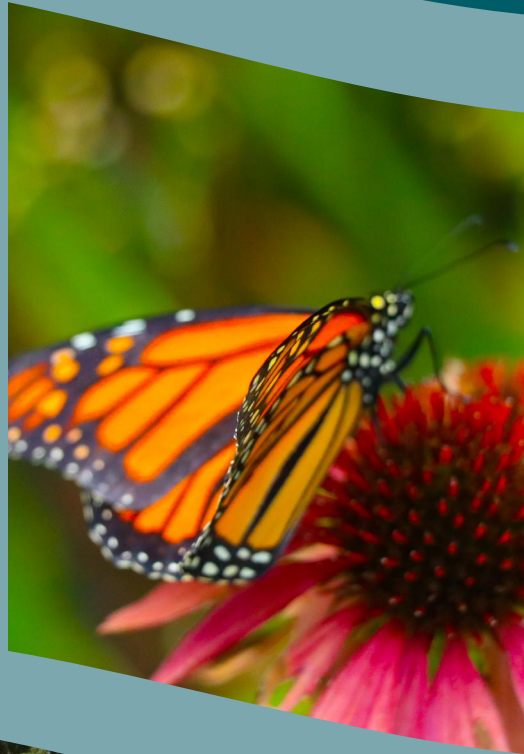


# City of Gahanna, Ohio

Comprehensive Annual Financial Report  
For the Year Ended December 31, 2018



Where Currents Connect





City of Gahanna, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2018

Issued by the Department of Finance

Joann Bury  
Director of Finance

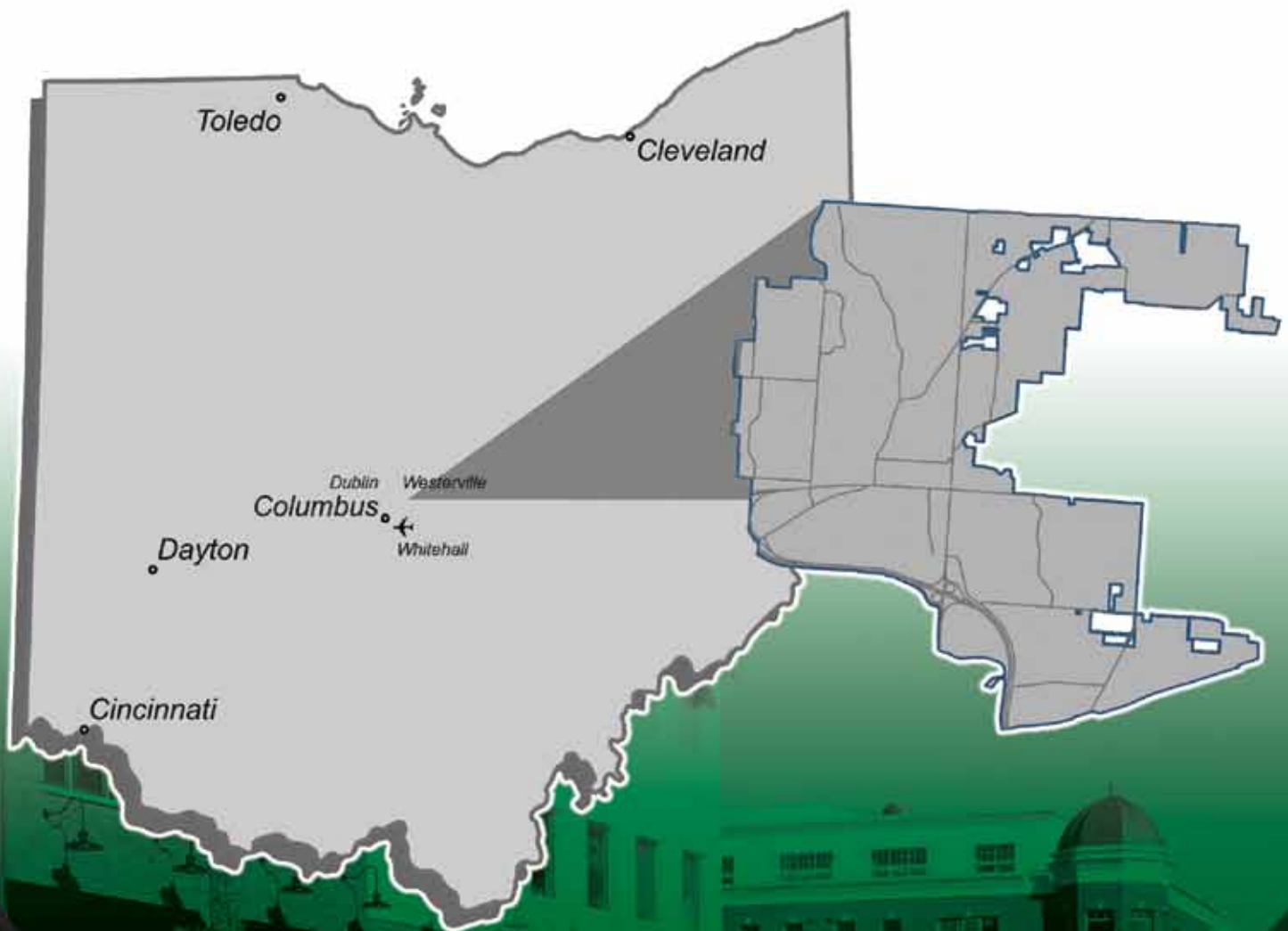


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# Introductory SECTION





**City Of Gahanna, Ohio**

*Comprehensive Annual Financial Report  
December 31, 2018*

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**City of Gahanna, Ohio**

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July 19, 2019

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 8<sup>th</sup> 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 2018, the Mid-Ohio Regional Planning Commission estimated Gahanna's population to be 35,708.

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 15<sup>th</sup>. 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 2018 was 3.5% which is lower than the national average of 3.9% and state average of 4.6%. The median household income for the City is \$78,854 compared to the national median of \$60,336 and state median of \$54,021.

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 2018, the City began updating the land use plan to envision future land use patterns and design a long-term guide for future development. A steering committee was created and a number of consultants were hired to determine what the current land uses are, take an inventory of housing, obtain citizen feedback and conduct a mobility analysis. Based on the results of these activities, the land use plan will be updated to provide assurance that future land use patterns position the City to be a thriving community in the Central Ohio region.

## **LONG-TERM FINANCIAL PLANNING**

Since 2010, when the City formulated a Citizens Financial Advisory Committee, Council and the administration have been aware that revenue growth was not keeping pace with expenditures. One of the many reasons was a lack of funding dedicated for capital maintenance and improvements. It was the recommendation of the Committee to increase the income tax rate to maintain services and capital infrastructure at an appropriate level. The City placed an income tax initiative on the ballot twice in 2013 to increase the income tax rate from 1.5% to 2.5% and increase the credit from 83.33% to 100% and both failed.

For a number of years the City has been spending down General Fund unreserved fund balance for capital improvements and has reduced capital maintenance included in the SOM to maintain the model. 2018 was the last year that this practice was sustainable. 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.

The projected unreserved fund balance for 2019 was reaching an unacceptable level of approximately \$2million and capital maintenance in the SOM required over \$1million in reductions to balance ongoing operational expenditures with ongoing revenue sources. Based on this Council took action to place another income tax initiative on the ballot in November of 2018. A major change from the original initiative was to place on the ballot a dedication of 75% of the 1% increase for capital maintenance and improvement. This initiative also failed.

After the levy failed, Council determined that the 2019 budget that was recommended by the administration should the levy fail was not acceptable. A temporary 2019 budget was passed in December of 2018 for 31 days. Council and the administration then spent the month of January deliberating on the 2019 budget.

Council determined that a reduction to SOM capital maintenance would be detrimental to the City's infrastructure and requested numerous operational cuts that would result in significant reductions to programs and services. This sparked major concerns from the residents. A citizen group, Gahanna Residents Improving Tomorrow (GRIT), formed to obtain signatures to place the income tax initiative back on the ballot to avoid incurring the reductions Council was recommending. However, the earliest GRIT would be able to place the initiative on the ballot with all required signatures would be August of 2019.

Based on the concerns of residents and fact that the citizen group would not be able to place the initiative on the ballot in time to generate any new revenue for 2019, Council decided to pass legislation to place the income tax initiative on the ballot May of 2019 with an effective date of July 1, 2019. They also elected to postpone the recommended reductions until after the election results. One major change from the November 2018 initiative was to place on the ballot a dedication of the remaining 25% of the 1% increase for public safety, public service or parks and recreation. GRIT ran a very effective campaign and the levy passed May of 2019 increasing the income tax rate to 2.5% with 100% credit effective July 1, 2019.

The administration prepared an amended 2019 budget funding a number of recommended reductions for the full year. As the City moves into the future fully funded, Council and the administration will need to work closely to ensure the 1% increase is appropriately used as passed by the Citizens. Steps can also be taken toward meeting more of the goals outlined in the GoForward Gahanna strategic plan adopted by Council in 2016. The plan serves 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 City has also been faced with a \$9.1million dollar settlement 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. More information is located in the Notes to the Basic Financial Statements.

Council has elected to use \$4.1 million reserved for pending litigation for a portion of the settlement and has introduced legislation to issue general obligation judgement bonds or notes for the remaining \$5million. The income tax increase cannot be used for this purpose and the City does not currently have the remaining \$5 million within the limits of its other funds.

## **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 2018 the City began implementation of a new accounting and timekeeping system. Phase 1 of 3 went live January 1, 2019. This resulted in a new chart of accounts and implementation of a decentralized paperless accounts payable process. This has resulted in a number of efficiencies as employees are no longer making daily or weekly trips to the Finance Department to drop off invoices to be paid, purchase orders are no longer being printed, and approval is all being done electronically with workflow rather than physically signing a document. This will eventually open additional space for other uses in the Finance Department as filing cabinets can be removed as records reach the end of the retention period.

## **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, 2017. 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 2018 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 2019 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 have created 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. As of the end of 2018, all departments have either completed or are near completion of their departmental plans.

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](http://www.gahanna.gov)

Respectfully submitted,



Joann Bury  
Director of Finance



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, 2017**

*Christopher P. Morill*

Executive Director/CEO



**City of Gahanna  
Elected Officials and Administrative Staff  
As of December 31, 2018**

---

**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

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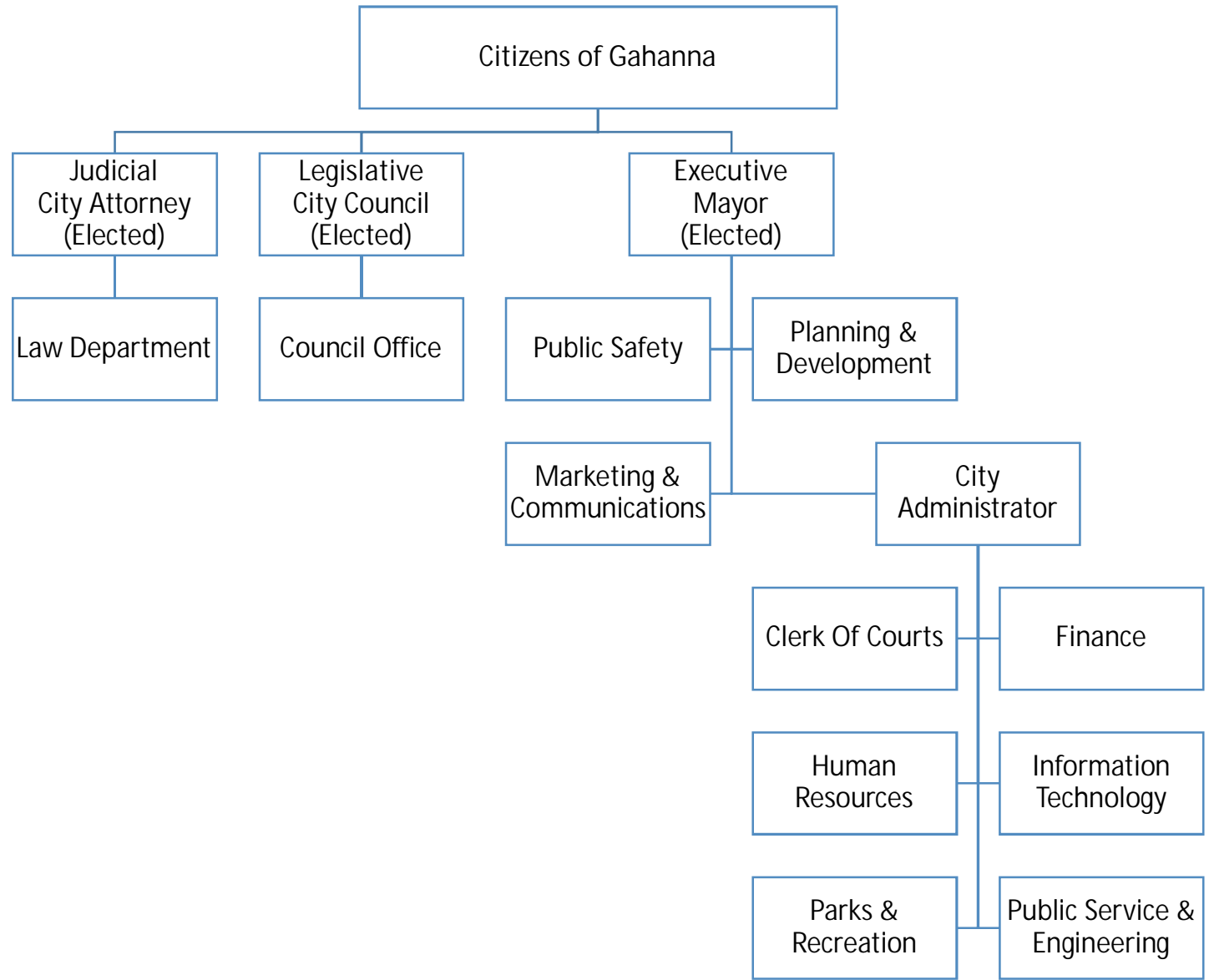
**ADMINISTRATIVE STAFF**

---

Dottie Franey	City Administrator
Joann Bury	Director of Finance
Robert Priestas	Director of Public Service & Engineering
Jeff Spence	Chief of Police
Miranda Vollmer	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
Mark Thomas	Director of Public Safety

# City of Gahanna, Ohio

## Organization Chart



The background of the entire image is a blue-tinted photograph. In the upper portion, there is a 3D bar chart with several bars of varying heights. In the lower portion, a calculator is visible on the left, and a pen lies diagonally across the bottom right. Below the pen, there are some faint, partially legible numbers and text, possibly from a document or spreadsheet.

# Financial SECTION





88 East Broad Street, 10<sup>th</sup> Floor  
Columbus, Ohio 43215-3506  
(614) 466-3402 or (800) 443-9275  
CentralRegion@ohioauditor.gov

## 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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for 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, 2018, 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.

### **Emphasis of Matter**

As discussed in Note 23 to the financial statements, during 2018, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, *schedules for infrastructure assets accounted for using the modified approach*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit 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 July 19, 2019, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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, reading "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State

Columbus, Ohio

July 19, 2019

*City of Gahanna, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2018  
(Unaudited)*

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, 2018. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the Basic Financial Statements and the notes to the Basic Financial Statements to enhance their understanding of the City's financial performance.

### **Financial Highlights**

Key financial highlights for 2018 are as follows:

- The Statement of Net Position, reported on an accrual basis of accounting, reports a decrease of total net position of the City of \$10,731,253 or 5% from 2017. Net position of Governmental Activities decreased \$10,620,951 or 8% from 2017 and net position of Business-type Activities decreased \$110,302 or .17% from 2017.
- The Statement of Activities, reported on an accrual basis of accounting, reports general revenues and transfers of \$25,634,863 or 76% of total Governmental Activities revenues and transfers. Program specific revenues accounted for \$8,304,510 or 24% of total Governmental Activities revenue.
- The Statement of Activities reports \$44,560,324 in expenses related to Governmental Activities; \$8,304,510 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the Governmental Activities, \$36,255,814, were offset by general revenues (primarily income taxes, property taxes and unrestricted grants and entitlements) of \$25,634,863 and available net position.
- 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 \$27,034,878 in 2018. This represents an increase of \$520,692 or 1% from 2017. The expenditures and other financing uses of the General Fund, which totaled \$32,002,162 in 2018, increased \$5,618,888 or 21% from 2017. The net decrease in fund balance for the General Fund was \$4,967,284 or 19%.
- The Statement of Revenues, Expenditures and Changes in Fund Balance for Governmental Funds, reports Tax Increment Equivalent Fund revenues \$2,144,295 during 2018. The expenditures and other financing uses of the Tax Increment Equivalent Fund were \$1,874,941 during 2018. The net increase in fund balance for the Tax Increment Equivalent Fund was \$269,354 or 21%.
- The Statement of Revenues, Expenditures and Changes in Fund Balance for Governmental Funds, reports Capital Improvement Fund revenue and other financing sources of \$6,951,750 in 2018. The expenditures and other financing uses of the Capital Improvement Fund totaled \$3,994,506 in 2018. The net increase in fund balance for the Capital Improvement Fund was \$2,957,244 or 61%.
- The Statement of Net Position reports a decrease of \$110,302 in net position for 2018 for the Business-type Activities, which consist of the Water, Sewer, Stormwater Enterprise Funds. The Water and Sewer funds had a decrease of net position of \$208,878 and \$3,532 respectively. The Stormwater fund net position increased \$94,772.

## **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 are 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 2018?" 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 12.

### **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 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.

### **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 34-85 of this report.



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## 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, 2018 and December 31, 2017.

	Net Position					
	Governmental Activities 2018	Governmental Activities 2017 Restated	Business-type Activities 2018	Business-type Activities 2017 Restated	2018 Total	2017 Total Restated
<u>Assets</u>						
Current and Other Assets	\$ 48,023,993	\$ 49,531,978	\$ 23,748,140	\$ 24,025,881	\$ 71,772,133	\$ 73,557,859
Capital Assets, Net	143,572,607	140,270,787	48,888,572	49,728,824	192,461,179	189,999,611
Total assets	191,596,600	189,802,765	72,636,712	73,754,705	264,233,312	263,557,470
Deferred Outflows of Resources	8,635,914	10,012,365	485,643	780,238	9,121,557	10,792,603
<u>Liabilities</u>						
Current and Other Liabilities	10,638,094	1,239,126	3,217,499	4,278,861	13,855,593	5,517,987
Long-term Liabilities	60,479,338	62,051,519	3,705,707	4,252,834	64,185,045	66,304,353
Total Liabilities	71,117,432	63,290,645	6,923,206	8,531,695	78,040,638	71,822,340
Deferred Inflows of Resources	8,353,097	5,141,549	314,179	7,976	8,667,276	5,149,525
<u>Net Position</u>						
Net Investment in						
Capital Assets	125,624,241	122,523,098	47,223,759	47,920,299	172,848,000	170,443,397
Restricted	7,929,376	13,728,051	-	-	7,929,376	13,728,051
Unrestricted	(12,791,632)	(4,868,213)	18,661,211	18,074,973	5,869,579	13,206,760
Total Net Position	\$ 120,761,985	\$ 131,382,936	\$ 65,884,970	\$ 65,995,272	\$ 186,646,955	\$ 197,378,208

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2018, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$186,646,955. At year-end, net position was \$120,761,985 and \$65,884,970 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, 2018 was \$125,624,241 and \$47,223,759 in the Governmental Activities and Business-type Activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's 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, 2018, the City is reporting a negative unrestricted net position in Governmental Activities. Implementation of GASB 75, Accounting and Reporting for Postemployment Benefits Other than Pensions, as well as, the continued reporting under GASB 68, Accounting and Reporting for Pensions, is the main cause of the negative unrestricted net

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position. For Governmental Activities there is also a significant claims and judgments liability in addition to the pension and OPEB liabilities.

Similar to GASB 68, GASB 75 requires the City to report a proportionate share of each of the retirement plans other postemployment benefits (OPEB) liability. According to GASB, the OPEB obligation whether funded or unfunded is part of the "employment exchange" or the employee is trading his or her labor in exchange for wages, benefits, and the promise of future OPEB. GASB noted that the unfunded portion of this OPEB is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they receive the benefit of the exchange.

However, there is no guarantee of this OPEB for the employee as the retirement system is not mandated by law or otherwise required to provide these benefits. In addition, the City has no control over any aspects of the liability. It is solely at the discretion of the retirement system to fund these benefits should employer contributions, investment returns and other adjustments be insufficient to continue providing these benefits. The same as GASB 68, there is also no set repayment schedule for this liability like most other long-term liabilities. Because of the unique nature of this liability it is separately identified within the long-term liability section of the statement of net position.

The net pension and OPEB liabilities 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 and OPEB benefits attributable to active and inactive employees' past service, less plan assets available to pay these benefits. Pension and OPEB expense represents the City's proportionate share of each state retirement plan's change in net pension and OPEB liabilities not accounted for as deferred inflows/outflows.

A portion of the City's net position, \$7,929,376 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 reflects a negative balance of \$12,791,632 which means ongoing obligations to citizens and creditors have exceeded available assets available to satisfy them. The most noticeable impact creating the negative net position is the implementation of GASB 75, Accounting and Reporting for Postemployment Benefits Other than Pensions, and continued reporting under GASB 68, Accounting and Reporting for Pensions as noted above. As of December 31, 2018 the City's proportionate share of the retirement systems net pension liability and OPEB liability were \$20,816,370 and \$17,659,025 respectively for a total of \$38,475,395. If these liabilities were not taken into consideration the City would have a positive unrestricted net position of \$25,683,763.

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

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The table below shows the changes in net position for 2018 and 2017.

	Change in Net Position					
	Governmental Activities 2018	Governmental Activities 2017 Restated	Business-type Activities 2018	Business-type Activities 2017 Restated	2018 Total	2017 Total Restated
Revenues						
Program revenues						
Charges for Services	\$ 3,790,691	\$ 3,402,077	\$ 17,059,760	\$ 16,936,066	\$ 20,850,451	\$ 20,338,143
Operating Grants & Contributions	3,103,952	1,977,760	-	-	3,103,952	1,977,760
Capital Grants & Contributions	1,409,867	100,000	-	-	1,409,867	100,000
Total Program Revenues	8,304,510	5,479,837	17,059,760	16,936,066	25,364,270	22,415,903
General Revenues						
Income Taxes	18,970,807	17,986,106	-	-	18,970,807	17,986,106
Property Taxes	2,261,180	1,982,954	-	-	2,261,180	1,982,954
Revenue in Lieu of Taxes	1,916,198	2,895,815	-	-	1,916,198	2,895,815
Other Local Taxes	473,781	516,087	-	-	473,781	516,087
Unrestricted Grants & Entitlements	1,041,408	1,060,783	-	-	1,041,408	1,060,783
Investment Earnings	996,027	589,822	-	-	996,027	589,822
Miscellaneous	322,352	702,458	-	-	322,352	702,458
Total General Revenues	25,981,753	25,734,025	-	-	25,981,753	25,734,025
Total Revenues	34,286,263	31,213,862	17,059,760	16,936,066	51,346,023	48,149,928
Expenses						
General Government	14,295,931	6,636,934	-	-	14,295,931	6,636,934
Security of Persons & Property	13,035,548	20,646,996	-	-	13,035,548	20,646,996
Public Health & Welfare	298,349	282,874	-	-	298,349	282,874
Transportation	5,765,457	5,576,053	-	-	5,765,457	5,576,053
Community Environment	4,288,946	6,113,536	-	-	4,288,946	6,113,536
Leisure Time Activity	5,904,219	7,325,858	-	-	5,904,219	7,325,858
Utility Services	376,175	460,437	-	-	376,175	460,437
Interest & Fiscal Charges	595,699	623,828	-	-	595,699	623,828
Water	-	-	8,474,764	9,750,372	8,474,764	9,750,372
Sewer	-	-	7,920,400	8,087,289	7,920,400	8,087,289
Storm Water	-	-	1,121,788	1,246,244	1,121,788	1,246,244
Total Expenses	44,560,324	47,666,516	17,516,952	19,083,905	62,077,276	66,750,421
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before						
Transfers	(10,274,061)	(16,452,654)	(457,192)	(2,147,839)	(10,731,253)	(18,600,493)
Transfers	(346,890)	(417,822)	346,890	417,822	-	-
Change in Net Position	(10,620,951)	(16,870,476)	(110,302)	(1,730,017)	(10,731,253)	(18,600,493)
Net Position Beginning of Year (Restated)	131,382,936	148,253,412	65,995,272	67,725,289	197,378,208	215,978,701
Net Position End of Year	\$ 120,761,985	\$ 131,382,936	\$ 65,884,970	\$ 65,995,272	\$ 186,646,955	\$ 197,378,208

## 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 \$10,620,951 in 2018. This is mainly the result of the GASB 68 and GASB 75 as discussed previously in addition to a large claims and judgements payable. The

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claims and judgements payable is related to a settlement for an income tax lawsuit that was filed against the City July 3, 2012. Refer to the Notes to the Basic Financial Statements, Note 19 and Note 24 for full details

General government expense, which includes all general administrative and legislative operations, totaled \$14,295,931 or 32% of total governmental expenses. The large increase from 2017 is directly related to the claims and judgements payable liability in the amount of \$9.1million. General government expenses were partially funded by \$1,210,497 in direct charges to users of the services.

Security of persons and property expenses, which primarily supports the operations of the police department, accounted for \$13,035,548 or 29% of the total governmental expenses of the City. The large decrease is the result of implementing GASB 75. The implementation of this standard required a restatement to report the beginning balance of the OPEB liability of which 62% was determined to be associated with security of persons and property based on the 2018 pension expense allocation. These expenses were partially funded by \$163,345 in direct charges to users of the services and \$253,301 in operating grants and contributions.

Transportation expenses which primarily includes street maintenance and improvement programs, accounted for \$5,765,457 or 13% of total governmental expenses of the City. These expenses were partially funded by \$15,014 in direct charges to users of the services and \$2,787,034 in operating grants and contributions.

Leisure time activity expenses, which primarily support parks and recreation programs and facilities, accounted for \$5,904,219 or 13% of the total governmental expenses of the City. The decrease from 2017 is related to the restatement required as part of implementing GASB 75. These expenses were partially funded by \$1,607,051 in direct charges to users of the services, \$63,617 in operating grants and contributions and \$1,409,867 in capital grants and contributions.

Community environment expenses, which primarily support economic development programs, accounted for \$4,288,946 or 10% of the total governmental expenses of the City. The decrease from 2017 is related to the restatement required as part of implementing GASB 75. These expenses were partially funded by \$794,784 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 \$3,103,952 in operating grants and contributions and \$1,409,867 in capital grants and contributions. These revenues are restricted to particular programs or purposes based on the legal requirements of the grantor. 62% of the operating and capital grants or \$2,787,034, subsidized transportation programs.

General revenues and transfers totaled \$25,634,863, and amounted to 76% of total governmental revenues. The City's income tax is the primary source of general revenues totaling \$18,970,807 or 75% 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 \$4,651,159.

General revenues increased from 2017 to 2018 by \$247,728 or 1%. Income tax revenues were up \$985K or 5% compared to 2017 as the result of wage growth or new businesses within the City in addition to what appears to be a single one-time large individual payment. Revenue in lieu of taxes decreased by \$980K or 33% mainly resulting from a change in two TIF Districts. The Eastgate Triangle and Eastgate Pizzutti TIF Districts were both established as non-school TIFs. This means that the County remits the schools portion directly to the school and the City is not redirecting the school's portion of the property tax levy to the TIF districts. Although this is how they were established the County was remitting the school's portion to the City and the City was then remitting the full amount received from the school's portion of the levy back to

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the school. This was changed for 2018 to allow the County to remit the school's portion directly to them causing a decrease in revenue in lieu of taxes for the City. Property taxes and investment earnings were up in comparison to 2017. Interest increased \$406K for securities that matured during 2018, as well as, an increase in interest rates. Property taxes increased \$278K as a result of a recent re-valuation. Miscellaneous revenue decreased \$380K resulting from a one-time payment in 2017 from the City's Developer Escrow Agency Fund. It was determined that \$360K was due to the General Fund for payments made on behalf of or to developers from the General Fund rather than from the Developer Escrow Fund were the developer deposits were being held.

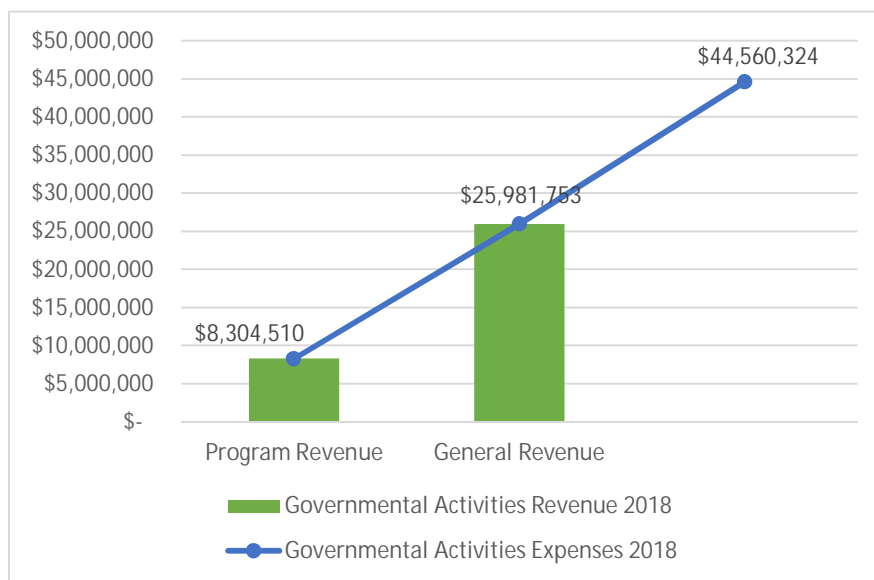
Program revenues increased \$2,824,673 or 52% mainly due to an increase in grant awards for the Hamilton Road Central widening project, completion of section 4 of the Big Walnut Trail and the addition of a new park on the west side of the City called Sunpoint Park.

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 or 81% of the cost supported by general revenues.

<b>Governmental Activities</b>			
	Total Cost of	Net Cost of	% of Cost
	Services	Services	Supported by
	2018	2018	General Revenue
			2018
Program Expenses:			
General Government	\$ 14,295,931	\$ 13,085,434	92%
Security of Persons & Property	13,035,548	12,618,902	97%
Public Health & Welfare	298,349	298,349	100%
Transportation	5,765,457	2,963,409	51%
Community Environment	4,288,946	3,494,162	81%
Leisure Time Activity	5,904,219	2,823,684	48%
Utility Services	376,175	376,175	100%
Interest & Fiscal Charges	595,699	595,699	100%
Total	<u>\$ 44,560,324</u>	<u>\$ 36,255,814</u>	<u>81%</u>

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 and Storm Water Enterprise Funds. These programs have program revenues of \$17,059,760, general revenues and transfers of \$346,890 and expenses of \$17,516,952 for 2018. The Statement of Net Position for Business-type Activities reports \$72,636,712 of assets, \$485,643 of deferred outflows of resources, \$8,057,206 of liabilities, \$314,179 of deferred inflows of resources and \$65,884,970 of net position. Program revenues increased slightly from 2017 by \$123,694 or .73%. Expenditures decreased by \$1,566,953 or 8% compared to 2017. During 2017, the City of Columbus identified a master meter reading error 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.

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The City's Governmental Funds (as presented on the Balance Sheet on page 24 reported a combined fund balance of \$36,258,661 which is \$3,221,831 less than the 2017 total of \$39,480,492. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2018 for all major and non-major Governmental Funds.

	Fund Balances <u>12/31/18</u>	Fund Balances <u>12/31/17</u>	Increase <u>(Decrease)</u>
Major funds			
General	\$ 20,990,213	\$ 25,957,497	\$ (4,967,284)
Tax Increment Equivalent	1,530,320	1,260,966	269,354
Capital Improvement	7,808,794	4,851,550	2,957,244
Other Nonmajor Governmental Funds	<u>5,929,334</u>	<u>7,410,479</u>	<u>(1,481,145)</u>
Total	<u>\$ 36,258,661</u>	<u>\$ 39,480,492</u>	<u>\$ (3,221,831)</u>

**General Fund**

The City's General fund balance decreased \$4,967,284 which is due to an increase in other financing uses. The following tables assist in illustrating the revenues and expenditures of the General Fund in comparison to 2017.

	2018 <u>Amount</u>	2017 <u>Amount</u>	Percentage <u>Change</u>
<b><u>General Fund Revenues</u></b>			
Taxes	\$ 21,027,876	\$ 20,652,530	1.82 %
Charges for Services	1,731,663	1,843,289	(6.06) %
Licenses, Permits & Fees	1,275,579	1,318,786	(3.28) %
Fines & Forfeitures	367,815	287,819	27.79 %
Intergovernmental	919,183	941,985	(2.42) %
Investment Income	940,329	562,068	67.30 %
Other	<u>375,411</u>	<u>597,215</u>	<u>(37.14) %</u>
Total	<u>\$ 26,637,856</u>	<u>\$ 26,203,692</u>	<u>1.66 %</u>

Tax revenue represents 79% of all General Fund revenue and increased by \$375K from 2017 to 2018 mainly due to an increase in income and property tax revenues. Total revenue increased by \$434K as a result of the increase in tax revenue along with increases in investment income and fines and forfeitures.

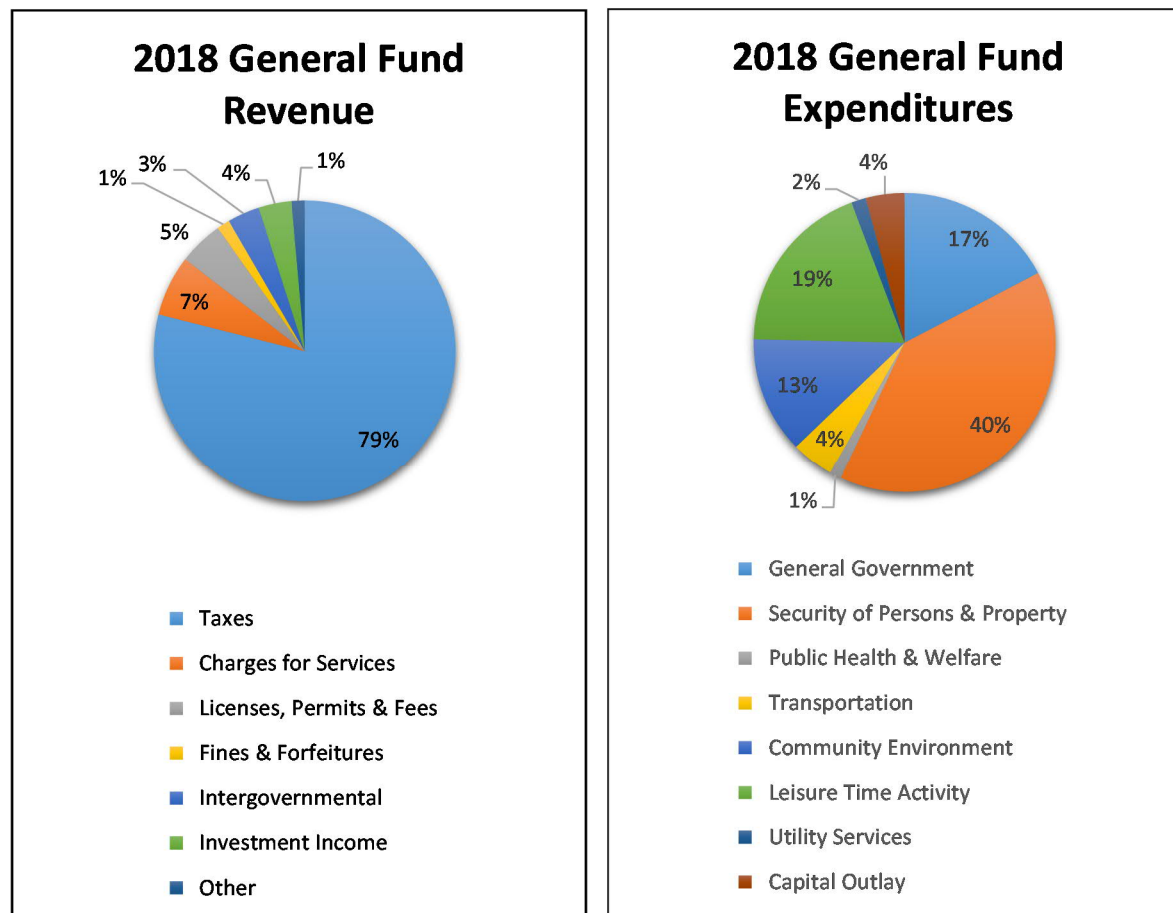
*City of Gahanna, Ohio*  
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*(Unaudited)*

	<u>2018</u> <u>Amount</u>	<u>2017</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>General Fund Expenditures</u></b>			
General Government	\$ 4,107,281	\$ 3,766,558	9.05 %
Security of Persons & Property	9,423,016	9,086,034	3.71 %
Public Health & Welfare	298,349	282,874	5.47 %
Transportation	1,082,208	1,014,835	6.64 %
Community Environment	2,995,336	2,757,460	8.63 %
Leisure Time Activity	4,489,365	3,972,235	13.02 %
Utility Services	376,175	459,848	(18.20) %
Capital Outlay	984,152	1,193,584	(17.55) %
Total	<u>\$ 23,755,882</u>	<u>\$ 22,533,428</u>	<u>5.43 %</u>

The increase in expenditures is mainly due to increases in all categories except for Utilities and Capital Outlay. The most significant increases are within leisure time activities, general government and security of persons and property. Leisure time activities increased as a result of a full year of adequate staffing. The department of Parks & Recreation has experienced a lot of turnover over the past few years and 2018 was the first year that all full time and part-time positions remained filled for all or a majority of the year. In addition there was an increase in maintenance supplies related to the new park. General government increased as a result of the addition to a near site healthcare facility. The City partnered with ExpressMed and Mt. Carmel to provide a near site clinic for employees enrolled in the City's insurance. There was also an increase in severance payments compared to 2017. Security of persons and property is related to negotiated increases in salaries and benefits from the FOP Union contract.



The charts below illustrate the breakdown of revenues and expenditures of the General Fund for 2018.



### ***Tax Increment Equivalent Fund***

The Tax Increment Equivalent Fund had \$2,144,295 in revenues during 2018, experiencing a 34% decrease in revenue in lieu of taxes. The decrease was the result of a change to two TIF districts, Eastgate Triangle and Eastgate Pizzutti. As discussed earlier the distribution of the school's portion of the levy stopped coming to the City to remit to the school and instead is being directly remitted to the school by the County. The expenditures and other financing uses of the Tax Increment Equivalent Fund were \$1,874,941 during 2018 a 34% decrease compared to 2017. The decrease is directly related to the change in the distribution to the school. The net increase in fund balance for the Tax Increment Equivalent Fund was \$269,354 or 21% resulting from a combination of the decrease in revenues and associated decrease in expenditures.

### ***Capital Improvement Fund***

The Capital Improvement Fund had revenue and other financing sources of \$6,951,750 in 2018 which is significantly more than 2017 related to a planned increase in transfers in. The expenditures of the Capital Improvement Fund totaled \$3,994,506 in 2018 a 62% increase over 2017 from an increase in Detroit Street rebuilds and the bridge replacement program. Detroit Street rebuilds were funded with bond proceeds from 2015 to 2017 accounted for in a different fund. The net increase in fund balance for the Capital Improvement Fund was \$2,957,244 or 61%.

### ***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 \$28,839,420 by \$539,035. Actual expenditures and other financing uses were \$2,282,221 less than the final budgeted expenditures and other financing uses of \$39,175,655. These variances are the result of the City's conservative budgeting. Budgeted revenues increased slightly from the original to final budget by \$184,349 related to an increase in property tax revenue. Budgeted expenditures and other financing uses increased slightly by \$264,981 from the original budget to the final budget. Planned expenditures increased slightly by \$257,481 while other financing uses increased by \$7,500.

### ***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 \$48,157. 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***

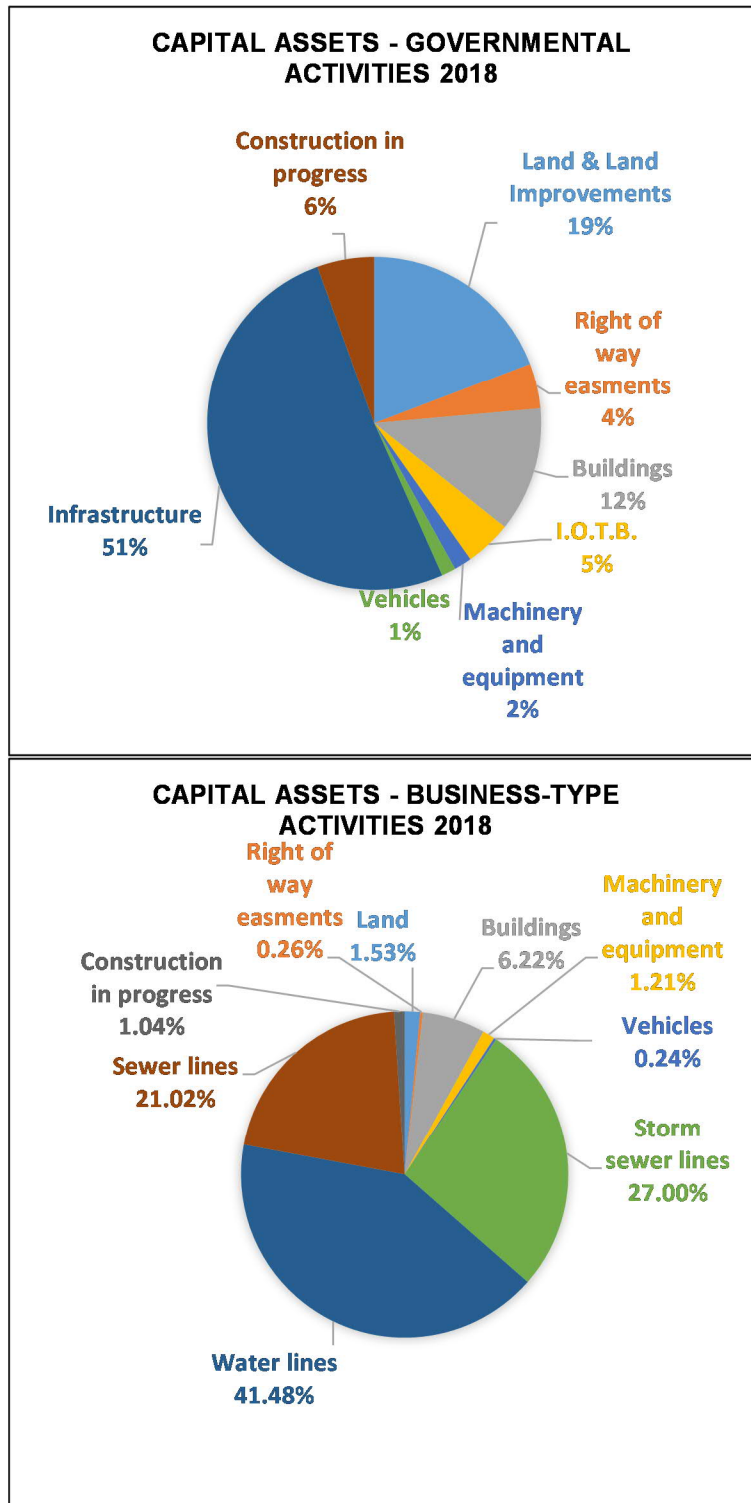
At the end of fiscal year 2018, the City had \$192,461,179 (net of accumulated depreciation) invested in land and land improvements, right of way easements, buildings, improvements other than buildings, machinery and equipment, vehicles, infrastructure and construction in progress (CIP). Of this total, \$143,572,607 was reported in Governmental Activities and \$48,888,572 was reported in Business-type Activities. The table on the following page shows fiscal 2018 balances compared to 2017:

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*For the Year Ended December 31, 2018*  
*(Unaudited)*

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land & Land Improvements	\$ 27,538,887	\$ 27,538,887	\$ 749,024	\$ 749,024	\$ 28,287,911	\$ 28,287,911
Right of way easments	6,295,511	6,295,511	125,752	125,752	6,421,263	6,421,263
Buildings	17,445,860	17,916,947	3,040,129	3,120,358	20,485,989	21,037,305
I.O.T.B.	6,460,108	7,276,412	-	-	6,460,108	7,276,412
Machinery and equipment	2,483,440	2,116,096	592,205	528,043	3,075,645	2,644,139
Vehicles	1,978,438	1,623,453	117,485	140,812	2,095,923	1,764,265
Storm sewer lines	-	-	13,199,147	13,549,585	13,199,147	13,549,585
Water lines	-	-	20,280,048	20,856,464	20,280,048	20,856,464
Sewer lines	-	-	10,275,374	10,623,612	10,275,374	10,623,612
Infrastructure	73,442,200	73,697,333	-	-	73,442,200	73,697,333
Construction in progress	7,928,163	3,806,148	509,408	35,174	8,437,571	3,841,322
Totals	<u>\$ 143,572,607</u>	<u>\$ 140,270,787</u>	<u>\$ 48,888,572</u>	<u>\$ 49,728,824</u>	<u>\$ 192,461,179</u>	<u>\$ 189,999,611</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 51% and 89% of the City's total Governmental and Business-type capital assets respectively. The City uses the modified approach for roads and as a result the roads are not depreciated. Under the modified approach the City establishes a rating program for all roads and budgets and expends funds to maintain roads at a certain condition level. Because the roads are maintained at a certain condition level they are not depreciating. Under the GoForward Strategic Plan adopted by Council, by 2019 arterial roads will have a pavement condition rating of 70 or better and by 2021 local roads will have a pavement condition rating of 65 or better. See the Required Supplementary Information for more information on the modified approach and 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.



*City of Gahanna, Ohio*  
*Management's Discussion and Analysis*  
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*(Unaudited)*

**Debt Administration**

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

Governmental Activities		
	<u>2018</u>	<u>2017 Restated</u>
Compensated Absences	\$ 2,588,380	\$ 2,445,405
General Obligation Bonds	18,315,939	19,718,197
OPWC Loans	1,099,624	1,188,196
Net Pension Liability	20,816,370	23,817,686
Net OPEB Liability	<u>17,659,025</u>	<u>14,882,035</u>
Total Long-term Obligations	<u>\$ 60,479,338</u>	<u>\$ 62,051,519</u>
Business-type Activities		
	<u>2018</u>	<u>2017 Restated</u>
General Obligation Bonds	\$ 1,743,739	\$ 1,920,649
Net Pension Liability	1,092,203	1,533,752
Net OPEB Liability	780,998	716,316
Compensated Absences	<u>88,767</u>	<u>82,117</u>
Total Long-term Obligations	<u>\$ 3,705,707</u>	<u>\$ 4,252,834</u>

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

**Economic Conditions and Outlook**

Revenues were slightly less than anticipated during 2018 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, 2018  
(Unaudited)*

Implementing the SOM and GoForward Gahanna strategic plan is limited by available resources and based on the results of 2018, 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.

In response to this challenge the City placed an income tax initiative on the ballot November of 2018 to increase the City's income tax rate from 1.5% to 2.5% and increase the credit provided for paying income tax to another governmental entity from 83.33% of the lesser rate to 100% of the lesser rate. The 1% increase included ballot language to restrict 75% of the 1% increase for capital improvements and maintenance and the remaining 25% was unrestricted. The levy failed in November resulting in a difficult discussion regarding the 2019 budget. The 2019 budget was passed with layoffs across departments and reductions to some programming and services. The layoffs and reductions were deferred until a new initiative could be placed on the ballot May of 2019. This initiative passed increasing the rate and credit to 2.5% and 100% effective July 1, 2019. However, the ballot language restricts 75% for capital and 25% for public safety, public service or parks and recreation. The 2019 budget was amended to retain certain positions and provide for new funds related to the 25% restriction.

It has been projected that this initiative will provide the necessary funding to maintain the SOM well into the future and meet the twenty-two strategic results in the GoForward Gahanna strategic plan.

#### **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, 2018

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
<b>Assets</b>			
Equity in Pooled Cash & Investments	\$34,196,845	\$20,551,848	\$54,748,693
Cash with Fiscal Agents	431,921	-	431,921
Receivables			
Income Taxes	4,448,600	-	4,448,600
Property Taxes	2,289,238	-	2,289,238
Other Local Taxes	29,639	-	29,639
Revenue In Lieu of Taxes	2,474,713	-	2,474,713
Accounts	850,967	4,183,717	5,034,684
Accrued Interest	166,902	-	166,902
Intergovernmental	1,627,749	-	1,627,749
Prepayments	149,401	19,005	168,406
Materials & Supplies Inventory	271,504	80,084	351,588
Internal Balance	1,086,514	(1,086,514)	-
Non-depreciable Capital Assets	112,382,015	1,384,184	113,766,199
Depreciable Capital Assets, Net	31,190,592	47,504,388	78,694,980
<b>Total Assets</b>	<b>191,596,600</b>	<b>72,636,712</b>	<b>264,233,312</b>
<b>Deferred Outflow s of Resources</b>			
Deferred Charge On Refunding	1,177,451	100,996	1,278,447
Pension	5,531,578	320,341	5,851,919
OPEB	1,926,885	64,306	1,991,191
<b>Total Deferred Outflow s</b>	<b>8,635,914</b>	<b>485,643</b>	<b>9,121,557</b>
<b>Liabilities</b>			
Accounts Payable	201,852	55,392	257,244
Contracts Payable	668,398	232,050	900,448
Accrued Wages and Benefits	521,612	44,715	566,327
Intergovernmental Payable	97,328	2,880,052	2,977,380
Claims & Judgements Payable	9,100,000	-	9,100,000
Interest Payable	48,904	5,290	54,194
Long-Term Liabilities			
Due within One Year	2,562,062	250,717	2,812,779
Due in More Than One Year			
Net Pension Liability	20,816,370	1,092,203	21,908,573
OPEB Liability	17,659,025	780,998	18,440,023
Other Due in More Than One Year	19,441,881	1,581,789	21,023,670
<b>Total Liabilities</b>	<b>71,117,432</b>	<b>6,923,206</b>	<b>78,040,638</b>
<b>Deferred Inflow s of Resources</b>			
Property Taxes Levied for the Subsequent Year	2,230,410	-	2,230,410
Revenue in Lieu of Taxes for the Subsequent Year	2,474,713	-	2,474,713
Pension	3,106,116	256,000	3,362,116
OPEB	541,858	58,179	600,037
<b>Total Deferred Inflow s of Resources</b>	<b>8,353,097</b>	<b>314,179</b>	<b>8,667,276</b>
<b>Net Position</b>			
Net Investment in Capital Assets	125,624,241	47,223,759	172,848,000
Restricted for			
Debt Service	1,315,253	-	1,315,253
Capital Projects	722,999	-	722,999
General Government	290,652	-	290,652
Security of Persons & Property	1,292,005	-	1,292,005
Community Environment	1,554,824	-	1,554,824
Transportation	2,753,643	-	2,753,643
Unrestricted	(12,791,632)	18,661,211	5,869,579
<b>Total Net Position</b>	<b>120,761,985</b>	<b>\$65,884,970</b>	<b>\$186,646,955</b>

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, 2018

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services & Sales	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities	Expenses						
General Government	\$ 14,295,931	\$ 1,210,497	\$ -	\$ -	\$ (13,085,434)	\$ -	\$ (13,085,434)
Security of Persons & Property	13,035,548	163,345	253,301	-	(12,618,902)	-	(12,618,902)
Public Health & Welfare	298,349	-	-	-	(298,349)	-	(298,349)
Transportation	5,765,457	15,014	2,787,034	-	(2,963,409)	-	(2,963,409)
Community Environment	4,288,946	794,784	-	-	(3,494,162)	-	(3,494,162)
Leisure Time Activities	5,904,219	1,607,051	63,617	1,409,867	(2,823,684)	-	(2,823,684)
Utility Services	376,175	-	-	-	(376,175)	-	(376,175)
Interest & Fiscal Charges	595,699	-	-	-	(595,699)	-	(595,699)
Total Governmental Activities	44,560,324	3,790,691	3,103,952	1,409,867	(36,255,814)	-	(36,255,814)
Business-type Activities							
Water	8,474,764	7,966,393	-	-	-	(508,371)	(508,371)
Sewer	7,920,400	7,895,044	-	-	-	(25,356)	(25,356)
Storm Water	1,121,788	1,198,323	-	-	-	76,535	76,535
Total Business-type Activities	17,516,952	17,059,760	-	-	-	(457,192)	(457,192)
Total Primary Government	\$ 62,077,276	\$ 20,850,451	\$ 3,103,952	\$ 1,409,867	\$ (36,255,814)	\$ (457,192)	\$ (36,713,006)
General Revenues							
Income Taxes Levied For							
General Purposes					18,970,807	-	18,970,807
Property Taxes Levied For							
General Purposes					1,706,715	-	1,706,715
Debt Service					272,524	-	272,524
Police					281,941	-	281,941
Revenue in Lieu of Taxes					1,916,198	-	1,916,198
Other Local Taxes					473,781	-	473,781
Grants & Entitlements not Restricted to Specific Programs					1,041,408	-	1,041,408
Investment Earnings					996,027	-	996,027
Miscellaneous					322,352	-	322,352
Transfers					(346,890)	346,890	-
Total General Revenues & Transfers					25,634,863	346,890	25,981,753
Change in Net Position					(10,620,951)	(110,302)	(10,731,253)
Net Position Beginning of Year Restated					131,382,936	65,995,272	197,378,208
Net Position End of Year					\$120,761,985	\$65,884,970	\$186,646,955

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

City of Gahanna, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2018

	General	Tax Incremental Equivalent	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash & Investments	\$ 18,721,104	\$ 1,534,030	\$ 7,858,676	\$ 5,502,273	\$ 33,616,083
Cash with Fiscal Agents	-	-	-	431,921	431,921
Receivables					
Income Taxes	4,448,600	-	-	-	4,448,600
Property Taxes	1,725,583	-	-	563,655	2,289,238
Other Local Taxes	29,639	-	-	-	29,639
Revenue in Lieu of Taxes	-	2,474,713	-	-	2,474,713
Accounts	850,967	-	-	-	850,967
Accrued Interest	166,902	-	-	-	166,902
Intergovernmental	476,983	24,504	-	1,126,262	1,627,749
Interfund Loan	1,141,026	-	-	-	1,141,026
Prepayments	112,473	-	1,250	2,113	115,836
Materials & Supplies Inventory	271,504	-	-	-	271,504
<b>Total Assets</b>	<b>27,944,781</b>	<b>4,033,247</b>	<b>7,859,926</b>	<b>7,626,224</b>	<b>47,464,178</b>
<b>Liabilities</b>					
Accounts Payable	177,742	-	-	24,110	201,852
Contracts Payable	314,062	3,710	51,132	299,494	668,398
Accrued Wages & Benefits	502,174	-	-	19,438	521,612
Intergovernmental Payable	94,325	-	-	3,003	97,328
Due to Other Funds	7,532	-	-	7,318	14,850
<b>Total Liabilities</b>	<b>1,095,835</b>	<b>3,710</b>	<b>51,132</b>	<b>353,363</b>	<b>1,504,040</b>
<b>Deferred Inflows of Resources</b>					
Property Taxes Levied for Subsequent Year	1,681,240	-	-	549,170	2,230,410
Revenue in Lieu of Taxes for the Subsequent Year	-	2,474,713	-	-	2,474,713
Unavailable Property Tax Revenue	44,343	-	-	14,485	58,828
Unavailable Income Tax Revenue	2,817,299	-	-	-	2,817,299
Unavailable Intergovernmental Revenue	391,165	24,504	-	779,872	1,195,541
Unavailable Interest Revenue	116,348	-	-	-	116,348
Unavailable License, Permits & Fees	735,614	-	-	-	735,614
Unavailable Other Revenue	7,342	-	-	-	7,342
Unavailable Insurance Proceeds	65,382	-	-	-	65,382
<b>Total Deferred Inflow of Resources</b>	<b>5,858,733</b>	<b>2,499,217</b>	<b>-</b>	<b>1,343,527</b>	<b>9,701,477</b>
<b>Fund Balances</b>					
Nonspendable	415,232	-	1,250	2,113	418,595
Restricted	-	1,530,320	-	5,571,056	7,101,376
Committed	7,142,978	-	7,807,544	355,919	15,306,441
Assigned	3,208,533	-	-	246	3,208,779
Unassigned	10,223,470	-	-	-	10,223,470
<b>Total Fund Balances</b>	<b>20,990,213</b>	<b>1,530,320</b>	<b>7,808,794</b>	<b>5,929,334</b>	<b>36,258,661</b>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<b>\$ 27,944,781</b>	<b>\$ 4,033,247</b>	<b>\$ 7,859,926</b>	<b>\$ 7,626,224</b>	<b>\$ 47,464,178</b>

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, 2018

**Total Governmental Fund Balances** \$36,258,661

*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. 143,572,607

Other assets are not available to pay for current period  
expenditures and therefore are deferred in the funds. 4,996,354

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. 574,665

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	(2,588,380)
General Obligation Debt	(18,315,939)
Accrued Interest	(48,904)
Claims & Judgements	(9,100,000)
Loans Payable	(1,099,624)
	(31,152,847)

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	5,531,578
Deferred Inflows - Pension	(3,106,116)
Net Pension Liability	(20,816,370)
	(18,390,908)

The net OPEB 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 - OPEB	1,926,885
Deferred Inflows - OPEB	(541,858)
Net OPEB Liability	(17,659,025)
	(16,273,998)

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

1,177,451

**Net Position of Governmental Activities**

\$120,761,985

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, 2018

	General	Tax Increment Equivalent	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues					
Income Taxes	\$ 18,858,725	\$ -	\$ -	\$ -	\$ 18,858,725
Property Taxes	1,695,370	-	-	550,755	2,246,125
Other Local Taxes	473,781	-	-	-	473,781
Revenue in Lieu of Taxes	-	1,916,198	-	-	1,916,198
Charges for Services	1,731,663	173,157	-	-	1,904,820
Licenses, Permits & Fees	1,275,579	-	-	53,940	1,329,519
Fines & Forfeitures	367,815	-	-	66,403	434,218
Intergovernmental	919,183	54,940	-	4,498,122	5,472,245
Investment Income	940,329	-	-	16,155	956,484
Rental Income	22,692	-	-	-	22,692
Contributions & Donations	25,835	-	-	37,782	63,617
Other	326,884	-	-	21,660	348,544
Total Revenues	26,637,856	2,144,295	-	5,244,817	34,026,968
Expenditures					
Current					
General Government	4,107,281	-	57,824	27,048	4,192,153
Security of Persons & Property	9,423,016	-	20,000	1,265,375	10,708,391
Public Health & Welfare	298,349	-	-	-	298,349
Transportation	1,082,208	-	2,577,706	1,759,378	5,419,292
Community Environment	2,995,336	593,960	35,106	-	3,624,402
Leisure Time Activity	4,489,365	-	147,713	-	4,637,078
Utility Services	376,175	-	-	-	376,175
Capital Outlay	984,152	13,000	1,156,157	3,585,799	5,739,108
Debt Service					
Principal Retirement	-	-	-	1,358,241	1,358,241
Interest & Fiscal Charges	-	-	-	622,024	622,024
Total Expenditures	23,755,882	606,960	3,994,506	8,617,865	36,975,213
Excess (Deficiency) of Revenue Over Expenditures	2,881,974	1,537,335	(3,994,506)	(3,373,048)	(2,948,245)
Other Financing Sources (Uses)					
Transfers In	330,891	-	6,951,750	2,288,230	9,570,871
Transfers Out	(8,246,280)	(1,267,981)	-	(403,500)	(9,917,761)
Proceeds From Sale of Capital Assets	66,131	-	-	7,173	73,304
Total Other Financing Sources (Uses)	(7,849,258)	(1,267,981)	6,951,750	1,891,903	(273,586)
Net Change in Fund Balances	(4,967,284)	269,354	2,957,244	(1,481,145)	(3,221,831)
Fund Balances, January 1	25,957,497	1,260,966	4,851,550	7,410,479	39,480,492
Fund Balances, December 31	\$ 20,990,213	\$ 1,530,320	\$ 7,808,794	\$ 5,929,334	\$ 36,258,661

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, 2018

**Net Change in Fund Balances - Total Governmental Funds** \$ (3,221,831)

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	5,739,108
Depreciation	(2,380,700)

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	(56,588)
------------------------------------	----------

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

Income Taxes	112,082
Property Taxes	15,055
Charges for Services	65,382
License Permits & Fees	34,060
Intergovernmental	19,365
Investment Income	39,543
Other	(26,192)

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.

1,358,241

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.

26,325

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.

85,775

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.

Claims & Judgements Payable	(9,100,000)
Compensated Absences	(142,974)

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

157,983

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

(1,370,567)

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

(489,031)

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

(66,844)

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

(1,317,424)

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

(101,719)

**Change in Net Position of Governmental Activities**

\$ (10,620,951)

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, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive/(Negative)
Revenues				
Income Tax	19,415,300	19,415,300	18,989,356	(425,944)
Property Taxes	1,508,787	1,674,138	1,695,370	21,232
Other Local Taxes	520,200	520,200	474,093	(46,107)
Charges for Services	1,813,425	1,813,425	1,799,372	(14,053)
Licenses Permits & Fees	1,595,001	1,595,001	1,251,905	(343,096)
Fines & Forfeitures	385,000	385,000	357,196	(27,804)
Intergovernmental	954,200	954,200	918,851	(35,349)
Investment Income	690,373	709,371	899,036	189,665
Rent	25,000	25,000	22,692	(2,308)
Contributions & Donations	-	-	25,835	25,835
Other	90,000	90,000	209,479	119,479
Total Revenues	26,997,286	27,181,635	26,643,185	(538,450)
Expenditures				
General Government	5,862,458	5,917,792	5,255,048	662,744
Security of Persons & Property	9,623,377	9,650,602	9,435,159	215,443
Public Health & Welfare	302,010	302,010	301,196	814
Transportation	1,375,752	1,383,866	1,229,131	154,735
Community Environment	4,759,269	4,790,179	4,161,633	628,546
Leisure Time Activities	4,899,427	4,907,016	4,638,686	268,330
Utility Services	532,173	533,523	519,708	13,815
Capital Outlay	2,647,428	2,774,387	2,436,593	337,794
Total Expenditures	30,001,894	30,259,375	27,977,154	2,282,221
Excess/(Deficiency) of Revenues				
Over/(Under) Expenditures	(3,004,608)	(3,077,740)	(1,333,969)	1,743,771
Other Financing Sources (Uses)				
Sale of Assets	54,000	54,000	98,529	44,529
Insurance Proceeds	20,000	20,000	70,662	50,662
Advance In	138,600	138,600	138,600	-
Advance Out	(630,000)	(630,000)	(630,000)	-
Transfer In	1,445,185	1,445,185	1,349,409	(95,776)
Transfer Out	(8,278,780)	(8,286,280)	(8,286,280)	-
Total Other Financing Sources (Uses)	(7,250,995)	(7,258,495)	(7,259,080)	(585)
Net Change in Fund Balance	(10,255,603)	(10,336,235)	(8,593,049)	1,743,186
Fund balance at beginning of year	19,415,712	19,415,712	19,415,712	-
Prior Year Encumbrance Appropriated	4,432,559	4,432,559	4,432,559	-
Fund balance at end of year	13,592,668	13,512,036	15,255,222	1,743,186

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive/(Negative)
	Original	Final		
Revenues				
Revenue in Lieu of Taxes	2,824,519	2,824,519	1,916,199	(908,320)
Intergovernmental	30,300	30,300	54,940	24,640
Charges for Services	245,880	245,880	173,157	(72,723)
Total Revenues	3,100,699	3,100,699	2,144,296	(956,403)
Expenditures				
Community Environment	1,417,200	1,452,190	609,756	842,434
Capital Outlay	1,015,000	1,012,765	409,417	603,348
Total Expenditures	2,432,200	2,464,955	1,019,173	1,445,782
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	668,499	635,744	1,125,123	489,379
Other Financing Sources (Uses)				
Loan Proceeds	750,000	750,000	-	(750,000)
Transfer Out	(1,278,046)	(1,278,046)	(1,267,981)	10,065
Total Other Financing Sources (Uses)	(528,046)	(528,046)	(1,267,981)	(739,935)
Net Change in Fund Balance	140,453	107,698	(142,858)	(250,556)
Fund balance at beginning of year	1,200,969	1,200,969	1,200,969	-
Prior Year Encumbrance Appropriated	60,000	60,000	60,000	-
Fund balance at end of year	1,401,422	1,368,667	1,118,111	(250,556)

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, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Storm Water	Total	
<b>Assets</b>					
Current Assets					
Equity in Pooled Cash & Investments	\$ 7,883,411	\$ 9,758,072	\$ 2,910,365	\$ 20,551,848	580,762
Accounts Receivable	1,936,384	1,928,431	318,902	4,183,717	-
Due From Other Funds	-	-	-	-	8,495
Prepayments	14,960	2,802	1,243	19,005	33,565
Materials & Supplies Inventory	40,042	40,042	-	80,084	-
Total Current Assets	9,874,797	11,729,347	3,230,510	24,834,654	622,822
Non-current Assets					
Capital Assets					
Non-depreciable Capital Assets	-	432,857	951,327	1,384,184	-
Depreciable Capital Assets, Net	23,300,964	10,919,337	13,284,087	47,504,388	-
Total non-current assets	23,300,964	11,352,194	14,235,414	48,888,572	-
Total Assets	33,175,761	23,081,541	17,465,924	73,723,226	622,822
Deferred Outflows of Resources					
Deferred Charge on Refunding	11,035	11,035	78,926	100,996	-
Pension	120,664	120,663	79,014	320,341	-
OPEB	25,059	25,059	14,188	64,306	-
Total Deferred Outflows	156,758	156,757	172,128	485,643	-
<b>Liabilities</b>					
Current Liabilities					
Accounts Payable	51,241	3,826	325	55,392	-
Contracts Payable	49,159	97,967	84,924	232,050	-
Accrued Wages & Benefits	17,071	17,071	10,573	44,715	-
Intergovernmental Payable	1,417,144	1,460,014	2,894	2,880,052	-
Due to Other Funds	256	256	159	671	-
Interfund Loan Payable	1,134,000	-	-	1,134,000	-
Accrued Interest Payable	609	609	4,072	5,290	-
Current Portion of Compensated Absences Payable	34,673	34,673	19,421	88,767	-
Current Portion of General Obligation Bonds Payable	18,600	18,600	124,750	161,950	-
Total Current Liabilities	2,722,753	1,633,016	247,118	4,602,887	-
Long-term Liabilities					
General Obligation Bonds Payable	187,967	187,967	1,205,855	1,581,789	-
Net Pension Liability	417,773	417,773	256,657	1,092,203	-
Net OPEB Liability	298,738	298,738	183,522	780,998	-
Total Long-term Liabilities	904,478	904,478	1,646,034	3,454,990	-
Total Liabilities	3,627,231	2,537,494	1,893,152	8,057,877	-
Deferred Inflows of Resources					
Pension	97,920	97,920	60,160	256,000	-
OPEB	22,254	22,254	13,671	58,179	-
Total Deferred Inflows	120,174	120,174	73,831	314,179	-
<b>Net Position</b>					
Net Investment in Capital Assets	23,094,397	11,145,627	12,983,735	47,223,759	-
Unrestricted	6,490,717	9,435,003	2,687,334	18,613,054	622,822
Total Net Position	29,585,114	20,580,630	15,671,069	65,836,813	622,822
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds				48,157	
Net Position of Business type Activities				65,884,970	

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, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Storm Water	Total	
Operating Revenues					
Charges for Services	\$ 7,940,699	\$ 7,889,325	\$ 1,197,484	\$ 17,027,508	\$ 209,196
Other	25,694	5,719	839	32,252	-
Total Operating Revenues	<u>7,966,393</u>	<u>7,895,044</u>	<u>1,198,323</u>	<u>17,059,760</u>	<u>209,196</u>
Operating Expenses					
Personal Services	668,715	674,844	429,569	1,773,128	-
Contract Services	6,211,139	6,271,852	80,876	12,563,867	56,133
Materials & Supplies	251,264	22,624	147	274,035	-
Claims Expense	-	-	-	-	59,952
Depreciation	693,627	380,973	362,578	1,437,178	-
Other	633,556	566,243	205,110	1,404,909	-
Total Operating Expenses	<u>8,458,301</u>	<u>7,916,536</u>	<u>1,078,280</u>	<u>17,453,117</u>	<u>116,085</u>
Operating Income/(Loss)	<u>(491,908)</u>	<u>(21,492)</u>	<u>120,043</u>	<u>(393,357)</u>	<u>93,111</u>
Nonoperating Revenues/(Expenses)					
Interest & Fiscal Charges	(19,250)	(6,650)	(45,271)	(71,171)	-
Total Nonoperating Revenues/(Expenses)	<u>(19,250)</u>	<u>(6,650)</u>	<u>(45,271)</u>	<u>(71,171)</u>	<u>-</u>
Income/(Loss) Before Transfers	(511,158)	(28,142)	74,772	(464,528)	93,111
Transfer in	302,280	24,610	20,000	346,890	-
Change in Net Position	(208,878)	(3,532)	94,772	(117,638)	93,111
Net Position, January 1 (Restated)	<u>29,793,992</u>	<u>20,584,162</u>	<u>15,576,297</u>	<u>65,954,451</u>	<u>529,711</u>
Net Position, December 31	<u>\$ 29,585,114</u>	<u>\$ 20,580,630</u>	<u>\$ 15,671,069</u>	<u>65,836,813</u>	<u>\$ 622,822</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds				<u>7,336</u>	
Change in Net Position Business-type Activities				<u>(110,302)</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, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Storm Water	Total	
Cash Flows from Operating Activities					
Cash Received From Customers	7,946,191	7,954,512	1,143,974	17,044,677	210,816
Other Operating Cash Receipts	45,605	5,353	-	50,958	-
Cash Payments for Personal Services	(590,476)	(590,465)	(376,199)	(1,557,140)	-
Cash Payments for Contractual Services	(6,751,544)	(6,265,773)	(74,718)	(13,092,035)	(90,898)
Cash Payments for Materials & Supplies	(277,765)	(21,150)	(1,302)	(300,217)	-
Cash Payments for Claims	-	-	-	-	(59,952)
Cash Payments for Other Operating Expenses	(647,410)	(624,116)	(209,960)	(1,481,486)	-
Net Cash Provided/(Used) by Operating Activities	(275,399)	458,361	481,795	664,757	59,966
Cash Flows From Capital and Related Financing Activities					
Capital Grants Received	-	-	-	-	-
Cash Payments for the Acquisition of Capital Assets	(36,204)	(261,811)	(136,626)	(434,641)	-
Principal Payments on Bonds	(18,090)	(18,090)	(119,150)	(155,330)	-
Interest Payments on Bonds	(8,049)	(8,049)	(53,429)	(69,527)	-
Net Cash Provided/(Used) by Capital & Related Financing Activities	(62,343)	(287,950)	(309,205)	(659,498)	-
Cash Flows From Noncapital Financing Activities:					
Interfund Loan Proceeds	630,000	-	-	630,000	-
Interfund Loan Payment	(138,600)	-	-	(138,600)	-
Transfers In	302,280	24,610	20,000	346,890	-
Net Cash Provided/(Used) by Noncapital Financing Activities	793,680	24,610	20,000	838,290	-
Net Increase/(Decrease) in Cash & Cash Equivalents	455,938	195,021	192,590	843,549	59,966
Cash & Cash Equivalents January 1, 2017	7,427,473	9,563,051	2,717,775	19,708,299	520,796
Cash & Cash Equivalents December 31, 2018	7,883,411	9,758,072	2,910,365	20,551,848	580,762
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities					
Operating Income/(Loss)	(491,908)	(21,492)	120,043	(393,357)	93,111
Adjustments					
Depreciation	693,627	380,973	362,578	1,437,178	-
Change in assets and liabilities					
(Increase)/Decrease in Materials & Supplies Inventory	(1,542)	(1,542)	-	(3,084)	-
(Increase)/Decrease in Accounts Receivable	(15,527)	64,821	(54,349)	(5,055)	-
(Increase)/Decrease in Due from Other Funds	-	-	-	-	1,620
(Increase)/Decrease in Prepayments	1,381	82	1,476	2,939	(33,565)
(Increase)/Decrease in Deferred Outflows	110,343	110,344	62,780	283,467	-
Increase/(Decrease) in Accounts Payable	(3,288)	(808)	(4,829)	(8,925)	-
Increase/(Decrease) in Contracts Payable	17,815	10,034	2,257	30,106	(1,200)
Increase/(Decrease) in Accrued Wages & Benefits	1,005	1,005	428	2,438	-
Increase/(Decrease) in Due to Other Governments	(560,169)	(57,920)	1,327	(616,762)	-
Increase/(Decrease) in Due to Other Funds	(65)	(65)	(44)	(174)	-
Increase/(Decrease) in Compensated Absences	2,532	2,532	1,586	6,650	-
Increase/(Decrease) in Net Pension Liability	(172,132)	(172,132)	(97,285)	(441,549)	-
Increase/(Decrease) in OPEB Liability	25,423	25,423	13,836	64,682	-
Increase/(Decrease) in Deferred Inflows	117,106	117,106	71,991	306,203	-
Net cash provided/(used) by operating activities	(275,399)	458,361	481,795	664,757	59,966

Non-cash transactions

At December 31, 2018 and 2017, the Water fund purchased \$29,869 and \$14,119 respectively, in capital assets on account  
At December 31, 2018 and 2017, the Sewer fund purchased \$86,458 and \$11,295 respectively, in capital assets on account  
At December 31, 2018 and 2017, the Storm Water fund purchased \$82,667 and \$11,295, respectively, in capital assets on account

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

*City of Gahanna, Ohio*  
*Statement of Fiduciary Assets and Liabilities*  
*December 31, 2018*

	<u>Agency</u>
Assets	
Equity in Pooled Cash & Investments	\$ 1,088,674
Cash in Segregated Accounts	50,481
Accounts Receivable	<u>516,669</u>
Total Assets	<u><u>\$ 1,655,824</u></u>
Liabilities	
Contracts payable	322,597
Intergovernmental Payable	35,490
Undisributed assets	15,168
Deposits Held & Due to Others	<u>1,282,569</u>
Total Liabilities	<u><u>\$ 1,655,824</u></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

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018*

**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 committed 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, 2018*

**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.

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

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018*

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

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, 2018, but which were levied to finance year 2019 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 and other post-employment benefits (OPEB) liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, OPEB, pension expense and OPEB 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 a need for existing or increased tax rates. The Certificate of Estimated Resources establishes a limit on the amount Council may appropriate.



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

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, local government securities 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, 2018. 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 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018*

**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 2018 amounted to \$940,329 of which 66% or \$620,617 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, 2018, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure 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, 2018*

**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.

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018*

**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 and claims and judgements 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.

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018*

**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, 2018, the amount of the reserve was \$7,142,978. 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 2018, the General Fund loaned an additional \$630,000 to the Water Fund for a total loan of \$1,260,000 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 \$15,738,170, 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, 2018*

**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	\$ (8,593,049)	\$ (142,858)
Net adjustment for revenue accruals	(124,427)	-
Net adjustment for expenditure accruals	(101,662)	(3,710)
Net adjustment for other sources/(uses)	499,980	-
Funds budgeted elsewhere	(172,157)	-
Adjustment for Encumbrances	3,524,031	415,922
GAAP basis	<u>\$ (4,967,284)</u>	<u>\$ 269,354</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.

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended December 31, 2018*

**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, 2018*

**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 \$431,921 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, 2018. This amount is not included in the City's depository balance below.

*Cash in Segregated Accounts:* At year end, the City had \$50,481 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, 2018, the carrying amount of all City deposits was \$2,050,271, which excludes \$3,275 of petty cash on hand. The bank balance of all City deposits was \$2,189,851 of which \$295,939 was covered by FDIC insurance and \$1,893,912 was uninsured. Of the remaining uninsured bank balance, all was collateralized through the Ohio Pooled Collateral System.

**Investments**

As of December 31, 2018, 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	9,049,863	2,984,105	2,183,182	1,577,192	2,305,384
FHLMC	18,631,115	6,699,317	1,725,228	6,794,090	3,412,480
FNMA	13,587,996	11,138,390	1,477,836	971,770	-
FFCB	4,207,420	1,497,555	2,709,865	-	-
Lucas County Bonds	350,511	350,511	-	-	-
Other Investments					
U.S. Government Money Market	3,701,365	3,701,365	-	-	-
STAR Ohio	4,306,066	4,306,066	-	-	-
Total	\$ 53,834,336	\$ 30,677,309	\$ 8,096,111	\$ 9,343,052	\$ 5,717,864

The weighted average length to maturity of the investments is 1.34 years.

Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018

**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, 2018:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>	<u>Fair Value Hierarchy *</u>
Government & Government Sponsored			
Entity Bonds			
FHLB	9,049,863	16.81%	Level 2
FHLMC	18,631,115	34.61%	Level 2
FNMA	13,587,996	25.24%	Level 2
FFCB	4,207,420	7.82%	Level 2
Lucas County Bonds	350,511	0.65%	Level 1
Total Government Securities & Obligations	<u>45,826,905</u>	<u>85.13%</u>	
Other Investments			
U.S. Government money market	3,701,365	6.88%	N/A
STAR Ohio	<u>4,306,066</u>	<u>8.00%</u>	N/A
Total	<u>\$ 53,834,336</u>	<u>100%</u>	

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018*

**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. 2018 public utility property taxes became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County 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, 2018 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 2018 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, 2018*

**NOTE 6 – PROPERTY TAX** *(continued)*

The full tax rate for all City operations for the year ended December 31, 2018 was \$2.40 per \$1,000 of assessed value. The assessed values of real and public utility upon which 2018 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 806,483,270
Commercial/industrial	212,971,950
<u>Public utility</u>	
Real	100,740
Personal	28,259,590
Total assessed value	<u><u>\$ 1,047,815,550</u></u>

**NOTE 7 – RECEIVABLES**

Receivables at December 31, 2018, 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, 2018*

**NOTE 8 – CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2018 was as follows:

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
<u>Governmental Activities</u>				
Non-depreciable Capital Assets				
Land & Land Improvements	27,538,887	\$ -	\$ -	\$ 27,538,887
Right of Way Easements	6,295,511	-	-	6,295,511
Infrastructure	70,619,454	-	-	70,619,454
Construction in Progress	3,806,148	4,184,191	(62,176)	7,928,163
Total Non-depreciable Capital Assets	108,260,000	4,184,191	(62,176)	112,382,015
Depreciable Capital Assets				
Buildings	24,647,531	65,430	(106,596)	24,606,365
Improvements Other Than Buildings	16,973,315	-	-	16,973,315
Machinery & Equipment	5,151,989	741,675	(89,633)	5,804,031
Vehicles	3,682,306	773,388	(431,775)	4,023,919
Infrastructure	13,410,734	36,600	-	13,447,334
Total Depreciable Capital Assets	63,865,875	1,617,093	(628,004)	64,854,964
Less: Accumulated Depreciation				
Buildings	(6,730,584)	(495,922)	66,001	(7,160,505)
Improvements Other Than Buildings	(9,696,903)	(816,304)	-	(10,513,207)
Machinery & Equipment	(3,035,893)	(358,338)	73,640	(3,320,591)
Vehicles	(2,058,853)	(418,403)	431,775	(2,045,481)
Infrastructure	(10,332,855)	(291,733)	-	(10,624,588)
Total Accumulated Depreciation	(31,855,088)	(2,380,700)	571,416	(33,664,372)
Governmental Activities Capital Assets, Net	\$ 140,270,787	\$ 3,420,584	\$ (118,764)	\$ 143,572,607

Depreciation expense was charged to governmental programs as follows:

General Government	\$ 604,131
Security of Persons & Property	283,783
Community Environment	446,279
Leisure Time Activities	872,885
Transportation	173,622
Total Depreciation Expense	<u>\$ 2,380,700</u>

Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018

**NOTE 8 – CAPITAL ASSETS** (continued)

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
<b>Business-type Activities</b>				
Non-depreciable Capital Assets				
Land & Land Improvements	\$ 749,024	\$ -	\$ -	\$ 749,024
Right of Ways	125,752	-	-	125,752
Construction in Progress	35,174	485,234	(11,000)	509,408
Total Non-depreciable Capital Assets	909,950	485,234	(11,000)	1,384,184
Depreciable Capital Assets				
Buildings	4,011,472	-	-	4,011,472
Machinery & Equipment	736,405	122,692	(43,096)	816,001
Vehicles	833,811	-	(57,630)	776,181
Infrastructure				
Storm Sewer Lines	22,778,487	-	-	22,778,487
Water Lines & Other	37,487,545	-	-	37,487,545
Sewer Lines & Other	22,614,905	-	-	22,614,905
Total Depreciable Capital Assets	88,462,625	122,692	(100,726)	88,484,591
Less: Accumulated Depreciation				
Buildings	(891,114)	(80,229)	-	(971,343)
Machinery & Equipment	(208,362)	(58,530)	43,096	(223,796)
Vehicles	(692,999)	(23,327)	57,630	(658,696)
Infrastructure				
Storm Sewer Lines	(9,228,902)	(350,438)	-	(9,579,340)
Water Lines & Other	(16,631,081)	(576,416)	-	(17,207,497)
Sewer Lines & Other	(11,991,293)	(348,238)	-	(12,339,531)
Total Accumulated Depreciation	(39,643,751)	(1,437,178)	100,726	(40,980,203)
Business-type Activities Capital Assets, Net	\$ 49,728,824	\$ (829,252)	\$ (11,000)	\$ 48,888,572

Depreciation expense was charged to the enterprise funds as follows:

Water	\$ 693,627
Sewer	380,973
Storm Water	362,578
Total Depreciation Expense	<u>\$ 1,437,178</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, 2018

**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):

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<p><b>State and Local</b></p> <p><b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit</p> <p><b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30</p> <p><b>Public Safety</b></p> <p><b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit</p> <p><b>Law Enforcement</b></p> <p><b>Age and Service Requirements:</b> Age 52 with 15 years of service credit</p> <p><b>Public Safety and Law Enforcement</b></p> <p><b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25</p>	<p><b>State and Local</b></p> <p><b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit</p> <p><b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30</p> <p><b>Public Safety</b></p> <p><b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit</p> <p><b>Law Enforcement</b></p> <p><b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit</p> <p><b>Public Safety and Law Enforcement</b></p> <p><b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25</p>	<p><b>State and Local</b></p> <p><b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit</p> <p><b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35</p> <p><b>Public Safety</b></p> <p><b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit</p> <p><b>Law Enforcement</b></p> <p><b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit</p> <p><b>Public Safety and Law Enforcement</b></p> <p><b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25</p>

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 2018.



*Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018*

**NOTE 9 – DEFINED BENEFIT PENSION PLANS** *(continued)*

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

	State and Local	Public Safety	Law Enforcement
<b>2018 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %
<b>2018 Actual Contribution Rates</b>			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits	0.0	0.0	0.0
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>

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 \$1,147,432 for 2018. Of this amount \$43,905 is reported as intergovernmental payable.

**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](http://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. 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.

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018*

**NOTE 9 – DEFINED BENEFIT PENSION PLANS** *(continued)*

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>
<b>2018 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 <b>2018 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
	<u>19.50 %</u>	<u>24.00 %</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 \$1,032,825 for 2018. Of this amount \$48,017 is reported as intergovernmental payable.

**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, 2017, 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, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net pension liability 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, 2018

**NOTE 9 – DEFINED BENEFIT PENSION PLANS** (continued)

	OPERS	OP&F	Total
Proportionate Share of the Net Pension Liability	\$8,578,703	\$13,329,870	\$21,908,573
17 Proportion of the Net Pension Liability	0.054683%	0.2171890%	
16 Proportion of the Net Pension Liability	0.051955%	0.2139841%	
17 Change in Proportionate Share	0.002728%	0.0032049%	
Pension Expense	\$2,211,689	\$1,812,972	\$4,024,661

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

	OPERS	OP&F	Total
<b>Deferred Outflows of Resources</b>			
Change in City's Proportionate Share of the Net Pension Liability	411,812	1,442,741	1,854,553
City contributions subsequent to the measurement date	1,147,432	1,032,825	2,180,257
Change of Assumptions	1,025,205	580,852.00	1,606,057
Differences between expected and actual experience	8,762	202,290	211,052
Total Deferred Outflows of Resources	\$2,593,211	\$3,258,708	\$5,851,919
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$169,060	\$24,115	\$193,175
Change in City's Proportionate Share of the Net Pension Liability	-	866,099	866,099
Net difference between projected and actual earnings on pension plan investments	1,841,729	461,113	2,302,842
Total Deferred Inflows of Resources	\$2,010,789	\$1,351,327	\$3,362,116

\$2,180,257 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2019	1,031,326	557,507	1,588,833
2020	(28,540)	436,275	407,735
2021	(811,001)	(41,324)	(852,325)
2022	(756,795)	(277,969)	(1,034,764)
2023	-	157,274	157,274
Thereafter	-	42,793	42,793
Total	(\$565,010)	\$874,556	\$309,546

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018*

**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.

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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25%
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

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82% for 2017.

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

Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018

**NOTE 9 – DEFINED BENEFIT PENSION PLANS** (continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other investments	18.00	5.26
Total	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	\$15,233,590	\$8,578,703	\$3,030,532

**F. Actuarial Assumptions – OP&F**

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, are presented below:

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended December 31, 2018*

**NOTE 9 – DEFINED BENEFIT PENSION PLANS** (continued)

Valuation Date	January 1, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumption Experience Study	5 year period ended December 31, 2016
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% - 10%
Payroll Growth	2.75% inflation plus productivity increase rate of .5%
Cost of Living Adjustments	2.2% to 3% simple based on lesser of the increase in CPI and 3%

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates as follows, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%. For ages 67 or less, rates for police and fire are 77% and 68%, respectively. For ages 68 to 77, rates for police and fire are 105% and 87%, respectively. For ages 78 and up, rates for police and fire are 115% and 120%, respectively. Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the following rates and projected with the Conduent Modified 2016 Improvement Scale. Rates for ages 59 or less for police and fire are 35%. Rates for ages 60 to 69 for police and fire are 60% and 45%, respectively. Rates for ages 70 to 79 for police and fire are 75% and 70%, respectively. Rates for ages 80 and up for police and fire are 100% and 90%, respectively.

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, 2017 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%
Timber	5.00	6.87%
Master Limited Partnerships	8.00	7.36%
Total	120.00 %	

\* levered 2x

Note: Assumptions are geometric

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018*

**NOTE 9 – DEFINED BENEFIT PENSION PLANS** *(continued)*

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

**Discount Rate** The total pension liability was calculated using the discount rate of 8%. 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%. 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%, 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%), or one percentage point higher (9%) than the current rate.

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
City's proportionate share of the net pension liability	\$18,478,695	\$13,329,870	\$9,130,532

**NOTE 10 – DEFINED BENEFIT OPEB PLANS**

**A. Net OPEB Liability**

For 2018, Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" was effective. The net OPEB liability has been disclosed below.

OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018*

**NOTE 10 – DEFINED BENEFIT OPEB PLANS** (continued)

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

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

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

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.



*Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018*

**NOTE 10 – DEFINED BENEFIT OPEB PLANS** (continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1% during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2018.

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

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

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

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

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

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

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

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

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended December 31, 2018*

**NOTE 10 – DEFINED BENEFIT OPEB PLANS** *(continued)*

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

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

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City's contractually required contribution to OP&F was \$27,180 for 2018.

**C. Net OPEB Liability**

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

	OPERS	OP&F	Total
17 Proportion of the Net OPEB Liability	0.0564900%	0.21718900%	
16 Proportion of the Net OPEB Liability	0.0538710%	0.21398100%	
Change in Proportionate Share	0.0026190%	0.00320800%	
Proportionate Share of the Net OPEB Liability	\$ 6,134,398	\$ 12,305,625	\$ 18,440,023
OPEB Expense	\$ 597,146	\$ 984,333	\$ 1,581,479

Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018

**NOTE 10 – DEFINED BENEFIT OPEB PLANS** (continued)

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

	OPERS	OP&F	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ 4,779	\$ -	\$ 4,779
Changes of assumptions	446,650	1,200,767	1,647,417
Change in proportionate share	178,962	132,853	311,815
City contributions subsequent to the measurement date	-	27,180	27,180
Total Deferred Outflows of Resources	<u>\$ 630,391</u>	<u>\$ 1,360,800</u>	<u>\$ 1,991,191</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ -	\$ 62,064	\$ 62,064
Net difference between projected and actual earnings on OPEB plan investments	456,972	81,001	537,973
Total Deferred Inflows of Resources	<u>\$ 456,972</u>	<u>\$ 143,065</u>	<u>\$ 600,037</u>

\$27,180 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2019	\$ 187,147	\$ 165,650	\$ 352,797
2020	187,147	165,650	352,797
2021	(86,633)	165,650	79,017
2022	(114,242)	165,649	51,407
2023	-	185,900	185,900
Therafter	-	342,056	342,056
Total	<u>\$ 173,419</u>	<u>\$1,190,555</u>	<u>\$ 1,363,974</u>

**D. Actuarial Assumptions – OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended December 31, 2018*

**NOTE 10 – DEFINED BENEFIT OPEB PLANS** (continued)

between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25% to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	3.85%
Prior Measurement date	4.23%
Investment Rate of Return	6.50%
Municipal Bond Rate	3.31%
Health Care Cost Trend Rate	7.5%, initial 3.25%, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2% for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term **NOTE**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018

**10 – DEFINED BENEFIT OPEB PLANS** (continued)

objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	100.00 %	4.98 %

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

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85%, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85%) or one-percentage-point higher (4.85%) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$ 8,149,812	\$ 6,134,398	\$ 4,503,948

Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018

**NOTE 10 – DEFINED BENEFIT OPEB PLANS** (continued)

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries' project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

	Current Health Care Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 5,869,311	\$ 6,134,398	\$ 6,408,226

**E. Actuarial Assumptions – OP&F**

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

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

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

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018*

**NOTE 10 – DEFINED BENEFIT OPEB PLANS** (continued)

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Projected Salary Increases	3.75 % to 10.5 %
Payroll Growth	Inflation rate of 2.75 % plus productivity increase rate of 0.5 %
Single discount rate:	
Current measurement date	3.24%
Prior measurement date	3.79%
Cost of Living Adjustments	3.00 % simple; 2.2 % simple for increased based on the lesser of the increase in CPI and 3 %

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 %.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

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

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

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018*

**NOTE 10 – DEFINED BENEFIT OPEB PLANS** (continued)

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

Note: Assumptions are geometric.

\* levered 2x

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

**Discount Rate** The total OPEB liability was calculated using the discount rate of 3.24%. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute.

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

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



Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018

**NOTE 10 – DEFINED BENEFIT OPEB PLANS** (continued)

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$ 15,382,179	\$ 12,305,625	\$ 9,938,351

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate** Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

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

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a 1% decrease in the trend rates and a 1% increase in the trend rates.

	1% Decrease	Current Rates	1% Increase
City's proportionate share of the net OPEB liability	\$ 9,559,230	\$ 12,305,625	\$ 16,006,834

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

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018*

**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 further information. Dental, vision, and life insurance coverage is provided by Delta Dental, Vision Service Plan, and the Standard Insurance Company, respectively.

**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.

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended December 31, 2018*

**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 probable that a claim will be filed under the program and the amount of the claim can be reasonably estimated. For 2017 and 2018 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, 2018, were as follows:

		Transfers To						
Transfers From		General	Capital Improvement	Nonmajor Governmental	Water	Sewer	Storm Water	Total
	General	\$ -	\$ 6,951,750	\$ 1,274,530	\$ -	\$ -	\$ 20,000	\$ 8,246,280
	Tax Increment							
	Equivalent	330,891	-	610,200	302,280	24,610	-	1,267,981
	Capital							
	Improvement	-	-	-	-	-	-	-
	Nonmajor							
	Governmental	-	-	403,500	-	-	-	403,500
	Water	-	-	-	-	-	-	-
	Sewer	-	-	-	-	-	-	-
Stormwater	-	-	-	-	-	-	-	
Total	\$ 330,891	\$ 6,951,750	\$ 2,288,230	\$ 302,280	\$ 24,610	\$ 20,000	\$ 9,917,761	

Transfers were made to move unrestricted balances to support programs and projects accounted for in other funds. Transfers from the Tax Incremental Equivalent Fund were to reimburse other City funds for infrastructure improvements within the TIF Districts made prior to the receipt of payments in lieu of taxes. The transfers from the General and Nonmajor Governmental Funds to the Bond Retirement Fund (a Nonmajor Governmental Fund) were made to service annual debt payments.

Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018

**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 2018 follows:

Types / Issues	Balance 12/31/2017	Issued	Retired	Balance 12/31/2018	Due Within One Year
<u>Governmental activities:</u>					
<u>General obligation bonds</u>					
2007 - Various Purpose					
Serial Bonds 3.76% to 4.6%	435,619	-	(435,619)	-	-
Premium on Bonds Issued	33,621	-	(33,621)	-	-
2013 - Refunding Bonds					
Serial Bonds 2% to 3%	3,810,700	-	(615,950)	3,194,750	625,650
Term Bonds 3.5% to 4%	4,499,600	-		4,499,600	-
Premium on Bonds Issued	573,994	-	(44,155)	529,839	-
2015 - Refunding Bonds					
Serial Bonds 2% to 3%	4,365,900	-	(23,100)	4,342,800	477,400
Term Bonds 3.5% to 4%	642,950	-		642,950	-
Premium on Bonds Issued	438,541	-	(43,854)	394,687	-
2015 - Street Improvement Bonds					
Serial Bonds 2% to 3%	2,000,000	-	(195,000)	1,805,000	195,000
Term Bonds 3.5% to 4%	2,720,000	-		2,720,000	-
Premium on Bonds Issued	197,273	-	(10,960)	186,313	-
Total general obligations bonds	19,718,198	-	(1,402,259)	18,315,939	1,298,050
<u>Other long-term obligations</u>					
2009 - OPWC Loan 0% (CC02L)	673,608	-	(51,816)	621,792	51,816
2011 - OPWC Loan 0% (CC16M)	514,588	-	(36,756)	477,832	36,756
Compensated absences payable	2,445,405	1,549,552	(1,406,577)	2,588,380	1,175,440
Net Pension Liability:					-
OPERS	10,264,344	-	(2,777,844)	7,486,500	-
OP&F	13,553,342	-	(223,472)	13,329,870	-
Total Net Pension Liability	23,817,686	-	(3,001,316)	20,816,370	-
Net OPEB Liability:					-
OPERS	4,724,838	628,562	-	5,353,400	-
OP&F	10,157,197	2,148,428	-	12,305,625	-
Total Net OPEB Liability	14,882,035	2,776,990	-	17,659,025	-
Total other long-term obligations	42,333,322	4,326,542	(4,496,465)	42,163,399	1,264,012
Total governmental activities	\$ 62,051,520	\$ 4,326,542	\$ (5,898,724)	\$ 60,479,338	\$ 2,562,062

Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018

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

Types / Issues	Balance 12/31/2017	Issued	Retired	Balance 12/31/2018	Due Within One Year
<u>Business-type activities:</u>					
<u>General obligation bonds</u>					
Water fund					
2007 - Various Purpose					
Serial Bonds 3.76% to 4.6%	\$ 17,190	\$ -	\$ (17,190)	\$ -	\$ -
Premium on Bonds Issued	1,262	-	(1,262)	-	-
2015 - Refunding Bonds					
Serial Bonds 2% to 4%	170,100	-	(900)	169,200	18,600
Term Bonds 3% to 3.5%	25,050	-	-	25,050	-
Premium on Bonds Issued	13,685	-	(1,368)	12,317	-
Sewer fund					
2007 - Various Purpose					
Serial Bonds 3.76% to 4.6%	17,190	-	(17,190)	-	-
Premium on Bonds Issued	1,261	-	(1,261)	-	-
2015 - Refunding Bonds					
Serial Bonds 2% to 4%	170,100	-	(900)	169,200	18,600
Term Bonds 3% to 3.5%	25,050	-	-	25,050	-
Premium on Bonds Issued	13,685	-	(1,368)	12,317	-
Storm water fund					
2007 - Various Purpose					
Serial Bonds 3.76% to 4.6%	95,000	-	(95,000)	-	-
Premium on Bonds Issued	7,252	-	(7,252)	-	-
2013 - Refunding Bonds					
Serial Bonds 2% to 3%	99,300	-	(19,050)	80,250	19,350
Term Bonds 3.5% to 4%	65,400	-	-	65,400	-
Premium on Bonds Issued	11,167	-	(859)	10,308	-
2015 - Refunding Bonds					
Serial Bonds 2% to 4%	963,900	-	(5,100)	958,800	105,400
Term Bonds 3% to 3.5%	141,950	-	-	141,950	-
Premium on Bonds Issued	82,107	-	(8,210)	73,897	-
Total General Obligations Bonds	1,920,649	-	(176,910)	1,743,739	161,950
<u>Other long-term obligations</u>					
Compensated absences payable	82,117	91,859	(85,209)	88,767	88,767
Net Pension Liability:					
Water	589,905	-	(172,132)	417,773	-
Sewer	589,905	-	(172,132)	417,773	-
Storm Water	353,942	-	(97,285)	256,657	-
Total Net Pension Liability	1,533,752	-	(441,549)	1,092,203	-
Net OPEB Liability:					
Water	273,315	25,423	-	298,738	-
Sewer	273,315	25,423	-	298,738	-
Storm Water	169,686	13,836	-	183,522	-
Total Net OPEB Liability	716,316	64,682	-	780,998	-
Total other long-term obligations	2,332,185	156,541	(526,758)	1,961,968	88,767
Total business-type activities	\$ 4,252,834	\$ 156,541	\$ (703,668)	\$ 3,705,707	\$ 250,717

Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018

**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 \$110,020,633 with an unvoted debt margin of \$57,629,855 at December 31, 2018.

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
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	776,700	239,917	674,150	188,495	88,572
2024-2028	3,118,700	590,017	3,753,400	675,942	442,861
2029-2033	-	-	2,760,000	336,775	213,903
2034-2035	-	-	675,000	35,700	-
Totals	<u>\$ 9,342,550</u>	<u>\$ 2,935,466</u>	<u>\$ 7,862,550</u>	<u>\$ 1,236,912</u>	<u>\$ 1,099,624</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
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	21,300	4,376	21,300	4,376	141,550	30,624
2024-2028	94,350	8,616	94,350	8,616	579,200	57,946
Totals	<u>\$ 194,250</u>	<u>\$ 37,676</u>	<u>\$ 194,250</u>	<u>\$ 37,676</u>	<u>\$ 1,246,400</u>	<u>\$ 255,822</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, 2018

**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	\$1,100,000
2028	275,000
Total	<u>\$1,375,000</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.

**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 December 31,	Amount
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 2015.

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, 2018*

**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 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. 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 2018. Future minimum lease payments are as follows:

Fiscal Year Ending December 31,	Operating Lease Obligation
2019	29,863
Total Minimum Lease Payments	29,863
Less: Amount Representing Interest	(1,026)
Present Value of Minimum Lease Payments	<u>\$ 28,837</u>

During 2018, the City entered into an operating lease for 44 police department body microphones and 19 in car cameras. Upon paying all lease payments the title of the equipment shall transfer to the City with no additional costs required. Future minimum lease payments are as follows:

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended December 31, 2018*

**NOTE 15 – OPERATING LEASE** *(continued)*

Fiscal Year Ending December 31,	Operating Lease Obligation
2019	36,075
2020	36,075
2021	36,075
2022	36,075
Total Minimum Lease Payments	144,300
Less: Amount Representing Interest	-
Present Value of Minimum Lease Payments	<u>\$ 144,300</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 \$2,881,604 during 2018.

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 \$13,483,095 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

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended December 31, 2018*

**NOTE 16 – SHARED RISK POOL** (continued)

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 317 municipalities throughout the State of Ohio. During 2018, the City paid \$368,306, 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.

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018*

**NOTE 19 – CONTINGENT LIABILITIES** (continued)

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 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.

October 31, 2018, the court issued an opinion which ruled that the plaintiffs are owed \$12,769,659. On November 19, 2018 the plaintiffs filed a motion for attorney fees seeking \$5,971,346 plus \$211,305 in costs. On November 20, 2018, the City of Gahanna and RITA each filed a notice of appeal before the Franklin County Court of Appeals asserting several separate assignments of error and challenging the decision on the liability issued September 11, 2014. The trial court granted a motion to stay the case, pending the appeal.

**B. Federal and State Grants**

For the period January 1, 2018 to December 31, 2018, 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:

Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2018

**NOTE 20 – OTHER COMMITMENTS** (continued)

<u>Fund</u>	<u>Year-End</u> <u>Encumbrances</u>
General Fund	\$ 3,208,533
Tax Increment Financing	412,213
Capital Improvement	7,438,965
Other Governmental	<u>1,088,652</u>
Total	<u>\$ 12,148,363</u>

**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:

	<u>General</u>	<u>Tax</u> <u>Increment</u> <u>Fund</u>	<u>Capital</u> <u>Improvement</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>Fund Balances</b>					
<b>Nonspendable</b>					
Material & Supplies Inventory	271,504	-	-	-	271,504
Prepayments	112,473	-	1,250	2,113	115,836
Unclaimed Monies	31,255	-	-	-	31,255
Total Unassigned	<u>415,232</u>	<u>-</u>	<u>1,250</u>	<u>2,113</u>	<u>418,595</u>
<b>Restricted</b>					
Debt Service	-	-	-	1,291,412	1,291,412
Capital Improvements	-	-	-	612,538	612,538
General Government	-	-	-	817,279	817,279
Police Pension	-	-	-	792,857	792,857
Security of Persons & Property	-	-	-	473,737	473,737
Tax Increment Financing Districts	-	1,530,320	-	-	1,530,320
Transportation	-	-	-	1,509,802	1,509,802
Detroit Street Rebuild	-	-	-	73,431	73,431
Total Restricted	<u>-</u>	<u>1,530,320</u>	<u>-</u>	<u>5,571,056</u>	<u>7,101,376</u>
<b>Committed</b>					
Capital Improvements	-	-	2,085,356	342,341	2,427,697
Hamilton Road Widening	-	-	1,726,230	-	1,726,230
Morse Rd Hamilton to Trellis	-	-	1,035,547	-	1,035,547
South Stygler Widening	-	-	850,000	-	850,000
Agler Road Redesign	-	-	1,000,000	-	1,000,000
Transportation	-	-	450,999	-	450,999
Detroit Street Rebuild	-	-	659,412	-	659,412
Emergency Reserve	7,142,978	-	-	-	7,142,978
Leisure Time Activities	-	-	-	13,578	13,578
Total Committed	<u>7,142,978</u>	<u>-</u>	<u>7,807,544</u>	<u>355,919</u>	<u>15,306,441</u>
<b>Assigned</b>					
Capital Improvements	1,062,560	-	-	246	1,062,806
General Government	519,493	-	-	-	519,493
Security of Persons & Property	184,491	-	-	-	184,491
Community Environment	1,189,262	-	-	-	1,189,262
Leisure Time Activities	164,684	-	-	-	164,684
Transportation	88,043	-	-	-	88,043
Total Assigned	<u>3,208,533</u>	<u>-</u>	<u>-</u>	<u>246</u>	<u>3,208,779</u>

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended December 31, 2018*

**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	\$ 204,617
2	15,072
3	17,311
4	45,023
5	118,541
Total	<u>\$ 400,564</u>

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended December 31, 2018*

**NOTE 23 – CHANGE IN ACCOUNTING PRINCIPAL**

During 2018, the City implemented the Government Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB). The implementation of this pronouncement has the following effect on net position as reported December 31, 2017:

	Governmental Activities	Business -Type Activities
Net Position December 31, 2017	\$146,170,947	\$66,701,831
Adjustments:		
Net OPEB Liability	(14,882,035)	(716,316)
Deferred Outflow - Payments Subsequent to Measurement Date	94,024	9,757
Restated Net Position December 31, 2017	<u>\$131,382,936</u>	<u>\$65,995,272</u>

	Water Fund	Sewer Fund	Stormwater Fund	Total Enterprise
Net position December 31, 2017	\$30,063,575	\$20,853,745	\$15,743,690	\$66,661,010
Adjustments:				
Net Pension Liability	(273,315)	(273,315)	(169,686)	(716,316)
Deferred Outflow - Payments Subsequent to Measurement Date	3,732	3,732	2,293	9,757
Restated Net Position December 31, 2017	<u>\$29,793,992</u>	<u>\$20,584,162</u>	<u>\$15,576,297</u>	<u>\$65,954,451</u>

**NOTE 24 – SUBSEQUENT EVENTS**

May 13, 2019, City Council passed ORD 0046-2019, authorizing the Mayor to enter into a settlement agreement with Allen, Stovall, Neumann, Fisher & Ashton LLP regarding the class action lawsuit filed by the firm against the City around July 3, 2012 (see Note 19). The City engaged in good faith negotiations with all parties and has agreed to a one-time principal only payment in the amount of \$9,100,000 to resolve all litigation and matters between them. This is currently pending a motion by the Court of Common Pleas to approve the settlement however the probability of the City paying this settlement is likely. As a result, this has been reported as a Governmental Activities claims & judgements payable on the entity-wide statement of Net Position.

The City will use a \$4,100,000 litigation reserve for a portion of the settlement. Council, on June 17, 2019, introduced legislation to issue General Obligation Judgement Bonds or a Bond Anticipation Note for the remaining \$5,000,000 as the City does not have the remaining \$5,000,000 within the limits of its other funds to pay the settlement. As of the date of this report the issuance of the bonds or notes has not been finalized and is therefore not reported within the basic financial statements.

*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.



*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 2018, 2017 and 2016:

Year	Paved Lane Miles Assessed	Average Pavement Condition Rating	Percent of Local Lane Miles Rated 65 or Better	Percent of Arterial Lane Miles rated 70 or better
2018 – Local	235.71	86.0	96%	N/A
2018 – Arterial	89.97	93.1	N/A	98%
2017 – Local	235.88	85.6	98%	N/A
2017 – Arterial	89.97	93.7	N/A	100%
2016 – Local	235.88	84.9	95%	N/A
2016 – Arterial	89.97	92.8	N/A	98%

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
2018	\$3,053,000	\$3,111,514	(\$58,514)
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

\* Budget does not include carryover from the previous year.

*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 Five Years (1)*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.0547%	0.0520%	0.0500%	0.0489%	0.0489%
City's Proportionate Share of the Net Pension Liability	\$ 8,578,703	\$ 11,798,096	\$ 8,660,630	\$ 5,897,887	\$ 5,764,673
City's Covered Payroll	\$ 7,778,776	\$ 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 its Covered Payroll	110.28%	157.65%	123.35%	88.27%	83.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	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 Five Years (1)*

	2017	2016	2015	2014	2013
City's Proportion of the Net Pension Liability	0.2171890%	0.2139810%	0.2341090%	0.1952296%	0.1952296%
City's Proportionate Share of the Net Pension Liability	\$ 13,329,870	\$ 13,553,342	\$ 15,060,397	\$ 10,113,707	\$ 9,508,294
City's Covered Payroll	\$ 5,277,284	\$ 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 Payroll	252.59%	272.70%	306.20%	217.41%	206.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	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 Six Years (1)*

	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 1,147,432	\$ 1,015,882	\$ 896,890	\$ 842,970	\$ 801,926
Contribution in Relation to the Contractually Required Contribution	\$ 1,147,432	\$ 1,015,882	\$ 896,890	\$ 842,970	\$ 801,926
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 8,195,942	\$ 7,778,776	\$ 7,483,576	\$ 7,021,051	\$ 6,681,899
Contribution as a Percentage of Covered- Payroll	14%	13%	12%	12%	12%

(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 Six Years (1)*

	2013
Contractually Required Contribution	\$ 899,589
Contribution in Relation to the Contractually Required Contribution	\$ 889,589
Contribution Deficiency (Excess)	<u>\$ 10,000</u>
City's Covered Payroll	\$ 6,911,968
Contribution as a Percentage of Covered- Payroll	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 Six Years (1)*

	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 1,032,825	\$ 1,005,479	\$ 945,052	\$ 934,525	\$ 884,773
Contribution in Relation to the Contractually Required Contribution	\$ 1,032,825	\$ 1,005,479	\$ 945,052	\$ 934,525	\$ 884,773
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 5,435,924	\$ 5,277,284	\$ 4,969,968	\$ 4,918,556	\$ 4,651,844
Contribution as a Percentage of Covered- Payroll	19%	19%	19%	19%	19%

(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 Six Years (1)*

	2013
Contractually Required Contribution	\$ 728,861
Contribution in Relation to the Contractually Required Contribution	\$ 728,861
Contribution Deficiency (Excess)	\$ -
City's Covered Payroll	\$ 4,599,800
Contribution as a Percentage of Covered- Payroll	16%

(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 OPEB Liability  
Ohio Public Employees Retirement System  
Last Two Years (1)*

	2018	2017
City's Proportion of the Net OPEB Liability	0.0565%	0.0539%
City's Proportionate Share of the Net OPEB Liability	\$ 6,134,398	\$ 5,441,154
City's Covered Payroll	\$ 7,778,776	\$ 7,483,576
City's Proportionate Share of the Net OPEB Liability as a percentage of of its Covered Payroll	78.86%	72.71%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.05%

(1) Information not available prior to 2017. 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 OPEB Liability  
Ohio Police and Fire Pension Fund  
Last Two Years (1)*

	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.2172%	0.2140%
City's Proportionate Share of the Net OPEB Liability	\$ 12,305,625	\$ 10,157,197
City's Covered Payroll	\$ 5,277,284	\$ 4,969,968
City's Proportionate Share of the Net OPEB Liability as a percentage of of its Covered Payroll	233.18%	204.37%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.13%	18.96%

(1) Information not available prior to 2017. The schedules will reflect ten years of data over time.

*City of Gahanna, Ohio*

*Required Supplementary Information  
Schedule of City OPEB Contributions  
Ohio Public Employees Retirement System  
Last Six Years (1)*

	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ -	\$ 77,321	\$ 149,672	\$ 140,421	\$ 133,638
Contribution in Relation to the Contractually Required Contribution	\$ -	\$ 77,321	\$ 149,672	\$ 140,421	\$ 133,638
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 8,195,942	\$ 7,778,776	\$ 7,483,576	\$ 7,021,051	\$ 6,681,899
Contribution as a Percentage of Covered- Payroll	0%	1%	2%	2%	2%

(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 OPEB Contributions  
Ohio Public Employees Retirement System  
Last Six Years (1)*

	2013
Contractually Required Contribution	\$ 69,120
Contribution in Relation to the Contractually Required Contribution	\$ 69,120
Contribution Deficiency (Excess)	\$ -
City's Covered Payroll	\$ 6,911,968
Contribution as a Percentage of Covered- Payroll	1%

(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 OPEB Contributions  
Ohio Police and Fire Pension Fund  
Last Six Years (1)*

	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 27,180	\$ 26,460	\$ 24,850	\$ 24,593	\$ 23,259
Contribution in Relation to the Contractually Required Contribution	\$ 27,180	\$ 26,460	\$ 24,850	\$ 24,593	\$ 23,259
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 5,435,924	\$ 5,277,284	\$ 4,969,968	\$ 4,918,556	\$ 4,651,844
Contribution as a Percentage of Covered- Payroll	0.50%	0.50%	0.50%	0.50%	0.50%

(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 OPEB Contributions  
Ohio Police and Fire Pension Fund  
Last Six Years (1)*

	2013
Contractually Required Contribution	\$ 215,731
Contribution in Relation to the Contractually Required Contribution	\$ 215,731
Contribution Deficiency (Excess)	\$ -
City's Covered Payroll	\$ 4,599,800
Contribution as a Percentage of Covered- Payroll	4.69%

(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 committed 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.

#### **Street Tree**

The Street Tree Fund receives permit fee payments from sub-dividers or developers of property. Revenue received are committed by City of Gahanna Code, section 913.10 for the purpose of street tree planting and maintenance within the City.

#### **OCJS**

The OCJS fund receives grants from Ohio Criminal Justice Services. Revenue received are restricted by the grant agreement for public safety purposes.

#### **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 committed by City of Gahanna Code, section 931 for costs associated with the administration of said code.



## *City Of Gahanna, Ohio*

### *Nonmajor Governmental Fund Descriptions*

#### **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.

### **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 under the grant agreement.

#### **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.

*City Of Gahanna, Ohio*

*Nonmajor Governmental Fund Descriptions*

**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 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, 2018

	SPECIAL REVENUE FUNDS		
	Street Fund	State Highway	Law Enforcement Trust
<b>Assets</b>			
Equity in Pooled Cash & Investments	\$ 581,139	\$ 360,538	\$ 83,132
Cash with Fiscal Agents	-	-	-
Receivables			
Property Taxes	-	-	-
Intergovernmental	825,841	56,239	-
Prepayments	90	-	749
<b>Total Assets</b>	<u>1,407,070</u>	<u>416,777</u>	<u>83,881</u>
<b>Liabilities</b>			
Accounts Payable	21,213	2,897	-
Contracts Payable	103,231	1,640	-
Accrued Wages & Benefits	19,438	-	-
Intergovernmental Payable	3,003	-	-
Due to Other Funds	292	-	-
<b>Total Liabilities</b>	<u>147,177</u>	<u>4,537</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes Levied for Subsequent Year	-	-	-
Unavailable Property Tax Revenue	-	-	-
Unavailable Intergovernmental Revenue	698,382	47,472	-
<b>Total Deferred Inflows of Resources</b>	<u>698,382</u>	<u>47,472</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable	90	-	749
Restricted	561,421	364,768	83,132
Committed	-	-	-
Assigned	-	-	-
<b>Total Fund Balances</b>	<u>561,511</u>	<u>364,768</u>	<u>83,881</u>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<u>\$ 1,407,070</u>	<u>\$ 416,777</u>	<u>\$ 83,881</u>

City of Gahanna, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2018

	SPECIAL REVENUE FUNDS		
	Enforcement & Education	Parks & Recreation Donation	Permanent Improvement
Assets			
Equity in Pooled Cash & Investments	\$ 36,236	\$ 5,762	\$ 578,813
Cash with Fiscal Agents	-	-	-
Receivables			
Property Taxes	-	-	-
Intergovernmental	-	-	48,121
Prepayments	-	-	-
Total Assets	<u>36,236</u>	<u>5,762</u>	<u>626,934</u>
Liabilities			
Accounts Payable	-	-	-
Contracts Payable	-	-	151,647
Accrued Wages & Benefits	-	-	-
Intergovernmental Payable	-	-	-
Due to Other Funds	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>151,647</u>
Deferred Inflows of Resources			
Property Taxes Levied for Subsequent Year	-	-	-
Unavailable Property Tax Revenue	-	-	-
Unavailable Intergovernmental Revenue	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	36,236	-	475,287
Committed	-	5,762	-
Assigned	-	-	-
Total Fund Balances	<u>36,236</u>	<u>5,762</u>	<u>475,287</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 36,236</u>	<u>\$ 5,762</u>	<u>\$ 626,934</u>

City of Gahanna, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2018

	SPECIAL REVENUE FUNDS		
	<u>Court</u>	<u>County Permissive</u>	<u>Cul-De-Sac Maintenance</u>
Assets			
Equity in Pooled Cash & Investments	\$ 266,574	\$ 74,246	\$ 42,027
Cash with Fiscal Agents	-	431,921	-
Receivables			
Property Taxes	-	-	-
Intergovernmental	2,689	-	-
Prepayments	1,274	-	-
Total Assets	<u>270,537</u>	<u>506,167</u>	<u>42,027</u>
Liabilities			
Accounts Payable	-	-	-
Contracts Payable	1,713	-	-
Accrued Wages & Benefits	-	-	-
Intergovernmental Payable	-	-	-
Due to Other Funds	-	-	-
Total Liabilities	<u>1,713</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources			
Property Taxes Levied for Subsequent Year	-	-	-
Unavailable Property Tax Revenue	-	-	-
Unavailable Intergovernmental Revenue	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	1,274	-	-
Restricted	267,550	506,167	42,027
Committed	-	-	-
Assigned	-	-	-
Total Fund Balances	<u>268,824</u>	<u>506,167</u>	<u>42,027</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 270,537</u>	<u>\$ 506,167</u>	<u>\$ 42,027</u>

City of Gahanna, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2018

	SPECIAL REVENUE FUNDS		
	<u>Court Computerization</u>	<u>Federal Law Enforcement Seizure</u>	<u>Treasury Equitable Sharing</u>
<b>Assets</b>			
Equity in Pooled Cash & Investments	\$ 20,799	\$ 219,827	\$ 138,797
Cash with Fiscal Agents	-	-	-
Receivables			
Property Taxes	-	-	-
Intergovernmental	1,029	-	-
Prepayments	-	-	-
<b>Total Assets</b>	<u>21,828</u>	<u>219,827</u>	<u>138,797</u>
<b>Liabilities</b>			
Accounts Payable	-	-	-
Contracts Payable	-	28,913	-
Accrued Wages & Benefits	-	-	-
Intergovernmental Payable	-	-	-
Due to Other Funds	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>28,913</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes Levied for Subsequent Year	-	-	-
Unavailable Property Tax Revenue	-	-	-
Unavailable Intergovernmental Revenue	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable	-	-	-
Restricted	21,828	190,914	138,797
Committed	-	-	-
Assigned	-	-	-
<b>Total Fund Balances</b>	<u>21,828</u>	<u>190,914</u>	<u>138,797</u>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<u>\$ 21,828</u>	<u>\$ 219,827</u>	<u>\$ 138,797</u>

City of Gahanna, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2018

	SPECIAL REVENUE FUNDS		
	AG Peace Officer Training	Street Tree	Right Of Way
Assets			
Equity in Pooled Cash & Investments	\$ 24,658	\$ 5,415	\$ 527,901
Cash with Fiscal Agents	-	-	-
Receivables			
Property Taxes	-	-	-
Intergovernmental	-	-	-
Prepayments	-	-	-
Total Assets	<u>24,658</u>	<u>5,415</u>	<u>527,901</u>
Liabilities			
Accounts Payable	-	-	-
Contracts Payable	-	-	-
Accrued Wages & Benefits	-	-	-
Intergovernmental Payable	-	-	-
Due to Other Funds	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources			
Property Taxes Levied for Subsequent Year	-	-	-
Unavailable Property Tax Revenue	-	-	-
Unavailable Intergovernmental Revenue	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	24,658	5,415	527,901
Committed	-	-	-
Assigned	-	-	-
Total Fund Balances	<u>24,658</u>	<u>5,415</u>	<u>527,901</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 24,658</u>	<u>\$ 5,415</u>	<u>\$ 527,901</u>

City of Gahanna, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2018

SPECIAL REVENUE FUNDS

	Police <u>Pension</u>	Public Landscape <u>Trust</u>	Total Nonmajor <u>Special Revenue</u>
<b>Assets</b>			
Equity in Pooled Cash & Investments	\$ 792,857	\$ 7,816	3,766,537
Cash with Fiscal Agents	-	-	431,921
Receivables			
Property Taxes	286,604	-	286,604
Intergovernmental	17,297	-	951,216
Prepayments	-	-	2,113
<b>Total Assets</b>	<u>1,096,758</u>	<u>7,816</u>	<u>5,438,391</u>
<b>Liabilities</b>			
Accounts Payable	-	-	24,110
Contracts Payable	-	-	287,144
Accrued Wages & Benefits	-	-	19,438
Intergovernmental Payable	-	-	3,003
Due to Other Funds	-	-	292
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>333,987</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes Levied for Subsequent Year	279,239	-	279,239
Unavailable Property Tax Revenue	7,365	-	7,365
Unavailable Intergovernmental Revenue	17,297	-	763,151
<b>Total Deferred Inflows of Resources</b>	<u>303,901</u>	<u>-</u>	<u>1,049,755</u>
<b>Fund Balances</b>			
Nonspendable	-	-	2,113
Restricted	792,857	-	4,038,958
Committed	-	7,816	13,578
Assigned	-	-	-
<b>Total Fund Balances</b>	<u>792,857</u>	<u>7,816</u>	<u>4,054,649</u>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<u>\$ 1,096,758</u>	<u>\$ 7,816</u>	<u>\$ 5,438,391</u>



City of Gahanna, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2018

	CAPITAL PROJECTS FUNDS		
	State Capital Grant	Bond Capital Improvement	Park Improvement & Acquisition
Assets			
Equity in Pooled Cash & Investments	\$ -	\$ 103,435	\$ 246
Cash with Fiscal Agents	-	-	-
Receivables			
Property Taxes	-	-	-
Intergovernmental	156,627	-	-
Prepayments	-	-	-
Total Assets	<u>156,627</u>	<u>103,435</u>	<u>246</u>
Liabilities			
Accounts Payable	-	-	-
Contracts Payable	12,350	-	-
Accrued Wages & Benefits	-	-	-
Intergovernmental Payable	-	-	-
Due to Other Funds	7,026	-	-
Total Liabilities	<u>19,376</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources			
Property Taxes Levied for Subsequent Year	-	-	-
Unavailable Property Tax Revenue	-	-	-
Unavailable Intergovernmental Revenue	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	137,251	103,435	-
Committed	-	-	-
Assigned	-	-	246
Total Fund Balances	<u>137,251</u>	<u>103,435</u>	<u>246</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 156,627</u>	<u>\$ 103,435</u>	<u>\$ 246</u>

City of Gahanna, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2018

CAPITAL PROJECTS FUNDS

	<u>Park</u>	<u>Park In-Lieu Of Fees</u>	<u>Court Building</u>
<b>Assets</b>			
Equity in Pooled Cash & Investments	\$ 48,839	\$ 12,943	\$ 278,861
Cash with Fiscal Agents	-	-	-
Receivables			
Property Taxes	-	-	-
Intergovernmental	-	-	1,698
Prepayments	-	-	-
<b>Total Assets</b>	<u>48,839</u>	<u>12,943</u>	<u>280,559</u>
<b>Liabilities</b>			
Accounts Payable	-	-	-
Contracts Payable	-	-	-
Accrued Wages & Benefits	-	-	-
Intergovernmental Payable	-	-	-
Due to Other Funds	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes Levied for Subsequent Year	-	-	-
Unavailable Property Tax Revenue	-	-	-
Unavailable Intergovernmental Revenue	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	48,839	12,943	280,559
Assigned	-	-	-
<b>Total Fund Balances</b>	<u>48,839</u>	<u>12,943</u>	<u>280,559</u>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<u>\$ 48,839</u>	<u>\$ 12,943</u>	<u>\$ 280,559</u>

City of Gahanna, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2018

	DEBT SERVICE FUNDS		
	Total Nonmajor Capital Projects	General Bond Retirement	Special Assessment
<b>Assets</b>			
Equity in Pooled Cash & Investments	444,324	\$ 1,291,390	\$ 22
Cash with Fiscal Agents	-	-	-
Receivables			
Property Taxes	-	277,051	-
Intergovernmental	158,325	16,721	-
Prepayments	-	-	-
<b>Total Assets</b>	<b>602,649</b>	<b>1,585,162</b>	<b>22</b>
<b>Liabilities</b>			
Accounts Payable	-	-	-
Contracts Payable	12,350	-	-
Accrued Wages & Benefits	-	-	-
Intergovernmental Payable	-	-	-
Due to Other Funds	7,026	-	-
<b>Total Liabilities</b>	<b>19,376</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>			
Property Taxes Levied for Subsequent Year	-	269,931	-
Unavailable Property Tax Revenue	-	7,120	-
Unavailable Intergovernmental Revenue	-	16,721	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>293,772</b>	<b>-</b>
<b>Fund Balances</b>			
Nonspendable	-	-	-
Restricted	240,686	1,291,390	22
Committed	342,341	-	-
Assigned	246	-	-
<b>Total Fund Balances</b>	<b>583,273</b>	<b>1,291,390</b>	<b>22</b>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<b>\$ 602,649</b>	<b>\$ 1,585,162</b>	<b>\$ 22</b>

*City of Gahanna, Ohio*  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2018*

	Total Nonmajor Debt Service	Total Nonmajor Governmental Funds
<b>Assets</b>		
Equity in Pooled Cash & Investments	1,291,412	5,502,273
Cash with Fiscal Agents	-	431,921
Receivables		
Property Taxes	277,051	563,655
Intergovernmental	16,721	1,126,262
Prepayments	-	2,113
<b>Total Assets</b>	<u><u>1,585,184</u></u>	<u><u>7,626,224</u></u>
<b>Liabilities</b>		
Accounts Payable	-	24,110
Contracts Payable	-	299,494
Accrued Wages & Benefits	-	19,438
Intergovernmental Payable	-	3,003
Due to Other Funds	-	7,318
<b>Total Liabilities</b>	<u><u>-</u></u>	<u><u>353,363</u></u>
<b>Deferred Inflows of Resources</b>		
Property Taxes Levied for Subsequent Year	269,931	549,170
Unavailable Property Tax Revenue	7,120	14,485
Unavailable Intergovernmental Revenue	16,721	779,872
<b>Total Deferred Inflows of Resources</b>	<u><u>293,772</u></u>	<u><u>1,343,527</u></u>
<b>Fund Balances</b>		
Nonspendable	-	2,113
Restricted	1,291,412	5,571,056
Committed	-	355,919
Assigned	-	246
<b>Total Fund Balances</b>	<u><u>1,291,412</u></u>	<u><u>5,929,334</u></u>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<u><u>\$ 1,585,184</u></u>	<u><u>\$ 7,626,224</u></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, 2018

	SPECIAL REVENUE FUNDS			
	Street Fund	State Highway	Law Enforcement Trust	Enforcement & Education
Revenues				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, Permits & Fees	-	-	-	-
Fines & Forfeitures	-	-	-	1,481
Intergovernmental	1,708,063	113,184	49,957	-
Investment Income	-	-	-	-
Contributions and donations	-	-	-	-
Other	21,517	-	-	-
Total Revenues	<u>1,729,580</u>	<u>113,184</u>	<u>49,957</u>	<u>1,481</u>
Expenditures				
Current				
General Government	-	-	-	-
Security of Persons & Property	-	-	40,527	-
Transportation	1,117,991	90,908	-	-
Capital outlay	224,677	-	-	-
Debt service				
Principal Retirement	-	-	-	-
Interest & Fiscal Charges	-	-	-	-
Total Expenditures	<u>1,342,668</u>	<u>90,908</u>	<u>40,527</u>	<u>-</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	386,912	22,276	9,430	1,481
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	(403,500)	-	-	-
Proceeds From Sale of Capital Assets	7,173	-	-	-
Total Other Financing Sources (Uses)	<u>(396,327)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(9,415)	22,276	9,430	1,481
Fund Balances, January 1	570,926	342,492	74,451	34,755
Fund Balances, December 31	<u>\$ 561,511</u>	<u>\$ 364,768</u>	<u>\$ 83,881</u>	<u>\$ 36,236</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, 2018

	SPECIAL REVENUE FUNDS				
	<u>Parks &amp; Recreation Donation</u>	<u>Permanent Improvement</u>	<u>Court</u>	<u>County Permissive</u>	<u>Cul-De-Sac Maintenance</u>
Revenues					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Permits & Fees	-	-	-	-	-
Fines & Forfeitures	-	-	32,261	-	-
Intergovernmental	-	1,039,867	-	163,165	-
Investment Income	-	-	-	-	-
Contributions and donations	37,782	-	-	-	-
Other	-	-	-	-	-
Total Revenues	<u>37,782</u>	<u>1,039,867</u>	<u>32,261</u>	<u>163,165</u>	<u>-</u>
Expenditures					
Current					
General Government	-	-	23,579	-	-
Security of Persons & Property	-	-	-	-	-
Transportation	-	-	-	12,595	-
Capital outlay	35,000	1,964,749	-	-	-
Debt service					
Principal Retirement	-	-	-	-	-
Interest & Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>35,000</u>	<u>1,964,749</u>	<u>23,579</u>	<u>12,595</u>	<u>-</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	2,782	(924,882)	8,682	150,570	-
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	2,782	(924,882)	8,682	150,570	-
Fund Balances, January 1	2,980	1,400,169	260,142	355,597	42,027
Fund Balances, December 31	<u>\$ 5,762</u>	<u>\$ 475,287</u>	<u>\$ 268,824</u>	<u>\$ 506,167</u>	<u>\$ 42,027</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, 2018

	SPECIAL REVENUE FUNDS				
	<u>Court Computerization</u>	<u>Federal Law Enforcement Seizure</u>	<u>Treasury Equitable Sharing</u>	<u>AG Peace Officer Training</u>	<u>Street Tree</u>
Revenues					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Permits & Fees	-	-	-	-	5,415
Fines & Forfeitures	12,043	-	-	-	-
Intergovernmental	-	78,422	47,558	22,124	-
Investment Income	-	3,467	-	-	-
Contributions and donations	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	<u>12,043</u>	<u>81,889</u>	<u>47,558</u>	<u>22,124</u>	<u>5,415</u>
Expenditures					
Current					
General Government	756	-	-	-	-
Security of Persons & Property	-	114,664	-	2,715	-
Transportation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal Retirement	-	-	-	-	-
Interest & Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>756</u>	<u>114,664</u>	<u>-</u>	<u>2,715</u>	<u>-</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	11,287	(32,775)	47,558	19,409	5,415
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	11,287	(32,775)	47,558	19,409	5,415
Fund Balances, January 1	10,541	223,689	91,239	5,249	-
Fund Balances, December 31	<u>\$ 21,828</u>	<u>\$ 190,914</u>	<u>\$ 138,797</u>	<u>\$ 24,658</u>	<u>\$ 5,415</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, 2018

	SPECIAL REVENUE FUNDS				
	<u>OCJS</u>	<u>Right Of Way</u>	<u>Police Pension</u>	<u>Public Landscape Trust</u>	<u>Total Nonmajor Special Revenue</u>
Revenues					
Property Taxes	\$ -	\$ -	\$ 280,055	\$ -	\$ 280,055
Licenses, Permits & Fees	-	42,025	-	-	47,440
Fines & Forfeitures	-	-	-	-	45,785
Intergovernmental	51,500	-	34,789	-	3,308,629
Investment Income	-	-	-	-	3,467
Contributions and donations	-	-	-	-	37,782
Other	-	-	-	-	21,517
Total Revenues	<u>51,500</u>	<u>42,025</u>	<u>314,844</u>	<u>-</u>	<u>3,744,675</u>
Expenditures					
Current					
General Government	-	-	-	-	24,335
Security of Persons & Property	51,500	-	1,055,969	-	1,265,375
Transportation	-	-	-	-	1,221,494
Capital outlay	-	-	-	-	2,224,426
Debt service					
Principal Retirement	-	-	-	-	-
Interest & Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>51,500</u>	<u>-</u>	<u>1,055,969</u>	<u>-</u>	<u>4,735,630</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	-	42,025	(741,125)	-	(990,955)
Other Financing Sources (Uses)					
Transfers In	-	-	669,530	-	669,530
Transfers Out	-	-	-	-	(403,500)
Proceeds From Sale of Capital Assets	-	-	-	-	7,173
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>669,530</u>	<u>-</u>	<u>273,203</u>
Net Change in Fund Balance	-	42,025	(71,595)	-	(717,752)
Fund Balances, January 1	-	485,876	864,452	7,816	4,772,401
Fund Balances, December 31	<u>\$ -</u>	<u>\$ 527,901</u>	<u>\$ 792,857</u>	<u>\$ 7,816</u>	<u>\$ 4,054,649</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, 2018

	CAPITAL PROJECTS FUNDS			
	OPWC Grant	State Capital Grant	Bond Capital Improvement	Park Improvement & Acquisition
Revenues				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, Permits & Fees	-	-	-	-
Fines & Forfeitures	-	-	-	-
Intergovernmental	785,867	370,000	-	-
Investment Income	-	-	12,688	-
Contributions and donations	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>785,867</u>	<u>370,000</u>	<u>12,688</u>	<u>-</u>
Expenditures				
Current				
General Government	-	-	-	-
Security of Persons & Property	-	-	-	-
Transportation	-	-	537,884	-
Capital outlay	785,867	332,749	-	-
Debt service				
Principal Retirement	-	-	-	-
Interest & Fiscal Charges	-	-	-	-
Total Expenditures	<u>785,867</u>	<u>332,749</u>	<u>537,884</u>	<u>-</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	-	37,251	(525,196)	-
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>
Net Change in Fund Balance	-	37,251	(525,196)	-
Fund Balances, January 1	-	100,000	628,631	246
Fund Balances, December 31	<u>\$ -</u>	<u>\$ 137,251</u>	<u>\$ 103,435</u>	<u>\$ 246</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, 2018

	CAPITAL PROJECTS FUNDS			
	<u>Park</u>	<u>Park In-Lieu Of Fees</u>	<u>Court Building</u>	<u>Total Nonmajor Capital Projects</u>
Revenues				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, Permits & Fees	6,500	-	-	6,500
Fines & Forfeitures	-	-	20,618	20,618
Intergovernmental	-	-	-	1,155,867
Investment Income	-	-	-	12,688
Contributions and donations	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>6,500</u>	<u>-</u>	<u>20,618</u>	<u>1,195,673</u>
Expenditures				
Current				
General Government	-	-	-	-
Security of Persons & Property	-	-	-	-
Transportation	-	-	-	537,884
Capital outlay	197,452	39,459	5,846	1,361,373
Debt service	-	-	-	-
Principal Retirement	-	-	-	-
Interest & Fiscal Charges	-	-	-	-
Total Expenditures	<u>197,452</u>	<u>39,459</u>	<u>5,846</u>	<u>1,899,257</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(190,952)	(39,459)	14,772	(703,584)
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>
Net Change in Fund Balance	(190,952)	(39,459)	14,772	(703,584)
Fund Balances, January 1	239,791	52,402	265,787	1,286,857
Fund Balances, December 31	<u>\$ 48,839</u>	<u>\$ 12,943</u>	<u>\$ 280,559</u>	<u>\$ 583,273</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, 2018

	DEBT SERVICE FUNDS			Total Nonmajor Governmental Funds
	General Bond Retirement	Special Assessment	Total Nonmajor Debt Service	
Revenues				
Property Taxes	\$ 270,700	\$ -	\$ 270,700	\$ 550,755
Licenses, Permits & Fees	-	-	-	53,940
Fines & Forfeitures	-	-	-	66,403
Intergovernmental	33,626	-	33,626	4,498,122
Investment Income	-	-	-	16,155
Contributions and donations	-	-	-	37,782
Other	143	-	143	21,660
Total Revenues	<u>304,469</u>	<u>-</u>	<u>304,469</u>	<u>5,244,817</u>
Expenditures				
Current				
General Government	2,713	-	2,713	27,048
Security of Persons & Property	-	-	-	1,265,375
Transportation	-	-	-	1,759,378
Capital outlay	-	-	-	3,585,799
Debt service				
Principal Retirement	1,358,241	-	1,358,241	1,358,241
Interest & Fiscal Charges	622,024	-	622,024	622,024
Total Expenditures	<u>1,982,978</u>	<u>-</u>	<u>1,982,978</u>	<u>8,617,865</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(1,678,509)	-	(1,678,509)	(3,373,048)
Other Financing Sources (Uses)				
Transfers In	1,618,700	-	1,618,700	2,288,230
Transfers Out	-	-	-	(403,500)
Proceeds From Sale of Capital Assets	-	-	-	7,173
Total Other Financing Sources (Uses)	<u>1,618,700</u>	<u>-</u>	<u>1,618,700</u>	<u>1,891,903</u>
Net Change in Fund Balance	(59,809)	-	(59,809)	(1,481,145)
Fund Balances, January 1	1,351,199	22	1,351,221	7,410,479
Fund Balances, December 31	<u>\$ 1,291,390</u>	<u>\$ 22</u>	<u>1,291,412</u>	<u>\$ 5,929,334</u>

*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.

**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.

**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, 2018

	Parks Deposit Fund	Senior Escrow Fund	Veterans Memorial Fund	Refuse Escrow Fund	Developers Escrow Fund
Assets					
Equity in Pooled Cash & Investments	\$ 15,275	\$ 10,770	\$ 8,293	\$ 664,945	\$ 363,986
Cash in Segregated Accounts	-	-	-	-	-
Accounts Receivable	-	-	-	516,669	-
Total Assets	<u>\$ 15,275</u>	<u>\$ 10,770</u>	<u>\$ 8,293</u>	<u>\$ 1,181,614</u>	<u>\$ 363,986</u>
Liabilities					
Contracts payable	-	-	400	312,160	10,037
Intergovernmental Payable	-	-	-	-	177
Undistributed assets	-	-	-	-	-
Deposits Held & Due to Others	15,275	10,770	7,893	869,454	353,772
Total Liabilities	<u>\$ 15,275</u>	<u>\$ 10,770</u>	<u>\$ 8,293</u>	<u>\$ 1,181,614</u>	<u>\$ 363,986</u>

City of Gahanna, Ohio  
 Combining Statement of Assets and Liabilities  
 Agency Funds  
 December 31, 2018

	Insurance Demolition Fund	Mayors Court Fund	Total Agency Funds
Assets			
Equity in Pooled Cash & Investments	\$ 25,405	\$ -	\$ 1,088,674
Cash in Segregated Accounts	-	50,481	50,481
Accounts Receivable	-	-	516,669
Total Assets	<u>\$ 25,405</u>	<u>\$ 50,481</u>	<u>\$ 1,655,824</u>
Liabilities			
Contracts payable	-	-	322,597
Intergovernmental Payable	-	35,313	35,490
Undistributed assets	-	15,168	15,168
Deposits Held & Due to Others	25,405	-	1,282,569
Total Liabilities	<u>\$ 25,405</u>	<u>\$ 50,481</u>	<u>\$ 1,655,824</u>

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

	Beginning Balance January 1, 2018	Additions	Deductions	Ending Balance December 31, 2018
<b>Senior Escrow Fund</b>				
Assets				
Cash & Cash Equivalents	\$ 7,001	\$ 3,769	\$ -	\$ 10,770
Total Assets	<u>\$ 7,001</u>	<u>\$ 3,769</u>	<u>\$ -</u>	<u>\$ 10,770</u>
Liabilities				
Accounts Payable	\$ 97	\$ -	\$ 97	\$ -
Deposits Held & Due to Others	6,904	3,866	-	10,770
Total Liabilities	<u>\$ 7,001</u>	<u>\$ 3,866</u>	<u>\$ 97</u>	<u>\$ 10,770</u>
<b>Veterans Memorial Fund</b>				
Assets				
Cash & Cash Equivalents	\$ 7,505	\$ 788	\$ -	\$ 8,293
Total Assets	<u>\$ 7,505</u>	<u>\$ 788</u>	<u>\$ -</u>	<u>\$ 8,293</u>
Liabilities				
Contracts Payable	\$ -	\$ 400	\$ -	\$ 400
Deposits Held & Due to Others	\$ 7,505	\$ 388	\$ -	\$ 7,893
Total Liabilities	<u>\$ 7,505</u>	<u>\$ 788</u>	<u>\$ -</u>	<u>\$ 8,293</u>
<b>Refuse Escrow Fund</b>				
Assets				
Cash & Cash Equivalents	\$ 910,190	\$ -	\$ 245,245	\$ 664,945
Accounts Receivable	305,441	516,669	305,441	516,669
Total Assets	<u>\$ 1,215,631</u>	<u>\$ 516,669</u>	<u>\$ 550,686</u>	<u>\$ 1,181,614</u>
Liabilities				
Contracts Payable	\$ 144,583	\$ 312,160	\$ 144,583	\$ 312,160
Deposits Held & Due to Others	1,071,048	-	201,594	869,454
Total Liabilities	<u>\$ 1,215,631</u>	<u>\$ 312,160</u>	<u>\$ 346,177</u>	<u>\$ 1,181,614</u>
<b>Developers Escrow Fund</b>				
Assets				
Cash & Cash Equivalents	\$ 262,410	\$ 101,576	\$ -	\$ 363,986
Total Assets	<u>\$ 262,410</u>	<u>\$ 101,576</u>	<u>\$ -</u>	<u>\$ 363,986</u>
Liabilities				
Contracts Payable	\$ 8,637	\$ 10,037	\$ 8,637	\$ 10,037
Intergovernmental Payable	59	177	59	177
Deposits Held & Due to Others	253,714	100,058	-	353,772
Total Liabilities	<u>\$ 262,410</u>	<u>\$ 110,272</u>	<u>\$ 8,696</u>	<u>\$ 363,986</u>
<b>Mayors Court Fund</b>				
Assets				
Cash in Segregated Accounts	\$ 32,916	\$ 50,481	\$ 32,916	\$ 50,481
Total Assets	<u>\$ 32,916</u>	<u>\$ 50,481</u>	<u>\$ 32,916</u>	<u>\$ 50,481</u>
Liabilities				
Intergovernmental Payable	\$ 22,550	\$ 35,313	\$ 22,550	\$ 35,313
Undistributed Assets	10,366	4,802	-	15,168
Total Liabilities	<u>\$ 32,916</u>	<u>\$ 40,115</u>	<u>\$ 22,550</u>	<u>\$ 50,481</u>
<b>Insurance Demolition</b>				
Assets				
Cash & Cash Equivalents	\$ 54,022	\$ -	\$ 28,617	\$ 25,405
Total Assets	<u>\$ 54,022</u>	<u>\$ -</u>	<u>\$ 28,617</u>	<u>\$ 25,405</u>
Liabilities				
Deposits Held & Due to Others	\$ 54,022	\$ -	\$ 28,617	\$ 25,405
Total Liabilities	<u>\$ 54,022</u>	<u>\$ -</u>	<u>\$ 28,617</u>	<u>\$ 25,405</u>

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

	Beginning Balance January 1, 2018	Additions	Deductions	Ending Balance December 31, 2018
<b>Park Deposit</b>				
Assets				
Cash & Cash Equivalents	\$ 76	\$ 15,199	\$ -	\$ 15,275
Total Assets	<u>\$ 76</u>	<u>\$ 15,199</u>	<u>\$ -</u>	<u>\$ 15,275</u>
Liabilities				
Deposits Held & Due to Others	\$ 76	\$ 15,199	\$ -	\$ 15,275
Total Liabilities	<u>\$ 76</u>	<u>\$ 15,199</u>	<u>\$ -</u>	<u>\$ 15,275</u>
<b>Total Agency Funds</b>				
Assets				
Cash & Cash Equivalents	\$ 1,241,204	\$ 121,332	\$ 273,862	\$ 1,088,674
Cash in Segregated Accounts	32,916	50,481	32,916	50,481
Accounts Receivable	305,441	516,669	305,441	516,669
Total Assets	<u>\$ 1,579,561</u>	<u>\$ 688,482</u>	<u>\$ 612,219</u>	<u>\$ 1,655,824</u>
Liabilities				
Accounts Payable	\$ 97	\$ -	\$ 97	\$ -
Contracts Payable	153,220	322,597	153,220	322,597
Intergovernmental Payable	22,609	35,490	22,609	35,490
Undistributed Assets	10,366	4,802	-	15,168
Deposits Held & Due to Others	1,393,269	119,511	230,211	1,282,569
Total Liabilities	<u>\$ 1,579,561</u>	<u>\$ 482,400</u>	<u>\$ 406,137</u>	<u>\$ 1,655,824</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, 2018

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
<b>Revenues</b>			
Income Tax	19,415,300	18,989,356	(425,944)
Property Taxes	1,674,138	1,695,370	21,232
Other Local Taxes	520,200	474,093	(46,107)
Charges for Services	1,813,425	1,799,372	(14,053)
Licenses Permits & Fees	1,595,001	1,251,905	(343,096)
Fines & Forfeitures	385,000	357,196	(27,804)
Intergovernmental	954,200	918,851	(35,349)
Investment Income	709,371	899,036	189,665
Rent	25,000	22,692	(2,308)
Contributions & Donations	-	25,835	25,835
Other	90,000	209,479	119,479
<b>Total Revenues</b>	<b>27,181,635</b>	<b>26,643,185</b>	<b>(538,450)</b>
<b>Expenditures</b>			
<b>General Government</b>			
<b>Council Office</b>			
Salaries & Benefits	367,840	322,425	45,415
Contractual Services	220,613	174,324	46,289
Supplies & Materials	56,619	40,784	15,835
Capital Outlay	25,000	23,383	1,617
<b>Total Council Office</b>	<b>670,072</b>	<b>560,916</b>	<b>109,156</b>
<b>Finance</b>			
Salaries & Benefits	397,930	384,843	13,087
Contractual Services	929,443	833,868	95,575
Supplies & Materials	27,126	20,408	6,718
Capital Outlay	300,000	300,000	-
<b>Total Finance</b>	<b>1,654,499</b>	<b>1,539,119</b>	<b>115,380</b>
<b>Human Resources</b>			
Salaries & Benefits	316,080	300,093	15,987
Contractual Services	234,758	213,576	21,182
Supplies & Materials	35,138	34,698	440
<b>Total Human Resources</b>	<b>585,976</b>	<b>548,367</b>	<b>37,609</b>
<b>Office of the Mayor</b>			
Salaries & Benefits	553,715	479,532	74,183
Contractual Services	396,469	334,920	61,549
Supplies & Materials	20,481	13,897	6,584
<b>Total Office of the Mayor</b>	<b>970,665</b>	<b>828,349</b>	<b>142,316</b>
<b>Public Service</b>			
Salaries & Benefits	676,401	550,475	125,926
Contractual Services	634,528	559,327	75,201
Supplies & Materials	704,103	650,678	53,425
Capital Outlay	174,277	127,167	47,110
<b>Total Public Service</b>	<b>2,189,309</b>	<b>1,887,647</b>	<b>301,662</b>
<b>Department of Law</b>			
Salaries & Benefits	99,076	95,818	3,258
Contractual Services	336,579	333,550	3,029
Supplies & Materials	15,271	14,858	413
<b>Total Department of Law</b>	<b>450,926</b>	<b>444,226</b>	<b>6,700</b>
<b>Clerk of Court</b>			
Salaries & Benefits	243,150	240,475	2,675
Contractual Services	65,776	62,744	3,032
Supplies & Materials	3,816	3,079	737
<b>Total Clerk of Court</b>	<b>312,742</b>	<b>306,298</b>	<b>6,444</b>
<b>Total General Government</b>	<b>6,834,189</b>	<b>6,114,922</b>	<b>719,267</b>

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, 2018

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Security of Persons & Property			
Public Safety			
Salaries & Benefits	8,914,887	8,713,050	201,837
Contractual Services	511,005	497,787	13,218
Supplies & Materials	224,710	224,324	386
Capital Outlay	950,236	950,236	-
Total Public Safety	10,600,838	10,385,397	215,441
Total Security of Persons & Property	10,600,838	10,385,397	215,441
Public Health & Welfare			
Public Safety			
Contractual Services	302,010	301,196	814
Total Public Safety	302,010	301,196	814
Total Public Health & Welfare	302,010	301,196	814
Transportation			
Public Service			
Salaries & Benefits	504,634	488,626	16,008
Contractual Services	14,690	10,480	4,210
Supplies & Materials	895,859	761,122	134,737
Capital Outlay	751,349	683,355	67,994
Total Public Service	2,166,532	1,943,583	222,949
Total Transportation	2,166,532	1,943,583	222,949
Community Environment			
Finance			
Supplies & Materials	425,400	388,168	37,232
Total Finance	425,400	388,168	37,232
Information Technology			
Salaries & Benefits	606,381	563,608	42,773
Contractual Services	263,388	229,788	33,600
Supplies & Materials	313,470	259,414	54,056
Capital Outlay	125,835	124,835	1,000
Total Information Technology	1,309,074	1,177,645	131,429
Public Service			
Salaries & Benefits	509,420	480,992	28,428
Contractual Services	319,143	226,994	92,149
Supplies & Materials	133,297	94,220	39,077
Capital Outlay	-	-	-
Total Public Service	961,860	802,206	159,654
Planning & Development			
Salaries & Benefits	436,005	433,691	2,314
Contractual Services	758,358	650,499	107,859
Supplies & Materials	1,028,117	837,019	191,098
Capital Outlay	125,000	-	125,000
Total Planning & Development	2,347,480	1,921,209	426,271
Total Community Environment	5,043,814	4,289,228	754,586

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, 2018

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Leisure Time Activities			
Parks & Recreation			
Salaries & Benefits	3,162,500	3,022,770	139,730
Contractual Services	424,055	404,487	19,568
Supplies & Materials	1,402,747	1,287,955	114,792
Capital Outlay	322,690	227,616	95,074
Total Parks & Recreation	5,311,992	4,942,828	369,164
Total Leisure Time Activities	5,311,992	4,942,828	369,164
Total Expenditures	30,259,375	27,977,154	2,282,221
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(3,077,740)	(1,333,969)	1,743,771
Other Financing Sources (Uses)			
Sale of Assets	54,000	98,529	44,529
Insurance Proceeds	20,000	70,662	50,662
Advance In	138,600	138,600	-
Advance Out	(630,000)	(630,000)	-
Transfer In	1,445,185	1,349,409	(95,776)
Transfer Out	(8,286,280)	(8,286,280)	-
Total Other Financing Sources (Uses)	(7,258,495)	(7,259,080)	(585)
Net Change in Fund Balance	(10,336,235)	(8,593,049)	1,743,186
Fund balance at beginning of year	19,415,712	19,415,712	-
Prior Year Encumbrance Appropriated	4,432,559	4,432,559	-
Fund balance at end of year	13,512,036	15,255,222	1,743,186

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, 2018

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Revenue in Lieu of Taxes	2,824,519	1,916,199	(908,320)
Intergovernmental	30,300	54,940	24,640
Charges for Services	245,880	173,157	(72,723)
Total Revenues	<u>3,100,699</u>	<u>2,144,296</u>	<u>(956,403)</u>
Expenditures			
Community Environment			
Finance			
Contractual Services	1,452,190	609,756	842,434
Capital Outlay	1,012,765	409,417	603,348
Total Expenditures	<u>2,464,955</u>	<u>1,019,173</u>	<u>1,445,782</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>635,744</u>	<u>1,125,123</u>	<u>489,379</u>
Other Financing Sources (Uses)			
Loan Proceeds	750,000	-	(750,000)
Transfer Out	(1,278,046)	(1,267,981)	10,065
Total Other Financing Sources (Uses)	<u>(528,046)</u>	<u>(1,267,981)</u>	<u>(739,935)</u>
Net Change in Fund Balance	107,698	(142,858)	(250,556)
Fund balance at beginning of year	1,200,969	1,200,969	-
Prior Year Encumbrance Appropriated	60,000	60,000	-
Fund balance at end of year	<u>1,368,667</u>	<u>1,118,111</u>	<u>(250,556)</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, 2018

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Other	-	-	-
Total Revenues	-	-	-
Expenditures			
Capital Improvement			
Finance			
Capital Outlay	11,804,806	11,532,939	271,867
Total Expenditures	11,804,806	11,532,939	271,867
Excess/(Deficiency) of Revenues			
Over/(Under) Expenditures	(11,804,806)	(11,532,939)	271,867
Other Financing Sources (Uses)			
Transfer In	6,951,750	6,951,750	-
Transfer Out			-
Total Other Financing Sources (Uses)	6,951,750	6,951,750	-
Net Change in Fund Balance	(4,853,056)	(4,581,189)	271,867
Fund balance at beginning of year	96,710	96,710	-
Prior Year Encumbrance Appropriated	4,853,056	4,853,056	-
Fund balance at end of year	96,710	368,577	271,867

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, 2018

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Intergovernmental	1,620,000	1,699,247	79,247
Other	10,000	14,834	4,834
Total Revenues	1,630,000	1,714,081	84,081
Expenditures			
Transportation			
Public Service			
Salaries & Benefits	789,449	758,847	30,602
Contractual Services	158,906	155,123	3,783
Supplies & Materials	293,937	269,550	24,387
Capital Outlay	348,203	342,310	5,893
Total Expenditures	1,590,495	1,525,830	64,665
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	39,505	188,251	148,746
Other Financing Sources (Uses)			
Sale of Assets	20,000	7,173	(12,827)
Insurance Proceeds	1,000	7,089	6,089
Transfer Out	(403,500)	(403,500)	-
Total Other Financing Sources (Uses)	(382,500)	(389,238)	(6,738)
Net Change in Fund Balance	(342,995)	(200,987)	142,008
Fund balance at beginning of year	240,671	240,671	-
Prior Year Encumbrance Appropriated	274,694	274,694	-
Fund balance at end of year	172,370	314,378	142,008

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, 2018

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Intergovernmental	108,000	112,375	4,375
Total Revenues	108,000	112,375	4,375
Expenditures			
Transportation			
Public Service			
Salaries & Benefits	28,660	22,678	5,982
Contractual Services	48,324	46,918	1,406
Supplies & Materials	33,510	32,165	1,345
Total Expenditures	110,494	101,761	8,733
Net Change in Fund Balance	(2,494)	10,614	13,108
Fund balance at beginning of year	331,370	331,370	-
Prior Year Encumbrance Appropriated	10,973	10,973	-
Fund balance at end of year	339,849	352,957	13,108

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, 2018

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Fines & Forfeitures	9,100	49,957	40,857
Total Revenues	9,100	49,957	40,857
Expenditures			
Security of Persons & Property			
Public Safety			
Supplies & Materials	63,100	63,100	-
Total Expenditures	63,100	63,100	-
Net Change in Fund Balance	(54,000)	(13,143)	40,857
Fund balance at beginning of year	83,378	83,378	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	29,378	70,235	40,857



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, 2018

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Fines & Forfeitures	3,700	1,549	(2,151)
Total Revenues	3,700	1,549	(2,151)
Expenditures			
Security of Persons & Property	-	-	-
Public Safety	-	-	-
Total Expenditures	-	-	-
Net Change in Fund Balance	3,700	1,549	(2,151)
Fund balance at beginning of year	34,687	34,687	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	38,387	36,236	(2,151)

*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, 2018*

	Final Budget	Actual	Variance with Final Buget Positive/(Negative)
Revenues			
Contributions & Donations	32,020	37,782	5,762
Total Revenues	32,020	37,782	5,762
Expenditures			
Leisure Time Activities			
Parks & Recreation			
Capital Outlay	35,000	35,000	
Total Expenditures	35,000	35,000	-
Net Change in Fund Balance	(2,980)	2,782	5,762
Fund balance at beginning of year	2,980	2,980	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	-	5,762	5,762

*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, 2018*

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Intergovernmental	850,000	991,746	141,746
Total Revenues	850,000	991,746	141,746
Expenditures			
Leisure Time Activities			
Public Service			
Capital Outlay	2,522,258	2,521,993	265
Total Expenditures	2,522,258	2,521,993	265
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,672,258)	(1,530,247)	142,011
Other Financing Sources (Uses)			
Transfer In	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	(1,672,258)	(1,530,247)	142,011
Fund balance at beginning of year	(272,089)	(272,089)	-
Prior Year Encumbrance Appropriated	1,672,258	1,672,258	-
Fund balance at end of year	(272,089)	(130,078)	142,011

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, 2018

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Fines & Forfeitures	27,000	31,184	4,184
Total Revenues	27,000	31,184	4,184
Expenditures			
General Government			
Clerk of Court			
Contractual Services	16,500	12,188	4,312
Supplies & Materials	14,604	10,101	4,503
Capital Outlay	100,000	100,000	-
Total Expenditures	131,104	122,289	8,815
Net Change in Fund Balance	(104,104)	(91,105)	12,999
Fund balance at beginning of year	252,480	252,480	-
Prior Year Encumbrance Appropriated	3,604	3,604	-
Fund balance at end of year	151,980	164,979	12,999

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, 2018

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Intergovernmental	150,000	-	(150,000)
Total Revenues	150,000	-	(150,000)
Expenditures			
Transportation			
Public Service			
Capital Outlay	20,851	20,851	-
Total Expenditures	20,851	20,851	-
Net Change in Fund Balance	129,149	(20,851)	(150,000)
Fund balance at beginning of year	65,991	65,991	-
Prior Year Encumbrance Appropriated	20,851	20,851	-
Fund balance at end of year	215,991	65,991	(150,000)

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, 2018

	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, 2018*

	Final Budget	Actual	Variance with Final Buget Positive/(Negative)
Revenues			
Fines & Forfeitures	4,200	11,620	7,420
Total Revenues	4,200	11,620	7,420
Expenditures			
General Government			
Clerk of Court			
Contractual Services	2,104	2,016	88
Total Expenditures	2,104	2,016	88
Net Change in Fund Balance	2,096	9,604	7,508
Fund balance at beginning of year	9,431	9,431	-
Prior Year Encumbrance Appropriated	504	504	-
Fund balance at end of year	12,031	19,539	7,508

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, 2018

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Intergovernmental	25,000	78,421	53,421
Investment Income	-	3,467	3,467
Total Revenues	25,000	81,888	56,888
Expenditures			
Security of Persons & Property			
Public Safety			
Supplies & Materials	61,289	61,289	-
Capital Outlay	67,000	67,000	-
Total Expenditures	128,289	128,289	-
Net Change in Fund Balance	(103,289)	(46,401)	56,888
Fund balance at beginning of year	143,773	143,773	-
Prior Year Encumbrance Appropriated	69,389	69,389	-
Fund balance at end of year	109,873	166,761	56,888



*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, 2018*

	Final Budget	Actual	Variance with Final Buget Positive/(Negative)
Revenues			
Intergovernmental	-	47,558	47,558
Total Revenues	-	47,558	47,558
 Total Expenditures	 -	 -	 -
 Net Change in Fund Balance	 -	 47,558	 47,558
 Fund balance at beginning of year	 91,239	 91,239	 -
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	91,239	138,797	47,558

*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, 2018*

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Intergovernmental	23,749	22,124	(1,625)
Total Revenues	23,749	22,124	(1,625)
Expenditures			
Security of Persons & Property			
Public Safety			
Contractual Services	28,998	27,249	1,749
Total Expenditures	28,998	27,249	1,749
Net Change in Fund Balance	(5,249)	(5,125)	(3,374)
Fund balance at beginning of year	3,275	3,275	-
Prior Year Encumbrance Appropriated	1,974	1,974	-
Fund balance at end of year	-	124	(3,374)

*City of Gahanna, Ohio*  
*Schedule of Revenues, Expenditures and Changes in*  
*Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)*  
*Street Tree Special Revenue Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Licenses Permits & Fees	-	5,415	5,415
Total Revenues	-	5,415	5,415
 Total Expenditures	 -	 -	 -
 Net Change in Fund Balance	 -	 5,415	 5,415
 Fund balance at beginning of year	 -	 -	 -
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	-	5,415	5,415

*City of Gahanna, Ohio*  
*Schedule of Revenues, Expenditures and Changes in*  
*Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)*  
*OCJS Grant Special Revenue Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Buget Positive/(Negative)
Revenues			
Intergovernmental	51,500	51,500	-
Total Revenues	51,500	51,500	-
Expenditures			
Security of Persons & Property			
Public Safety			
Contractual Services	51,500	51,500	-
Total Expenditures	51,500	51,500	-
Net Change in Fund Balance	-	-	-
Fund balance at beginning of year	-	-	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	-	-	-

*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, 2018*

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
License Permits & Fees	35,000	52,025	17,025
Total Revenues	35,000	52,025	17,025
 Total Expenditures	 -	 -	 -
 Net Change in Fund Balance	 35,000	 52,025	 17,025
 Fund balance at beginning of year	 475,876	 475,876	 -
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	510,876	527,901	17,025

*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, 2018*

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Property Taxes	277,872	280,055	2,183
Intergovernmental	35,000	34,789	(211)
Total Revenues	312,872	314,844	1,972
Expenditures			
Security of Persons & Property			
Public Safety			
Salaries & Benefits	1,097,330	1,053,163	44,167
Contractual Services	4,700	2,807	1,893
Total Expenditures	1,102,030	1,055,970	46,060
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(789,158)	(741,126)	48,032
Other Financing Sources (Uses)			
Transfer In	700,182	669,530	(30,652)
Total Other Financing Sources (Uses)	700,182	669,530	(30,652)
Net Change in Fund Balance	(88,976)	(71,596)	17,380
Fund balance at beginning of year	864,452	864,452	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	775,476	792,856	17,380

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, 2018

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Other	12,500	7,457	(5,043)
Total Revenues	12,500	7,457	(5,043)
Expenditures			
Security of Persons & Property			
Public Safety			
Supplies & Materials	10,000	9,994	6
Total Expenditures	10,000	9,994	6
Net Change in Fund Balance	2,500	(2,537)	(5,037)
Fund balance at beginning of year	18,801	18,801	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	21,301	16,264	(5,037)

*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, 2018*

	Final Budget	Actual	Variance with Final Buget 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	7,816	7,816	-



*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, 2018*

	Final Budget	Actual	Variance with Final Buget 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, 2018

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Total Revenues	-	-	-
Expenditures			
General Government			
Finance			
Salaries & Benefits	257,380	209,620	47,760
Total Expenditures	257,380	209,620	47,760
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(257,380)	(209,620)	47,760
Other Financing Sources (Uses)			
Transfer In	40,000	40,000	-
Total Other Financing Sources (Uses)	40,000	40,000	-
Net Change in Fund Balance	(217,380)	(169,620)	47,760
Fund balance at beginning of year	410,989	410,989	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	193,609	241,369	47,760

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, 2018

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Intergovernmental	245,000	213,373	(31,627)
Total Revenues	245,000	213,373	(31,627)
Expenditures			
Capital Improvement			
Parks & Recreation			
Capital Outlay	470,000	470,000	-
Total Expenditures	470,000	470,000	-
Net Change in Fund Balance	(225,000)	(256,627)	(31,627)
Fund balance at beginning of year	(125,000)	(125,000)	-
Prior Year Encumbrance Appropriated	225,000	225,000	-
Fund balance at end of year	<u>(125,000)</u>	<u>(156,627)</u>	<u>(31,627)</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, 2018

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Intergovernmental	945,179	785,867	(159,312)
Total Revenues	945,179	785,867	(159,312)
Expenditures			
Capital Improvement			
Finance			
Capital Outlay	945,179	785,867	159,312
Total Expenditures	945,179	785,867	159,312
Net Change in Fund Balance	-	-	-
Fund balance at beginning of year	(945,178)	(945,178)	-
Prior Year Encumbrance Appropriated	945,178	945,178	-
Fund balance at end of year	-	-	-

*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, 2018*

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Investment Income	-	12,687	12,687
Total Revenues	-	12,687	12,687
Expenditures			
Transportation			
Public Service			
Capital Outlay	611,315	611,315	-
Total Expenditures	611,315	611,315	-
Excess of Expenditures over Revenues	(611,315)	(598,628)	12,687
Other Financing Sources (uses)			
Transfer Out	-	-	-
Total Other Financing Sources (uses)	-	-	-
Net Change in Fund Balance	(611,315)	(598,628)	12,687
Fund balance at beginning of year	17,316	17,316	-
Prior Year Encumbrance Appropriated	611,315	611,315	-
Fund balance at end of year	17,316	30,003	12,687

*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, 2018*

	Final Budget	Actual	Variance with Final Buget 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, 2018*

	Final Budget	Actual	Variance with Final Buget Positive/(Negative)
Revenues			
License Permits & Fees	-	6,500	6,500
Total Revenues	-	6,500	6,500
Expenditures			
Leasure Time Activities			
Parks & Recreation			
Capital Outlay	200,000	200,000	-
Total Expenditures	200,000	200,000	-
Net Change in Fund Balance	(200,000)	(193,500)	6,500
Fund balance at beginning of year	39,791	39,791	-
Prior Year Encumbrance Appropriated	200,000	200,000	-
Fund balance at end of year	39,791	46,291	6,500

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, 2018

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Total Revenues	-	-	-
Expenditures			
Leisure Time Activities			
Parks & Recreation			
Capital Outlay	39,459	39,459	-
Total Expenditures	39,459	39,459	-
Net Change in Fund Balance	(39,459)	(39,459)	-
Fund balance at beginning of year	12,943	12,943	-
Prior Year Encumbrance Appropriated	39,459	39,459	-
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, 2018*

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Fines & Forfeitures	23,000	19,974	(3,026)
Total Revenues	23,000	19,974	(3,026)
Expenditures			
General Government			
Clerk of Court			
Capital Outlay	7,000	5,846	1,154
Total Expenditures	7,000	5,846	1,154
Net Change in Fund Balance	16,000	14,128	(1,872)
Fund balance at beginning of year	264,733	264,733	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	280,733	278,861	(1,872)

*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, 2018*

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Property Taxes	268,610	270,700	2,090
Intergovernmental	35,000	33,625	(1,375)
Total Revenues	303,610	304,325	715
Expenditures			
General Government			
Finance			
Contractual Services	4,800	2,713	2,087
Debt Service	2,205,200	2,205,122	78
Total Expenditures	2,210,000	2,207,835	2,165
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,906,390)	(1,903,510)	2,880
Other Financing Sources (Uses)			
Transfer In	1,876,096	1,843,700	(32,396)
Total Other Financing Sources (Uses)	1,876,096	1,843,700	(32,396)
Net Change in Fund Balance	(30,294)	(59,810)	(29,516)
Fund balance at beginning of year	1,344,862	1,344,862	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	1,314,568	1,285,052	(29,516)

*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, 2018*

	Final Budget	Actual	Variance with Final Buget 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, 2018

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Charges for Services	217,420	210,815	(6,605)
Total Revenues	217,420	210,815	(6,605)
Expenditures			
Contract Services			
Human Resources			
Contractual Services	171,658	150,850	20,808
Total Expenditures	171,658	150,850	20,808
Net Change in Fund Equity	45,762	59,965	14,203
Fund equity at beginning of year	514,667	514,667	-
Prior Year Encumbrance Appropriated	6,158	6,158	-
Fund equity at end of year	566,587	580,790	14,203



# 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.

#### **Contents**

#### **Pages**

#### **Financial Trends**

**164-169**

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**

**170-177**

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**

**178-181**

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**

**182-183**

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**

**185-187**

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)

	2018 *	Restated 2017	2016	2015	Restated 2014	Restated 2013	Restated 2012	Restated 2011	Restated 2010	Restated 2009
Governmental Activities										
Net Investment in Capital Assets	\$ 125,624,241	\$ 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
Restricted	7,929,376	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
Unrestricted	(12,791,632)	(4,868,213)	13,499,101	13,666,163	13,870,290	24,788,995	21,235,666	17,947,623	21,249,773	21,997,293
Total Governmental Activities										
Net Position	<u>\$ 120,761,985</u>	<u>\$ 131,382,936</u>	<u>\$ 148,253,412</u>	<u>\$ 147,805,945</u>	<u>\$ 144,509,497</u>	<u>\$ 153,383,382</u>	<u>\$ 98,378,591</u>	<u>\$ 97,282,408</u>	<u>\$ 99,328,280</u>	<u>\$ 97,418,545</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 47,223,759	\$ 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
Unrestricted	18,661,211	18,074,973	19,232,061	15,077,893	16,400,790	17,861,779	17,742,989	18,568,401	19,766,123	23,292,753
Total Business-Type activities										
Net Position	<u>\$ 65,884,970</u>	<u>\$ 65,995,272</u>	<u>\$ 67,725,289</u>	<u>\$ 64,016,876</u>	<u>\$ 65,131,938</u>	<u>\$ 66,207,507</u>	<u>\$ 66,811,142</u>	<u>\$ 68,528,559</u>	<u>\$ 69,924,403</u>	<u>\$ 72,585,724</u>
Primary Government										
Net Investment in Capital Assets	\$ 172,848,000	\$ 170,443,397	\$ 169,208,225	\$ 167,909,753	\$ 166,980,748	\$ 164,494,228	\$ 112,523,644	\$ 118,245,599	\$ 114,513,108	\$ 110,551,981
Restricted	7,929,376	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
Unrestricted	5,869,579	13,206,760	32,731,162	28,744,056	30,271,080	42,650,774	38,978,655	36,516,024	41,015,896	45,290,046
Total Primary Government										
Net Position	<u>\$ 186,646,955</u>	<u>\$ 197,378,208</u>	<u>\$ 215,978,701</u>	<u>\$ 211,822,821</u>	<u>\$ 209,641,435</u>	<u>\$ 219,590,889</u>	<u>\$ 165,189,733</u>	<u>\$ 165,810,967</u>	<u>\$ 169,252,683</u>	<u>\$ 170,004,269</u>

\* - A reclassification of the capital improvement fund was made from restricted to unrestricted.



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

	2018	Restated 2017	2016	2015	Restated 2014	2013	Restated 2012	Restated 2011	Restated 2010	Restated 2009
<b>Expenses</b>										
Governmental Activities										
General Government	\$ 14,295,931	\$ 6,636,934	\$ 4,535,792	\$ 5,516,390	\$ 4,135,409	\$ 4,538,713	\$ 4,456,167	\$ 4,591,521	\$ 4,959,182	\$ 4,006,381
Security of Persons & Property	13,035,548	20,646,996	11,239,302	10,219,622	9,464,485	8,994,894	9,347,802	8,553,504	8,686,610	9,082,898
Public Health & Welfare	298,349	282,874	268,111	258,421	223,003	216,427	206,424	215,060	195,382	195,382
Transportation	5,765,457	5,576,053	5,037,742	4,945,121	2,961,415	4,659,802	4,059,871	5,610,420	3,571,469	4,198,845
Community Environment	4,288,946	6,113,536	4,866,823	4,496,115	4,926,795	4,224,762	4,517,023	5,790,535	4,376,125	5,168,287
Leisure Time Activities	5,904,219	7,325,858	4,636,591	3,990,528	3,658,521	3,949,682	3,591,675	2,643,767	3,285,193	3,238,751
Utility Services	376,175	460,437	447,664	417,906	478,318	562,939	504,919	474,867	2,253,385	2,295,336
Interest & Fiscal Charges	595,699	623,828	664,879	545,747	709,657	761,277	928,555	1,039,207	900,076	925,503
Total Governmental Activities Expenses	<u>44,560,324</u>	<u>47,666,516</u>	<u>31,696,904</u>	<u>30,389,850</u>	<u>26,557,603</u>	<u>27,908,496</u>	<u>27,612,436</u>	<u>28,918,881</u>	<u>28,227,422</u>	<u>29,111,383</u>
Business- Type Activities										
Water	8,474,764	9,750,372	7,723,349	7,204,101	6,030,998	6,403,114	6,748,836	5,903,450	6,385,501	5,080,513
Sewer	7,920,400	8,087,289	5,355,806	8,328,948	8,004,427	7,337,381	7,424,007	6,676,639	7,642,442	6,343,851
Storm Water	1,121,788	1,246,244	1,027,101	1,130,109	955,932	886,458	963,282	821,295	811,894	611,248
Total Business-Type Activities Expenses	<u>17,516,952</u>	<u>19,083,905</u>	<u>14,106,256</u>	<u>16,663,158</u>	<u>14,991,357</u>	<u>14,626,953</u>	<u>15,136,125</u>	<u>13,401,384</u>	<u>14,839,837</u>	<u>12,035,612</u>
Total Primary Government Expenses	<u>\$ 62,077,276</u>	<u>\$ 66,750,421</u>	<u>\$ 45,803,160</u>	<u>\$ 47,053,008</u>	<u>\$ 41,548,960</u>	<u>\$ 42,535,449</u>	<u>\$ 42,748,561</u>	<u>\$ 42,320,265</u>	<u>\$ 43,067,259</u>	<u>\$ 41,146,995</u>
<b>Program Revenues</b>										
Governmental Activities										
Charges for Services										
General Government	\$ 1,210,497	\$ 757,358	\$ 1,306,326	\$ 1,725,026	\$ 1,779,433	\$ 1,944,536	\$ 799,150	\$ 1,062,848	\$ 663,857	\$ 553,735
Security of Persons & Property	163,345	169,298	162,217	183,274	183,739	207,783	354,525	154,552	178,005	545,423
Public Health & Welfare	-	-	-	-	-	-	-	-	-	-
Transportation	15,014	8,992	7,674	8,047	9,304	11,389	39,100	46,786	390,699	362,326
Community Environment	794,784	932,419	1,034,062	907,641	1,100,020	750,802	506,381	304,844	267,750	242,223
Leisure Time Activities	1,607,051	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
Utility Services	-	-	-	-	-	-	-	159,432	1,960,712	1,867,026
Interest & Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Operating Grants & Contributions	3,103,952	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
Capital Grants & Contributions	1,409,867	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
Total Governmental Activities										
Program Revenues	<u>8,304,510</u>	<u>5,479,837</u>	<u>7,136,133</u>	<u>9,897,294</u>	<u>8,234,574</u>	<u>7,686,432</u>	<u>5,940,990</u>	<u>5,637,093</u>	<u>7,966,215</u>	<u>8,057,851</u>
Business-Type Activities										
Charges for Services										
Water	7,966,393	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
Sewer	7,895,044	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
Storm Water	1,198,323	1,137,424	1,117,601	1,131,231	1,079,371	1,088,246	987,008	980,800	934,765	923,661
Operating Grants & Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants & Contributions	-	-	187,292	-	202,917	60,000	-	-	45,000	-
Total Business-Type Activities										
Program Revenues	<u>17,059,760</u>	<u>16,936,066</u>	<u>17,262,024</u>	<u>14,943,052</u>	<u>14,474,252</u>	<u>13,885,804</u>	<u>12,970,668</u>	<u>11,826,959</u>	<u>12,006,132</u>	<u>11,972,699</u>
Total Primary Government										
Program Revenues	<u>25,364,270</u>	<u>22,415,903</u>	<u>24,398,157</u>	<u>24,840,346</u>	<u>22,708,826</u>	<u>21,572,236</u>	<u>18,911,658</u>	<u>17,464,052</u>	<u>19,972,347</u>	<u>20,030,550</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(36,255,814)	(42,186,679)	(24,560,771)	(20,492,556)	(18,323,029)	(20,222,064)	(21,671,446)	(23,281,788)	(20,261,207)	(21,053,532)
Business-Type Activities	(457,192)	(2,147,839)	3,155,768	(1,720,106)	(517,105)	(741,149)	(2,165,457)	(1,574,425)	(2,833,705)	(62,913)
Total Primary Government										
Net Expense	<u>\$ (36,713,006)</u>	<u>\$ (44,334,518)</u>	<u>\$ (21,405,003)</u>	<u>\$ (22,212,662)</u>	<u>\$ (18,840,134)</u>	<u>\$ (20,963,213)</u>	<u>\$ (23,836,903)</u>	<u>\$ (24,856,213)</u>	<u>\$ (23,094,912)</u>	<u>\$ (21,116,445)</u>

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

	2018	Restated 2017	2016	2015	Restated 2014	2013	Restated 2012	Restated 2011	Restated 2010	Restated 2009
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Income Tax Levied For										
General Purposes	\$ 18,970,807	\$ 17,986,106	\$ 19,179,575	\$ 17,962,254	\$ 16,504,593	\$ 16,798,204	\$ 16,531,571	\$ 14,415,698	\$ 12,902,689	\$ 13,037,720
Property Taxes Levied For										
General Purposes	1,706,715	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
Debt Service	272,524	248,579	248,778	241,999	234,525	237,652	240,742	260,652	258,003	251,693
Police	281,941	246,148	252,278	239,628	236,116	236,561	247,503	260,359	266,656	254,996
Revenue in Lieu of Taxes	1,916,198	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
Other Local Taxes	473,781	516,087	509,095	495,884	465,007	408,373	435,863	421,791	868,501	842,211
Grants & Entitlements not Restricted	1,041,408	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
Investment Earnings	996,027	589,822	386,626	435,926	596,924	115,597	492,559	653,169	736,662	1,098,874
Increase/(Decrease) in FV of Investments	-	-	-	-	-	-	(35,400)	178,767	(27,004)	346,999
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	95,995
Miscellaneous	322,352	702,458	421,451	269,126	194,416	535,882	1,004,594	539,491	43,977	339,393
Transfers	(346,890)	(417,822)	(494,470)	(565,458)	(20,000)	(145,754)	(244,637)	(20,000)	434,711	(44,726)
Total Governmental Activities										
General Revenues and Other Changes	25,634,863	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
Business Type Activities										
Investment Earnings	-	-	-	-	-	-	-	28	63	2,383
Miscellaneous	-	-	58,175	39,586	77,110	42,728	203,403	158,553	-	218,983
Transfers	346,890	417,822	494,470	565,458	20,000	145,754	244,637	20,000	172,321	44,726
Total Business-Type Activities										
General Revenues and Other Changes	346,890	417,822	552,645	605,044	97,110	188,482	448,040	178,581	172,384	266,092
Total Primary Government										
General Revenues and Other Changes	\$ 25,981,753	\$ 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
<b>Change in Net Position</b>										
Governmental Activities	(10,620,951)	(16,870,476)	447,467	3,296,448	4,204,685	2,268,625	1,096,183	(2,045,872)	1,909,735	219,636
Business-Type Activities	(110,302)	(1,730,017)	3,708,413	(1,115,062)	(419,995)	(552,667)	(1,717,417)	(1,395,844)	(2,661,321)	203,179
Total Primary Government	\$ (10,731,253)	\$ (18,600,493)	\$ 4,155,880	\$ 2,181,386	\$ 3,784,690	\$ 1,715,958	(621,234)	(3,441,716)	(751,586)	422,815

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

	2018 **	2017	2016	2015	2014	2013	2012	2011	Restated * 2010	2009
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,092,012
Unreserved	-	-	-	-	-	-	-	-	-	12,828,174
Nonspendable	415,232	434,934	320,241	415,987	451,228	351,145	311,003	324,995	347,140	-
Committed	7,142,978	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	3,208,533	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	10,223,470	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	<u>\$ 20,990,213</u>	<u>\$ 25,957,497</u>	<u>\$ 25,826,585</u>	<u>\$ 24,913,939</u>	<u>\$ 22,529,819</u>	<u>\$ 20,059,965</u>	<u>\$ 18,054,207</u>	<u>\$ 21,512,554</u>	<u>\$ 19,892,069</u>	<u>\$ 18,920,186</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,257,799
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	5,419,456
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	4,256,324
Nonspendable	3,363	16,022	2,707	39	5,760	2,164	3,784	2,335	3,027	-
Restricted	7,101,376	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	8,163,463	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	246	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 15,268,448</u>	<u>\$ 13,522,995</u>	<u>\$ 13,902,613</u>	<u>\$ 14,987,189</u>	<u>\$ 12,376,614</u>	<u>\$ 12,423,492</u>	<u>\$ 13,460,018</u>	<u>\$ 10,180,904</u>	<u>\$ 12,267,597</u>	<u>\$ 12,933,579</u>

\* - 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.

\*\* - A reclassification of the capital improvement fund was made in 2018 from restricted to committed.

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

	2018	2017	2016	2015	2014	2013	2012	2011	Restated 2010	2009
<b>Revenues</b>										
Income Taxes	\$ 18,858,725	\$ 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
Property Taxes	2,246,125	1,996,006	2,003,393	1,947,202	1,891,759	1,898,016	1,953,823	2,056,265	2,140,235	2,118,489
Other Local Taxes	473,781	516,087	509,095	495,884	465,007	408,373	435,863	421,791	901,175	841,659
Revenue in Lieu of Taxes	1,916,198	2,895,815	1,966,279	2,025,314	1,699,552	1,435,780	1,908,942	1,002,203	2,661,218	1,342,299
Charges for Services	1,904,820	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
Licenses Permits & Fees	1,329,519	1,368,462	1,504,565	1,794,823	1,875,386	1,876,445	1,114,882	896,537	343,701	308,831
Fines & Forfeitures	434,218	337,386	422,141	649,427	626,312	553,782	773,617	534,385	535,885	881,155
Intergovernmental	5,472,245	3,105,916	4,188,694	6,785,707	4,905,347	5,216,865	4,437,473	4,465,679	6,782,304	5,766,762
Investment Income	956,484	581,863	388,059	430,456	593,294	112,468	520,233	674,841	715,554	1,212,167
Rental Income	22,692	29,544	25,969	19,495	36,655	49,863	67,915	78,363	92,762	121,612
Contributions & Donations	63,617	4,590	43,047	-	-	10	2,615	26,510	2,560	1,560
Increase (Decrease) in Fair Value of Investments		-	-	-	-	-	(35,400)	178,767	(27,004)	346,999
Other	348,544	698,584	423,595	223,461	146,442	509,907	351,937	449,968	433,117	364,944
<b>Total Revenues</b>	<b>34,026,968</b>	<b>32,219,635</b>	<b>32,437,924</b>	<b>34,017,221</b>	<b>31,109,619</b>	<b>30,206,578</b>	<b>27,855,743</b>	<b>26,415,910</b>	<b>31,962,579</b>	<b>29,569,840</b>
<b>Expenditures</b>										
Current:										
General Government	4,192,153	3,795,776	3,915,494	3,872,201	3,408,521	3,825,471	3,402,233	4,085,990	4,303,225	3,787,165
Security of Persons & Property	10,708,391	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
Public Health & Welfare	298,349	282,874	268,111	258,421	223,003	216,427	206,424	215,060	195,382	195,382
Transportation	5,419,292	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
Community Environment	3,624,402	4,272,236	4,235,203	3,961,655	4,445,993	3,829,133	4,167,512	4,127,834	2,943,729	4,505,304
Leisure Time Activities	4,637,078	4,108,148	3,951,982	3,497,745	3,052,861	3,244,203	2,920,356	2,596,505	2,760,515	2,957,090
Utility Services	376,175	460,437	447,664	418,745	478,318	562,939	504,919	474,867	2,253,385	2,295,336
Capital Outlay	5,739,108	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
Debt Service										
Principal Retirement	1,358,241	1,462,700	1,462,880	3,282,862	2,515,355	2,495,422	1,662,652	979,500	773,436	772,864
Interest and Fiscal Charges	622,024	655,420	688,282	728,558	769,261	838,760	895,176	892,242	916,677	942,074
Issuance Costs	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 36,975,213</b>	<b>\$ 32,079,199</b>	<b>\$ 32,264,255</b>	<b>\$ 34,099,176</b>	<b>\$ 28,749,923</b>	<b>\$ 29,663,165</b>	<b>\$ 28,792,308</b>	<b>\$ 32,662,668</b>	<b>\$ 32,258,803</b>	<b>\$ 33,523,034</b>
Excess (deficiency) of revenue over (under) expenditures	\$ (2,948,245)	\$ 140,436	\$ 173,669	\$ (81,955)	\$ 2,359,696	\$ 543,413	\$ (936,565)	\$ (6,246,758)	\$ (296,224)	\$ (3,953,194)
<b>Other Financing Sources (Uses)</b>										
Transfers In	9,570,871	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
Transfers (out)	(9,917,761)	(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)
Lease Purchase Transaction	-	-	-	-	-	9,287	-	730,000	-	-
Insurance Recovery	-	-	47,266	58,482	40,053	49,236	-	-	-	-
Proceeds from Sale of Capital Assets	73,304	28,680	101,605	49,156	43,227	37,293	42,711	28,799	43,977	123,905
Premium and interest on Bonds Sold	-	-	-	772,849	-	772,683	-	-	-	-
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)	-	-	-	-
<b>Total Other Financing (Sources) Uses</b>	<b>(273,586)</b>	<b>(389,142)</b>	<b>(345,599)</b>	<b>5,076,650</b>	<b>63,280</b>	<b>425,819</b>	<b>757,332</b>	<b>5,780,550</b>	<b>602,125</b>	<b>557,351</b>
<b>Net Change in Fund Balance</b>	<b>\$ (3,221,831)</b>	<b>\$ (248,706)</b>	<b>\$ (171,930)</b>	<b>\$ 4,994,695</b>	<b>\$ 2,422,976</b>	<b>\$ 969,232</b>	<b>\$ (179,233)</b>	<b>\$ (466,208)</b>	<b>\$ 305,901</b>	<b>\$ (3,395,843)</b>
Debt Service as a Percentage of Noncapital Expenditures	6.34%	7.14%	7.29%	13.10%	12.20%	12.40%	10.06%	6.49%	6.79%	6.62%

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
2018	1.50%	\$ 13,550,924	71.36%	\$ 3,612,433	19.02%	\$ 1,825,999	9.62%	\$ 18,989,356
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

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

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

Range of Amount Withheld	2018		2009	
	Number of Withholding Accounts	Percent of Total Withholding Received	Number of Withholding Accounts	Percent of Total Withholding Received
\$500,000 and higher	2	10.88%	2	18.99%
\$499,999 - \$100,000	20	25.72%	8	13.34%
\$99,999 - \$75,000	3	1.96%	3	2.94%
\$74,999 - \$50,000	-	0.00%	7	4.54%
\$49,999 - \$25,000	-	0.00%	5	2.45%
Total	25	38.56%	25	42.26%
All Others	3,742	61.44%	2,658	57.74%
Total	<u>3,767</u>	<u>100%</u>	<u>2,683</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	2018		2009	
	Number of Individuals	Percent of Total Individuals	Number of Individual Accounts	Percent of Total Individuals
\$500,000 and higher	49	0.52%	57	0.43%
\$499,999 - \$400,000	43	0.46%	50	0.37%
\$399,999 - \$300,000	125	1.34%	99	0.74%
\$299,999 - \$200,000	513	5.49%	408	3.06%
\$199,999 - \$100,000	2,322	24.87%	2,479	18.57%
Total	3,052	32.68%	3,093	23.17%
All Others	6,286	67.32%	10,255	76.83%
Total	9,338	100%	13,348	100%

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		Direct Tax Rate
	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	
2018	\$ 1,019,455,220	\$ 2,912,729,200	\$ -	\$ -	\$ 28,360,330	\$ 81,029,514	\$ 1,047,815,550	\$ 2,993,758,714	2.40
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

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
2018	2.40	18.92	73.01	2.80	2.00	14.50	113.63	74.952822	84.531675
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

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)*

<b>Collection Year</b>	<b>City of Gahanna</b>	<b>Franklin County</b>	<b>Columbus City School District</b>	<b>Columbus Metropolitan Library</b>	<b>Township</b>	<b>Total Rate</b>	<b>Residential/ Agriculture Effective Rate</b>	<b>Commercial/ Industrial Effective Rate</b>
2018	2.40	18.92	82.33	2.80	14.50	120.95	80.243631	94.362146
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

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
2018	1.63	18.92	73.01	2.80	2.00	12.47	110.83	71.623726	82.578910
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

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, 2018		
	Total Assessed Valuation	% of Total Assessed Valuation
<b>Public Utilities</b>		
1 . Ohio Power Company	\$30,337,470	2.90%
2 . Columbus Southern Power Co	\$6,313,700	0.60%
3 . Columbia Gas of Ohio Inc	\$3,403,860	0.32%
<b>Real Estate</b>		
1 . Stoneridge Plaza Shops LLC	12,525,810	1.20%
2 . Vista at Rocky Fork LP	9,012,510	0.86%
3 . AERC Christopher Wren Inc.	5,407,500	0.52%
4 . Cole of Phoenix AZ LLC	4,670,030	0.45%
5 . McGraw Hill Education LLC	4,200,010	0.40%
6 . Meritex Properties LLC	3,920,020	0.37%
7 . RCS-COP II LLC	3,223,500	0.31%
8 . Morse & Hamilton LP	3,075,840	0.29%
9 . Morrison Arbors LLC	3,061,170	0.29%
10 . Provident-Hunters Ridge One LTD	2,975,000	0.28%
ALL OTHERS	955,689,130	91.21%
TOTAL ASSESSED VALUATION	<u>\$1,047,815,550</u>	<u>100.00%</u>

December 31, 2009		
	Total Assessed Valuation	% of Total Assessed Valuation
<b>Public Utilities</b>		
1 . Columbus Southern Power Co	\$12,277,700	1.29%
<b>Real Estate</b>		
1 . Morse & Hamilton L P	10,909,610	1.15%
2 . Vista at Rocky Fork L P	7,844,490	0.83%
3 . McGraw Hill Inc	5,820,580	0.61%
4 . AERC Christopher Wren Inc	4,851,010	0.51%
5 . Continental/Eagle IV LLC	3,452,790	0.36%
6 . Morrison Arbors LLC	3,394,450	0.36%
7 . Ozre Lodging II LLC	3,379,570	0.36%
8 . Gahanna Realty LLC	2,975,000	0.31%
9 . Gahanna Retirement	2,520,010	0.27%
10 . Kroger Co	2,445,730	0.26%
<b>Tangible Personal Property *</b>		
1 . Ohio Bell Telephone Company	619,270	0.07%
2 . Time Warner Entertainment Company LP	136,040	0.01%
3 . New Par	78,210	0.01%
4 . Cincinnati SMSA Ltd Partnership	42,470	0.00%
5 . Sprintcom Inc.	35,080	0.00%
6 . MCI Communications Services, Inc.	25,750	0.00%
7 . T Mobile Central	15,770	0.00%
8 . Sprint Nextel Corp.	13,580	0.00%
9 . XO Communications Services, Inc.	1,500	0.00%
ALL OTHERS	889,419,847	93.60%
TOTAL ASSESSED VALUATION	<u>\$950,258,457</u>	<u>100.00%</u>

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) begun 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 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
2018	\$ 2,560,778	\$ 2,464,013	96.22	\$ 37,938	\$ 2,501,951	97.70	\$ 58,827	2.30
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

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			
2018	\$ 18,315,939	\$ 1,099,624	\$ -	\$ 1,743,739	\$ -	\$ 21,159,302	1.23%	\$ 593
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

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
		(b) Gross Bonded Debt	(c) Less Debt Service	Net Bonded Debt	(b) Gross Bonded Debt	Net Bonded Debt		Bonded Debt Per Capita
2018	\$ 1,047,815,550	\$ 18,315,939	\$ 1,291,390	\$ 17,024,549	\$ 1,743,739	\$ 18,768,288	1.79%	\$ 477
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

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, 2018*

Governmental Unit	Gross Debt Outstanding	Percent Applicable to City	Amount Applicable to City
City of Gahanna	\$ 21,159,302	100.00%	\$21,159,302
Franklin County	195,735,000	3.47%	6,792,005
Jefferson Township	376,500	0.65%	2,447
Mifflin Township	-	96.61%	-
Columbus City School District	411,538,569	0.08%	329,231
Gahanna-Jefferson School District	45,463,467	64.01%	29,101,165
Eastland Fairfield Career Center	1,050,000	12.43%	130,515
SWACO	<u>48,140,000</u>	3.31%	<u>1,593,434</u>
Total Direct	21,159,302		21,159,302
Total Overlapping	<u>702,303,536</u>		<u>37,948,797</u>
Total Direct and Overlapping	<u><u>\$ 723,462,838</u></u>		<u><u>\$59,108,099</u></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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Assessed Valuation	1,047,815,550	937,141,620	927,927,580	912,978,560	902,765,910	900,606,220	904,630,390	962,389,200	955,207,203	950,258,457
Overall Debt Limit - 10.5% of Assessed Valuation	110,020,633	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
Net Indebtedness (a)	17,024,549	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
Exempt (b)	(17,024,549)	(18,366,998)	(19,723,265)	(21,027,471)	-	-	-	-	-	-
Net Indebtedness Subject to Limitation	-	-	-	-	16,276,213	16,186,173	16,767,662	17,521,743	18,332,195	18,941,980
Legal Debt Margin	110,020,633	98,399,870	97,432,396	95,862,749	78,514,208	78,377,480	78,218,529	83,529,123	81,964,561	80,835,158
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	0%	0%	0%	0%	17%	17%	18%	17%	18%	19%
Unvoted Debt Limit - 5.5% of Assessed Valuation (General Limitation)	57,629,855	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
Unvoted Net Indebtedness	-	-	-	-	16,276,213	16,186,173	16,767,662	17,521,743	18,332,195	18,941,980
Legal Debt Margin	57,629,855	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
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	0%	0%	0%	0%	33%	33%	34%	33%	35%	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
2018	35,708	48,242	1,722,625,336	3.50%	7,726
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

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, Ohio Department of Education

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

	2018
Employer	Type of Business
Gahanna-Jefferson Schools	Public School District
American Electric Power	Public Utility
Zulily LLC	E-commerce
Ohio Power Company	Public Utility
McGraw-Hill Education LLC	Education Materials Supplier
City of Gahanna	Municipality
Columbus Academy	Private School K-12
Ohio Health Physicians Group	Healthcare Provider
ADP Total Source III INC	Human Resource Management
The Ohio State University	Healthcare Provider

	2009
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
Columbus Academy	Private School K-12
State of Ohio	State Government
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

	2018	2017	2016	2015 ***	2014 ***	2013	2012	2011	2010	2009 **
<b>General Government</b>										
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	2.00	3.00	2.50	3.00	3.00	2.40	2.80	2.80	2.80	2.80
Council Office Part-Time	-	-	1.00	1.00	-	3.00	2.00	2.00	2.00	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	6.00	5.00	4.05	4.00	6.00	6.00	5.00	5.00	5.00
Office of the Mayor Part-Time	2.00	2.66	6.00	3.00	3.00	2.00	2.00	4.00	3.00	4.00
Office of the Mayor Seasonal	1.20	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
Department of Law Part-Time	1.00	2.00	2.00	-	1.00	1.00	-	-	-	-
Human Resources Full-Time	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	3.00	2.00
Human Resources Part-Time	0.34	0.34	-	-	-	-	-	1.00	1.00	1.00
Finance Full-Time	4.00	4.00	4.00	4.95	4.00	5.00	5.00	5.00	6.00	5.50
Finance Part-Time	1.33	1.33	1.00	1.00	1.00	-	-	-	-	1.00
Income Tax Full-Time	-	-	-	-	-	-	-	-	-	3.50
Income Tax Part-Time	-	-	-	-	-	-	-	-	-	3.00
Public Service Full-Time	4.45	5.45	5.45	5.45	5.45	6.95	7.95	7.95	9.25	10.25
Public Service Part-Time	2.00	4.00	2.00	2.00	2.00	2.00	2.00	-	1.00	2.00
Public Service Seasonal	-	1.00	1.00	2.00	2.00	2.00	2.00	-	1.00	2.00
<b>Total</b>	<b>42.32</b>	<b>50.78</b>	<b>47.95</b>	<b>44.45</b>	<b>43.45</b>	<b>48.45</b>	<b>48.05</b>	<b>45.05</b>	<b>49.35</b>	<b>58.35</b>
<b>Security of Persons &amp; Property</b>										
Police Full-Time	63.00	64.00	62.00	60.00	62.00	55.00	61.00	59.00	62.00	64.00
Police Part-Time	4.00	2.00	3.00	3.00	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
Emergency Management Part-Time	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Dispatch	12.00	11.00	11.00	11.00	10.00	10.00	10.00	10.00	9.00	9.00
<b>Total</b>	<b>79.00</b>	<b>78.00</b>	<b>77.00</b>	<b>76.00</b>	<b>78.00</b>	<b>71.00</b>	<b>77.00</b>	<b>75.00</b>	<b>77.00</b>	<b>79.00</b>
<b>Transportation</b>										
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
Streets Full-Time	6.67	6.42	6.42	6.42	6.25	6.25	6.25	6.68	7.25	7.25
Streets Part-Time	-	-	-	-	-	-	-	-	-	1.00
Streets Seasonal	0.75	0.25	0.50	1.50	2.00	2.00	2.00	-	-	1.00
<b>Total</b>	<b>12.42</b>	<b>11.67</b>	<b>11.92</b>	<b>12.92</b>	<b>13.25</b>	<b>13.25</b>	<b>13.25</b>	<b>11.68</b>	<b>12.25</b>	<b>15.25</b>
<b>Community Environment</b>										
Planning & Development Full-Time	4.00	4.00	4.00	9.00	9.00	9.50	9.90	9.90	9.90	10.90
Planning & Development Seasonal	1.00	4.00	4.00	9.00	9.00	9.50	9.90	9.90	9.90	10.90
Building & Zoning Full Time	5.00	5.00	5.50	2.00	2.00	1.00	1.00	1.00	2.00	5.00
Building & Zoning Part Time	3.00	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	5.00	4.00	5.00	5.00	5.00	5.00	4.00	4.00
Information Technology Part-Time	0.33	0.33	1.00	1.00	-	-	1.00	1.00	1.00	2.00
Information Technology Seasonal	-	1.00	1.00	1.00	-	-	1.00	1.00	1.00	2.00
<b>Total</b>	<b>30.33</b>	<b>29.33</b>	<b>29.50</b>	<b>29.00</b>	<b>28.00</b>	<b>27.50</b>	<b>29.90</b>	<b>29.90</b>	<b>29.90</b>	<b>35.90</b>
<b>Leisure Time Activity</b>										
Parks & Facilities Full-Time	8.00	8.00	7.00	6.97	6.85	6.85	6.85	6.85	7.85	7.85
Parks & Facilities Part-Time	38.80	33.80	34.80	36.00	36.00	31.98	34.90	30.93	28.14	35.08
Parks & Facilities Seasonal	6.00	1.00	-	1.00	3.00	2.37	2.00	4.52	2.00	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	3.00	2.88	2.00	3.00	3.40	3.10	3.15	3.40
Recreation Part-Time	6.20	8.04	7.25	5.50	6.00	3.75	4.70	2.72	2.00	5.02
Recreation Seasonal	43.30	47.00	39.00	43.00	27.00	41.45	39.40	37.98	38.00	36.56
Golf Course Full-Time	1.00	1.00	1.00	0.15	0.15	0.15	0.45	0.60	0.45	0.45
Golf Course Part-Time	4.00	5.00	6.45	5.00	5.00	7.73	7.40	7.35	5.98	5.90
Golf Course Seasonal	15.00	11.00	8.00	11.00	9.00	8.37	7.00	8.00	8.00	9.00
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	2.00	3.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Senior Center Seasonal	-	-	-	-	2.00	2.00	2.00	2.00	3.00	3.00
Pools Full-Time	1.00	1.00	1.00	-	-	-	0.30	0.45	0.55	0.30
Pools Part-Time	1.00	1.50	2.50	1.50	1.00	1.00	2.00	2.00	4.00	2.00
Pools Seasonal	84.50	77.00	82.00	63.00	6.00	85.35	80.60	68.50	78.00	101.44
<b>Total</b>	<b>226.80</b>	<b>212.34</b>	<b>208.00</b>	<b>191.00</b>	<b>119.00</b>	<b>209.00</b>	<b>206.00</b>	<b>190.00</b>	<b>197.00</b>	<b>236.00</b>
<b>Business-Type Activities</b>										
Water Full-Time	6.11	5.86	5.86	5.86	5.60	5.34	5.34	5.60	5.88	5.38
Water Part-Time	-	-	-	-	-	-	0.33	0.66	0.66	0.33
Water Seasonal	0.75	0.25	0.50	0.50	-	0.66	0.33	0.33	1.83	2.15
Sewer Full-Time	6.11	5.86	5.86	5.86	5.60	5.35	5.35	5.61	5.88	5.38
Sewer Part-Time	-	-	-	-	-	-	0.34	0.66	0.66	0.33
Sewer Seasonal	0.75	0.25	0.50	0.50	-	0.68	0.34	0.33	1.83	2.19
Storm Water Full-Time	3.66	3.41	3.41	3.41	3.10	3.11	3.11	3.16	2.75	2.75
Storm Water Part-Time	-	-	-	-	-	-	0.33	0.68	0.68	0.34
Storm Water Seasonal	0.75	0.25	0.50	0.50	1.00	0.66	0.33	0.34	1.33	1.65
<b>Total</b>	<b>18.13</b>	<b>15.88</b>	<b>16.63</b>	<b>16.63</b>	<b>15.30</b>	<b>15.80</b>	<b>15.80</b>	<b>17.37</b>	<b>21.50</b>	<b>20.50</b>
<b>Total Elected Officials</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>
<b>Total Full-Time</b>	<b>147.00</b>	<b>151.00</b>	<b>147.00</b>	<b>142.00</b>	<b>141.00</b>	<b>139.00</b>	<b>148.00</b>	<b>145.00</b>	<b>151.01</b>	<b>156.01</b>
<b>Total Part-Time</b>	<b>66.00</b>	<b>65.00</b>	<b>65.00</b>	<b>59.00</b>	<b>61.00</b>	<b>58.46</b>	<b>63.00</b>	<b>57.00</b>	<b>57.00</b>	<b>74.00</b>
<b>Total Seasonal</b>	<b>153.00</b>	<b>142.00</b>	<b>133.00</b>	<b>121.00</b>	<b>48.00</b>	<b>141.54</b>	<b>132.00</b>	<b>120.00</b>	<b>130.99</b>	<b>163.99</b>
<b>Total Appointed</b>	<b>30.00</b>	<b>31.00</b>	<b>31.00</b>	<b>31.00</b>	<b>31.00</b>	<b>31.00</b>	<b>31.00</b>	<b>31.00</b>	<b>31.00</b>	<b>31.00</b>
<b>Total All Employees</b>	<b>409.00</b>	<b>398.00</b>	<b>391.00</b>	<b>370.00</b>	<b>297.00</b>	<b>385.00</b>	<b>390.00</b>	<b>369.00</b>	<b>387.00</b>	<b>445.00</b>

\*\* - 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

City of Gahanna, Ohio  
Operating Indicators by Function  
Last Ten Fiscal Years

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Governmental Activities</b>										
General Government										
Active Income Tax Accounts										
Withholding	3,767	3,670	3,670	3,528	3,265	3,154	3,094	2,978	2,801	2,683
Individual	22,015	25,680	24,491	23,542	21,940	21,141	21,178	20,138	19,262	15,206
Business	2,525	2,075	2,418	2,197	2,075	2,132	2,383	2,329	2,246	1,905
Security of Persons & Property										
Dispatched Calls	31,796	31,959	34,599	40,490	38,750	39,317	37,589	41,809	39,225	34,279
Violent Crimes	310	274	249	248	227	211	239	163	195	242
Property Crimes	936	836	820	707	680	736	824	830	779	927
Traffic Citations & Accidents	5,597	4,276	6,583	6,919	6,649	5,870	4,577	4,916	4,693	4,194
Arrests	966	709	944	1,019	1,090	1,281	1,205	1,216	1,109	1,106
Leisure Time Activities										
Special Event Participation	44,175	42,225	33,414	19,950	19,609	26,520	30,986	23,005	20,890	22,717
Recreation Program Participation	2,098	1,418	4,825	700	4,747	3,386	3,105	2,809	3,078	3,190
Swimming Pool Admissions	38,000	46,600	47,307	40,533	37,460	38,809	38,885	35,630	33,196	30,474
Golf Course Admissions	16,619	17,482	17,482	18,992	20,281	19,362	22,518	15,837	19,602	22,846
Senior Center Members	546	515	520	427	460	576	N/A	N/A	590	N/A
Community Environment										
Commercial Permits Issued	448	454	534	554	512	979	612	433	319	352
Residential Permits Issued	1,060	1,087	1,045	1,047	901	884	840	734	798	664
Code Enforcement Complaints**	N/A	760	700	682	666	727	705	672	597	595
Code Enforcement Violations**	N/A	814	681	857	849	838	826	859	846	920
Code Enforcement Incidents	1,206	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jobs Created/Retained Through Economic Development Incentives *	795	997	1,246	1,436	3,188	3,385	4,393	4,324	2,965	3,070
Committed Capital Investment from Economic Development (in Millions)	\$35.67	\$29.80	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	N/A	\$ 156.68	\$ 118.07	\$ 15.18	\$ 33.82	\$ 29.04	\$ 40.02	\$ 39.84	\$ 38.35
Transportation										
Lane Miles of Street Rebuild	1.47	1.34	2.40	1.60	0.62	0.78	0.70	-	-	0.50
Lane Miles of Street Overlay	3.24	6.18	13.58	5.82	1.60	3.53	3.07	0.77	8.19	2.74
Lane Miles of Street Maintenance	7.29	7.44	4.70	8.76	16.80	24.11	15.41	-	-	3.71
Average Pavement Condition Rating	86.54%	86.17%	85.42%	84.70%	87.60%	87.40%	86.20%	87.60%	89.70%	92.80%
<b>Business-Type Activities</b>										
Residential Utility Accounts	10,070	10,058	10,125	10,095	10,164	10,031	10,023	10,017	10,017	10,016
Commercial Utility Accounts	597	599	652	621	630	628	625	620	617	616

\* - 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 from Sunguard to LAMA. Tracking is by Incidents. Complaints and Violations are no longer available.

N/A - Data Not Available

Source - RITA, Department Records

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Governmental Activities</b>										
General Government										
City Hall	1	1	1	1	1	1	1	1	1	1
Fleet	7	6	6	6	6	6	7	N/A	N/A	N/A
Security of Persons & Property										
Police Station	1	1	1	1	1	1	1	1	1	1
Police Fleet	32	35	31	37	37	42	50	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	325.68	327.72	325.84	325.84	325.09	325.09	324.89	321.05	318.67	318.67
Street Lights	1,845	1,845	1,752	1,752	1,740	1,740	N/A	N/A	N/A	N/A
Traffic Signals	40	40	41	41	41	41	40	38	37	37
Fleet	23	20	15	16	16	17	18	N/A	N/A	N/A
Community Environment										
Office Building	1	1	1	1	1	1	1	1	-	-
Parking Garage	1	1	1	1	1	1	1	1	1	1
Miles of Fiber	34.80	34.80	20.25 **	14.58 **	14.42 **	20.26	18.75	15.12	13.75	12.60
Miles of Conduit	21.48	21.48	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Leisure Time Activities										
Park Acreage	774	774	768	768	759.2	759.13	759.13	759.13	702.25	693.35
Number of Parks	52	52	52	52	52	51	51	51	49	49
Rentable Shelters	8	8	8	8	8	6	6	6	6	6
Playgrounds	16	16	13	13	13	15	15	15	13	13
Senior Center	1	1	1	1	1	1	1	1	1	1
Herb Education Center	0	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	2
Parks Garage	1	1	1	1	1	1	1	1	1	1
Trail Miles	19	19	13 *	13 *	12 *	17.10	16.60	16.60	14.80	13.70
Fleet	32	27	26	28	30	35	43	N/A	N/A	N/A
<b>Business-Type Activities</b>										
Water Main Miles	150.99	150.99	152.76 **	152.76 **	152.37 **	177.42	175.00	174.69	173.21	170.39
Sanitary Sewer Miles	151.98	151.98	151.38 **	151.38 **	150.94 **	161.94	160.00	159.43	158.48	156.97
Storm Sewer Miles	114.62	114.62	126.04 **	126.04 **	125.46 **	148.59	145.00	144.86	142.01	137.13
Fleet	13	14	14	13	13	16.00	15.00	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	Strategic Results	Description	Goals	2018 Activity	2018 Status	2017 Activity	2017 Status
1	Business and Job Development						
1.1	Walkable Downtown District	2021 Encourage livable, walkable downtown district characterized by arts, culture, retail and entertainment.	> Mobile food vendor code Updated	On Track	> 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.	On Track	
1.2	Create 2,750 Well Paying Jobs	2021 develop 2,750 well-paying jobs in southeast and southwest Gahanna.	> To date 2016 to 2018 1,604 new jobs developed > Multiple business attraction efforts are currently underway > Developed baseline data and data collection methodology for future comparison; awaiting updated data from outside sources for 2018 update	On Track	> 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 > Developed baseline data and data collection methodology for future comparison; awaiting updated data from outside sources for 2017 update	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.	> Updated plan data is now accessible by all stakeholders online through the City's GIS system. > Land use plan is being developed	On Track	> Development Department in process of selecting a consultant to assist in this strategic result > Updated Council on all existing development plans in February	On Track	
1.4	Updated and Accessible Development Plan	2019 an updated unified development plan for the City will be available to stakeholders.		On Track		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.	> 98% of Arterial roads rated at a 70 PCR or better at end of 2018 > 2019 Budget includes Asphalt Overlay program & Detroit Street Rebuilds	On Track	> 100% of Arterial roads rated at a 70 PCR or better at end of 2017 > 2018 Budget includes Asphalt Overlay program & Detroit Street Rebuilds	Completed	
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.	> 96% of Local roads rated at a 65 PCR or better at end of 2018 > 2019 Budget includes Asphalt Overlay program & Detroit Street Rebuilds	On Track	> 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	On Track	
2.3	West Side Intersection Completed	2021 west Gahanna residents and visitors will be able to travel through improved and maintained intersections on Styler, Agler and US 62.	> Currently reviewing design alternatives and public input	On Track	> Currently reviewing design alternatives and public input > Met with ODOT about design alternatives > Anticipate additional open house(s) in late-August	On Track	
2.4	Dedicated Funding for Roads & Bridges	2017 roads and bridge infrastructure improvements and ongoing maintenance will be supported by a dedicated funding mechanism	> Council passed legislation to place a 1% income tax increase on the ballot November of 2018 with 75% of the increase dedicated for capital improvements and maintenance which failed.	Delayed	> 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	
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	> BWT Section 4 completed > Design work for Section 8 will begin in 2019.	On Track	> 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	On Track	
3.2	Southwest Floodplain Park Plan	2018 an approved plan will be completed for the Southwest Floodplain park.	> No activity for 2018	On Track	> VFW land purchase completed > Planning workshop with Council to be scheduled in Q3 to identify scope of park plan	On Track	
3.3	Southwest Floodplain Development	2021 the Southwest Floodplain park will be completed.	> TBD Pending 3.2	On Track	> TBD Pending 3.2	On Track	
3.4	Waterway Plan	2018 an approved plan for waterway development, use and promotion will be developed.	> No activity for 2018	On Track	> Staff to select consultant for waterway plan by end of Q3 > Staff attending upcoming MORPC waterway workshop	On Track	
4	Character of the City						
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.	> Business materials have been aligned with the new brand. > Consultants were selected and the development of the plan began > Committee formed and stakeholders were engaged via survey and multiple public engagements.	On Track	> 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	On Track	
4.2	Updated Architectural Standards	2019 establish architectural standards and guidelines for commercial and residential development.		On Track		On Track	
4.3	Gateways & Signage	2019 entrances to the City and neighborhoods will have consistent unified signage aligned with the City's brand.	> Gateway design will begin. > New street signs for District 1 were ordered	On Track	> Gateway design contingent on branding > 2017 street sign replacements are underway; 79 intersections to receive new signage	On Track	
4.4	Brand Launch	2017 the City will launch a new brand that expresses the character of our community.	> Branding project was finalized including a new logo.	Completed	> Branding project planning and consultant selection are in progress	Delayed	

Priority	Strategic Results	Description	Goals	2018 Activity	2018 Status	2017 Activity	2017 Status
5	Good Government						
5.1	Neighborhood Commissions	2016 residents will experience improved community engagement opportunities through the creation of area commissions.	> All five area commissions are still engaged	Completed	> 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	Completed	
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.	> www.goforwardgahanna.org is active however quarterly updates are delayed due to the City Administrator vacancy	Delayed	> Council received Q2 implementation update in July > Delayed due to City Administrator vacancy	Delayed	
5.3	Results Performance Measurement	2017 Council and the Mayor will have regularly provided performance reports and results measures to make decisions.	> All departments have completed or are near completing departmental strategic business plans > Delayed due to City Administrator vacancy	Delayed	> 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	Delayed	
5.4	Online Access to 5.3	2017 stakeholders will have on-line access to performance information about City operations.	> Delayed due to City Administrator Vacancy	Delayed	> Quarterly GoForward Gahanna updates are posted to www.goforwardgahanna.org > Delayed due to City Administrator Vacancy	Delayed	
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.	> Next citizen survey scheduled for 2019 will be delayed to 2020 due to the land use survey that just occurred in 2018	Delayed	> Completed 2016 National Citizen Survey > Survey Results are available online at <a href="http://www.gahanna.gov/departments/mayorsOffice/Surveys.aspx">http://www.gahanna.gov/departments/mayorsOffice/Surveys.aspx</a>	On Track	
5.6	Code Review, Update and Enforcement	2017 update city codes and review every 3 years.	> A new rental code was passed by Council and will be implemented in 2019	On Track	> Software to promote online reporting of code violations has been selected and was implemented in 2017 > Entire zoning code reviewed and updated > PT Code Enforcement staff hired in Spring 2017	On Track	

The City adopted GoForward Gahanna, a five year strategic plan April of 2016. More detailed information regarding implementation milestones and status an be located at [www.goforwardgahanna.org](http://www.goforwardgahanna.org)

Source: [www.goforwardgahanna.org](http://www.goforwardgahanna.org)



Priority	Strategic Results	Description	Goals	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.	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.	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.	Measurement methodology finalized.	On Track	
1.4	Updated and Accessible Development Plan	2019 an updated unified development plan for the City will be available to stakeholders.	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.	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.	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	2021 west Gahanna residents and visitors will be able to travel through improved and maintained intersections on Stygler, Agler and US 62.	Consultant to design alternatives identified.	On Track	
2.4	Dedicated Funding for Roads & Bridges	2017 roads and bridge infrastructure improvements and ongoing maintenance will be supported by a dedicated funding mechanism	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	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.	Discussions on the purchase of property have resumed.	On Track	
3.3	Southwest Floodplain Development	2021 the Southwest Floodplain park will be completed.	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.	Identified Metroparks as an interested partner. Obtained examples of successful waterway plans.	On Track	
4	Character of the City				
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.	Business visits include discussion on engagement opportunities. Parks is creating a brochure highlighting engagement opportunities.	On Track	
4.2	Updated Architectural Standards	2019 establish architectural standards and guidelines for commercial and residential development.	Current plans are being analyzed.	On Track	
4.3	Gateways & Signage	2019 entrances to the City and neighborhoods will have consistent unified signage aligned with the City's brand.	Gateway design pending new branding. At the end of 2016, 198 street signs were installed.	On Track	
4.4	Brand Launch	2017 the City will launch a new brand that expresses the character of our community.	Created a steering committee and kicked off the project.	On Track	

Priority	Strategic Results	Description	Goals	2016 Activity	2016 Status
5	<b>Good Government</b>				
5.1	Neighborhood Commissions	2016 residents will experience improved community engagement opportunities through the creation of area commissions.		Consultation services to create the commissions completed. Recruitment began.	On Track
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.		Website created <a href="http://www.goforwardgahanna.org">www.goforwardgahanna.org</a> . Website updated each quarter with implementation and performance updates.	On Track
5.3	Results Performance Measurement	2017 Council and the Mayor will have regularly provided performance reports and results measures to make decisions.		Purchased Lumanas, performance measurement technology. Began development of pertinent measures for each result.	On Track
5.4	Online Access to 5.3	2017 stakeholders will have on-line access to performance information about City operations.		Website created <a href="http://www.goforwardgahanna.org">www.goforwardgahanna.org</a> . Purchased Lumanas, performance measurement technology. Began development of pertinent measures for each result.	On Track
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.		Citizen survey completed.	Completed
5.6	Code Review, Update and Enforcement	2017 update city codes and review every 3 years.		Developed a catalog of the status of all code sections and when last updated.	On Track

The City adopted GoForward Gahanna, a five year strategic plan April of 2016. More detailed information regarding implementa

Source: [www.goforwardgahanna.org](http://www.goforwardgahanna.org)