.	<ul style="list-style-type: none"> > 100% of Arterial roads rated at a 70 PCR or better at end of 2017 > 2018 Budget includes Asphalt Overlay program & Detroit Street Rebuilds > 97.6% of Local roads rated at a 65 PCR or better at end of 2017 > 2018 Budget includes Asphalt Overlay program & Detroit Street Rebuilds > Currently reviewing design alternatives and public input > Met with ODOT about design alternatives > Anticipate additional open house(s) in late-August 	Completed	At the end of the 2016 road program 98% have a condition rating of 70 or better.	On Track
2.2	Local Roads will have a pavement condition rating of 65 or better	2021 local roads will have a pavement condition rating of 65 or better.	<ul style="list-style-type: none"> > 2018 Budget includes Asphalt Overlay program & Detroit Street Rebuilds > Currently reviewing design alternatives and public input > Met with ODOT about design alternatives > Anticipate additional open house(s) in late-August 	On Track	At the end of the 2016 road program 95% have a condition rating of 65 or better.	On Track
2.3	West Side Intersection	Completed	<ul style="list-style-type: none"> > City Engineer has developed annual cost estimates for road & bridge programs > Capital Needs Assessment reorganized to capture all needed road and bridge investment > Performance Audit completed 	On Track	Consultant to design alternatives identified.	On Track
2.4	Dedicated Funding for Roads & Bridges	Completed	<ul style="list-style-type: none"> > Performance Audit completed 	On Track	Long-term cost analysis provided by City Engineer. Performance Audit began.	On Track
3	Parks Trails & Recreation					
3.1	Completed Trail System	2020 residents and visitors will be able to utilize a completed trail system connecting trails, paths, parks and communities	<ul style="list-style-type: none"> > BWT Section 4 design completed; construction to begin in 2018 > Received \$850K Clean Ohio Trail Fund grant for BWT Section 4 & \$348K Clean Ohio Conservation Fund grant for dam removal and stream improvements in > VFW land purchase completed 	On Track	Consultant selection for design of sections 4 & 8 of the Big Walnut Trail are underway. Grant funding secured for a portion of section 4.	On Track
3.2	Southwest Floodplain Park Plan	2018 an approved plan will be completed for the Southwest Floodplain park.	<ul style="list-style-type: none"> > Planning workshop with Council to be scheduled in Q3 to identify scope of park plan 	On Track	Discussions on the purchase of property have resumed.	On Track
3.3	Southwest Floodplain Development	Completed	<ul style="list-style-type: none"> > TBD Pending 3.2 > Staff to select consultant for waterway plan by end of Q3 > Staff attending upcoming MORPC waterway workshop 	On Track	Discussions on the purchase of property have resumed.	On Track
3.4	Waterway Plan	2018 an approved plan for waterway development, use and promotion will be developed.		On Track	Identified Metroparks as an interested partner. Obtained examples of successful waterway plans.	On Track

4		Character of the City	Updates	
4.1	Business Community Engagement	2021 50% of targeted existing and new businesses will partner with the City to participate in and meaningfully contribute to community engagement initiatives, events and other activities.	<ul style="list-style-type: none"> > Development has begun including discussion of community engagement opportunities in business visits. > Parks to begin mailing Gateway to businesses by Q3 > Consultant selection for a citywide land-use plan update is underway > Currently compiling an inventory existing architectural standards and representative photographs 	<p>On Track</p> <p>Business visits include discussion on engagement opportunities. Parks is creating a brochure highlighting engagement opportunities.</p> <p>On Track</p>
4.2	Updated Architectural Standards	2019 establish architectural standards and guidelines for commercial and residential development.	<ul style="list-style-type: none"> > Gateway design contingent on branding underway. 79 intersections to receive new signage 	<p>On Track</p> <p>Current plans are being analyzed.</p>
4.3	Gateways & Signage	2019 entrances to the City and neighborhoods will have consistent unified signage aligned with the City's brand.	<ul style="list-style-type: none"> > 2017 street sign replacements are underway. 79 intersections to receive new signage 	<p>On Track</p> <p>Gateway design pending new branding. At the end of 2016, 198 street signs were installed.</p>
4.4	Brand Launch	2017 the City will launch a new brand that expresses the character of our community.	<ul style="list-style-type: none"> > Branding project planning and consultant selection are in progress 	<p>On Track</p> <p>Created a steering committee and kicked off the project.</p>
5		Good Government		
5.1	Neighborhood Commissions	2016 residents will experience improved community engagement opportunities through the creation of area commissions.	<ul style="list-style-type: none"> > All five area commissions had their first meetings by mid-April and subsequent meetings related to development proposals have taken place > A total of 53 individuals are engaged in the five neighborhood commissions > www.goforwardgahanna.org is updated each quarter with implementation and performance updates 	<p>Completed</p> <p>Consultation services to create the commissions completed. Recruitment began.</p> <p>On Track</p>
5.2	Online Access to Strategic Plan Performance	2017 stakeholders will have access to on-line performance results for the implementation of the strategic plan.	<ul style="list-style-type: none"> > Council received Q2 implementation update in July > Delayed due to City Administrator vacancy > Using the Lumanas system for project management and performance measurement related to GoForward Gahanna and department strategic business plans > Department Strategic Business Plan facilitation began in January 2017. Most departments have completed their plans > Delayed due to City Administrator vacancy 	<p>Delayed</p> <p>Website created www.goforwardgahanna.org. Website updated each quarter with implementation and performance updates.</p> <p>On Track</p>
5.3	Results Performance Measurement	2017 Council and the Mayor will have regularly provided performance reports and results measures to make decisions.	<ul style="list-style-type: none"> > Delayed due to City Administrator vacancy 	<p>Delayed</p> <p>Purchased Lumanas, performance measurement technology. Began development of pertinent measures for each result.</p> <p>On Track</p>
5.4	Online Access to 5.3	2017 stakeholders will have on-line access to performance information about City operations.	<ul style="list-style-type: none"> > Quarterly GoForward Gahanna updates are posted to www.goforwardgahanna.org > Delayed due to City Administrator Vacancy 	<p>Delayed</p> <p>Website created www.goforwardgahanna.org. Purchased Lumanas, performance measurement technology. Began development of pertinent measures for each result.</p> <p>On Track</p>
5.5	Recurring Citizen Survey	2017 Gahanna residents will experience a responsive government that measures citizen satisfaction and concerns in a statistically valid and actionable manner every 3 years.	<ul style="list-style-type: none"> > Completed 2016 National Citizen Survey > Survey Results are available online at http://www.gahanna.gov/departments/mayorsOffice/Surveys.aspx > Software to promote online reporting of code violations has been selected and was implemented in 2017 > Entire zoning code reviewed and updated > PTC Code Enforcement staff hired in Spring 2017 	<p>On Track</p> <p>Citizen survey completed.</p> <p>Completed</p>
5.6	Code Review, Update and Enforcement	2017 update city codes and review every 3 years.		<p>On Track</p> <p>Developed a catalog of the status of all code sections and when last updated.</p> <p>On Track</p>

The City adopted GoForward Gahanna, a five year strategic plan April of 2016. More detailed information regarding implementation milestones and status can be located at www.goforwardgahanna.org

Source: www.goforwardgahanna.org



Dave Yost • Auditor of State

CITY OF GAHANNA

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST, 7 2018