

City of Westlake, Ohio

**Comprehensive
Annual Financial Report**
for the year ended December 31, 2016

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



Dave Yost • Auditor of State

City Council
City of Westlake
27700 Hilliard Blvd
Westlake, Ohio 44145

We have reviewed the *Independent Auditor's Report* of the City of Westlake, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

September 18, 2017

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City of Westlake, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2016
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FINANCE DEPARTMENT

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June 30, 2017

Members of City Council
Citizens of Westlake, Ohio

We are pleased to submit the comprehensive annual financial report of the City of Westlake for the year ended December 31, 2016.

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for 2016.

Management assumes full responsibility for both the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Ciuni and Panichi, Inc., has issued an unqualified (“clean”) opinion on the City of Westlake’s financial statements for the year ended December 31, 2016. The Independent Auditor’s Report is located at the front of the financial section of this report.

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

HISTORY OF WESTLAKE

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

GENERAL INFORMATION

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

The current City Hall was completed in 2003. The Police Department is located behind City Hall and two fire stations serve the east and west sides of the City. The City operates and owns Meadowood Golf Course. A Recreation Center is situated in an 85-acre park setting and is approximately 102,000 square feet. The Center includes five indoor swimming pools, a gymnasium, community and craft rooms, an indoor track, and a fitness area. The outside grounds feature tennis courts, baseball and soccer fields, sand volleyball courts, nature trails, a sun deck and a picnic area with a lake. In 2004, the Westlake Center for Community Services completed an expansion and renovation project and a eco-friendly Service Center facility was completed in 2006.

FORM OF GOVERNMENT

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

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

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

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

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

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

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

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

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

The **Purchasing Department** prepares the specifications for and obtains proposals to furnish the City with the materials, equipment, and supplies needed to maintain operations. All purchase orders are generated, recorded, and approved by the department.

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

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

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

The square footage of Westlake's business space is evenly split between retail, office, and industrial and the City is still seeing gains in all areas of growth. Westlake is home to several world and national headquarters. Hyland Software, Nordson Corporation, Travel Centers of America, Koyo Corporation of USA, Scott Fetzer, and Equity Trust are all headquartered in Westlake. Businesses are located on Sperry Drive in addition to two hotels and four restaurants. The First Street Industrial area is home to Henkel Corporation and a True Value distribution center. The Crocker Road Industrial area is the site for such facilities as USG/American Metals and All Pro Freight. The Clemens Road corporate area is home to Hyland Software, Scott Fetzer and Nordson Corporation. The Technical Recovery Group, Ground Effects Limited and the new headquarters for DataServ are all housed on Viking Parkway. Applied Home Healthcare Equipment, EMBA Machinery, and Logan Clutch Corporation are located on Ranney Parkway. The headquarters for Travel Centers of America is situated on Center Ridge Road.

Ten hotels are situated in the City with three new hotels opening in the past two years. The west shore campus of Cuyahoga Community College is housed on Clemens Road. Numerous office facilities are also located throughout the City. The King James Office Park, Phases I through V, included 335,000 square feet of office space. The Reserve Office Park and the Gemini Office Towers are opposite Crocker Park. The Jamestown Office Building on Detroit Road and the Clemens Road West Office Building also feature office space. Westlake is also home to St. John's Medical Center, a 204-bed, nonprofit, acute care hospital that serves residents of western Cuyahoga and eastern Lorain counties. University Hospital and the Cleveland Clinic have facilities in Westlake with a Metro Health Systems Center currently under construction.

Westlake's largest development is Crocker Park, a mixed-use community located in western Westlake. The development features high-end retailers, restaurants, office space and residential dwellings and is known as the "downtown of Westlake." In 2011, American Greetings Corporation, LLC announced it was moving its world headquarters to Crocker Park. American Greetings Corporation is the world's largest greeting card company and sells paper and electronic greeting cards and party products such as wrapping papers and decorations. In addition, the company owns Carlton Cards, Tender Thoughts, Just For You, and Gibson brands. The new facility, known as the American Greetings Creative Studio, opened in 2016 and employs approximately 1,500 people. The relocation was concurrent with the expansion of Crocker Park. The firm chose Crocker Park due to its creative energy and synergy and feels the atmosphere allows its employees to flourish and maximize their performance, innovation, and creativity.

To facilitate this endeavor, the City created a Tax Increment Financing (TIF) district and public improvements were funded by bonds to be repaid from the TIF proceeds. The City issued \$48.3 million in special obligation/non-tax revenue bonds and also received an \$8.5 million loan from the State to finance public infrastructure along with a \$1.0 million grant from ODOT. Funds constructed three parking garages, new roadways and infrastructure, and new entrances to Crocker Park. The City believes the project will provide an economic boost to the City's retail and housing markets. An area known as Block K on the northeast corner of Crocker Park also added additional retail, restaurants, and a Hyatt hotel. This project was funded by the Cleveland Cuyahoga County Port Authority through issuance of bonds again to be paid with TIF revenues generated by the development. When all projects are completed, Crocker Park will house over three million square feet.

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

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

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

The Cuyahoga County Department of Development has also established Improved Target Areas (ITA) by which local business owners can apply for small grants to renovate commercial buildings. Three ITA areas currently exist in Westlake. Storefront renovations within the ITA's are eligible for Cuyahoga County's Storefront Renovation Program at a rate of fifty percent up to a maximum of \$20,000.

In 2007, the City established Job Creation grants to encourage economic development within the City. To be eligible for the program, the applicant must create fifty new jobs or \$2 million in new payroll. The rate and term of the grant are determined through negotiations between the applicant and the City. There are currently two recipients of the grant.

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

Current Year Activities The mission of the City of Westlake, its mayor, council, and employees, is to enhance the quality of life for all residents by providing the highest level of service in an efficient and cost effective manner. The City upheld that mission by expanding and improving services, upgrading infrastructure, and enhancing public grounds and facilities in 2016.

The Police Department continued its commitment to public safety and awareness responding to 36,352 calls and making 5,156 arrests. Numerous policing programs were offered. Student programs such as Safety Town, Drug Awareness Resistance Education (D.A.R.E.), and the Explorer's Program for scouts continued. The Community Police Academy was also held. Other community programs included National Bike and Walk to School Days, "Operation Medicine Cabinet" (disposal of unused prescriptions and over-the-counter drugs), and a "Shop with a Cop" (activities for children in need at Christmas time).

The Fire Department responded to 5,159 calls relating to fires, EMS, and hazardous materials. The department also conducted 2,433 fire inspections, plan reviews and consultations and 37 events and classes were offered. A Central Dispatch Center is shared by the cities of Westlake, Bay Village, Rocky River, Fairview Park, and North Ridgeville and is located in emergency room space at St. John's Medical Center. In 2016, the Center responded to 15,708 calls.

The Service Department is involved in the maintenance of City streets, sewers, parks, buildings, and vehicles. Rubbish and recycling collection and lawn maintenance has been outsourced to outside contractors in efforts to better utilize the time and skills of City personnel. The department received and completed 6,998 calls in 2016. 9,275 tons of recyclables were collected and 9,811 cubic yards of brush and leaves were sold as wood chips and mulch. Over 26 miles of sanitary and storm sewers were cleaned and 688 storm and sanitary tees were located and maintained. 128 trees were planted and over 1,000 trees were trimmed. The department is also responsible for snow and leaf removal, street and sewer maintenance, and assists with community events.

The Inspections Department issued 1,260 permits during 2016 with an estimated value of \$74.5 million. Forty-seven residential units were completed at a value of \$21.4 million. Remodeling and improvements projects totaled \$11.3 million and commercial projects totaled \$41.8 million of which \$18.1 million related to the American Greetings/Crocker Park expansion project.

The Planning Department held 125 business meetings and completed 242 construction plan reviews. The department reviewed and approved 190,000 square feet of development. The staff oversees the “Westlake in Bloom” event through which 64 residents and businesses competed in seventeen categories for awards relating to City beautification. The City has 201 flower boxes along Hilliard Boulevard that are also judged. The department assists in the publication of the “Westlake Magazine” which is mailed annually to all residents and businesses.

Duplicated patrons totaling 19,700 participated in programs, activities, trips, support groups, and wellness initiatives throughout the year at the Community Center. The department provided 8,838 transportation trips to residents in need. The Westlake Assistance Program dispensed 208 holiday baskets, distributed gifts to 199 Adopt-A-Family recipients and aided 226 patrons with food distributions. Patrons were offered 120 programs and activities on a regular basis and 134 volunteers gave 1,732 hours of their time.

The Westlake Recreation Center is the hub for all recreation activities in the City. The department offered 810 programs with 9,600 participants. There are currently 10,000 members enrolled at the Center. The Silver Sneakers program for older residents has been met with great success and currently 3,000 members are enrolled generating \$192,000 for the Center in 2016. In addition to the numerous classes and activities held at the Center, the department organized the Fourth of July Party in the Park, the Fall Pumpkin Festival, the Junior Olympics, the Corporate Challenge and the annual Fishing Derby.

Peterson Pool, the City’s outdoor facility at Clague Park, received 17,500 visitors in 2016. 577 children participated in the “Learn to Swim” program and 569 seasonal memberships were sold. 15,700 rounds of golf were played at Meadowood Golf Course and 170 students participated in the Junior Golf League.

Several infrastructure projects took place in 2016. Waterlines were replaced on Bradley Road from Center Ridge Road to Hilliard Boulevard. With the assistance of federal funds, Detroit Road was resurfaced from the Avon to Rocky River borders. The intersection at Canterbury and Detroit Roads was widened to allow for center turn lanes in all directions. Asphalt overlay, concrete rehabilitation, pavement crack and joint sealing and catch basin maintenance were also conducted throughout the City.

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

Future Projects The City of Westlake will initiate several infrastructure capital projects in 2017. Water line rehabilitation and resurfacing will continue on Bradley Road from Hilliard Boulevard to Detroit Road. The Canterbury and Center Ridge Roads intersection will be widened from three to five lanes. Phase I of the Dover Ditch Retention project will commence creating a 1.5 million cubic foot water quality basin. Improvements will be made to the eastbound ramp at the Interstate 90 and Columbia Road exchange in addition to the Columbia and Detroit Roads intersection. Annual concrete rehabilitation, asphalt repair, crack and joint sealing, and catch basin replacement will also occur. Trail improvements and a new bridge at Clague Park pond are planned. Parking lot rehabilitation and the installation of new power generators will occur at both Fire Department stations.

A Recreation and Parks Master Plan was completed in 2014 through community participation and surveys and is comprised of over \$34 million in long-term projects. In November of 2017, the City plans to ask the voters to renew the one-eighth percent income tax. They will also propose expanding the scope of the tax to include improvements to the Community Center in hopes of constructing a new Center in the near future. Other proposed projects include the construction of a new aquatics center at Clague Park, the expansion and relocation of City ballfields, and a new gymnasium and outdoor improvements at the Recreation Center.

A property exchange agreement that will benefit the City and the Westlake Board of Education was reached in early 2017. The Westlake Board of Education will acquire twenty-nine acres west of Porter Library for the construction of a new elementary school for all students from kindergarten to grade four. The City will obtain forty-two acres contiguous to Bradley Nature Park and Meadowood Golf Course for a possible sports complex, athletic fields, and hiking trails. The City will obtain Parkside Intermediate School and will lease the facility back to the Schools for \$1 per year for 10 years. The City will spend up to \$1 million for traffic signal and turning lanes into the new elementary school with an additional driveway off Westown Blvd. The City also receives the Board of Education office building at Hilliard and Dover Roads. This agreement will allow the City to move forward with its Recreation and Parks Master Plan which includes the construction of a new Community Center.

FINANCIAL POLICIES

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

LONG-TERM FINANCIAL PLANNING

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

In 2014, City administration decided to embrace the principles of LEAN government and implement the most efficient means to provide government services. Numerous federal, state, and local government agencies have implemented this philosophy. LEAN methods include Kaizen events where cross-sections of employees study a specific process in efforts to streamline effective changes. Processes are studied in detail in efforts to identify “value-added” steps and eliminate waste. By identifying inefficiencies, the City hopes to improve services and lower costs.

OTHER INFORMATION

Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Westlake, Ohio, for its comprehensive annual financial report (CAFR) for the year ended December 31, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

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

Respectfully submitted,



Dennis M. Clough
Mayor

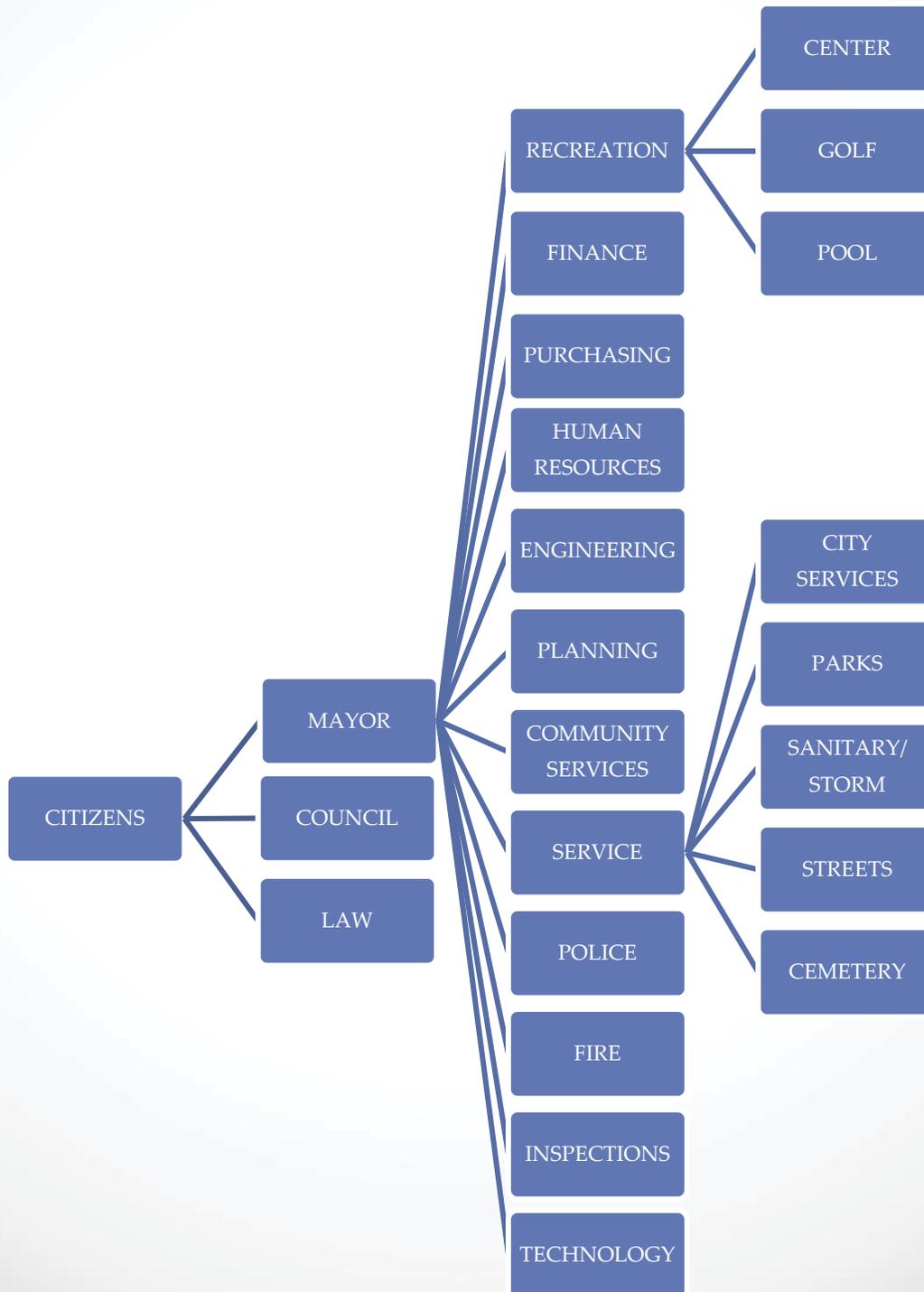


Prashant R. Shah, CPA
Director of Finance

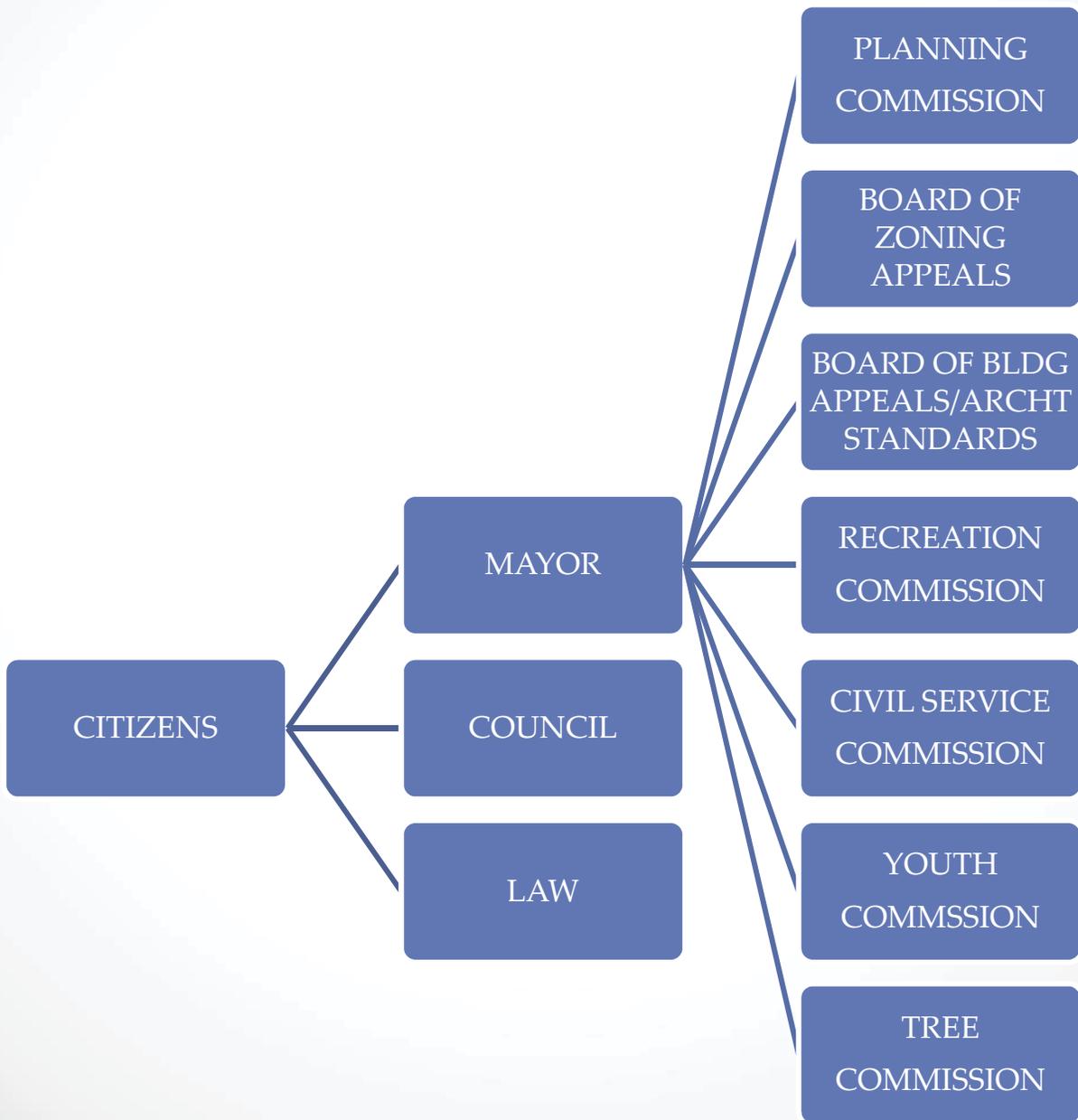


Bonnie L. Freeh
Assistant Director of Finance

CITY OF WESTLAKE ORGANIZATIONAL CHART DEPARTMENTS



CITY OF WESTLAKE COMMISSIONS



CITY OF WESTLAKE, OHIO

**PRINCIPAL OFFICIALS
DECEMBER 31, 2016**

ELECTED OFFICIALS

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

APPOINTED OFFICIALS

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



Government Finance Officers Association

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

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**City of Westlake
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

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Independent Auditor's Report

Members of the City Council
City of Westlake, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westlake, Ohio (the "City"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Recreation Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 19, and the schedules of the City's proportionate share of the net pension liability and schedules of the City's contributions on pages 79 through 83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Members of the City Council
City of Westlake, Ohio

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Ciuni + Panichi, Inc.

Cleveland, Ohio
June 30, 2017

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City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

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

Financial Highlights

Key Financial highlights for 2016 are as follows:

- Overall, governmental activities revenues of \$60.6 million exceeded the expenses and transfers which came in at \$57.3 million, consequently increasing the net position by \$3.3 million for 2016. The increase was primarily due to increases in property and income tax revenues as well as an increase in payments in lieu of taxes.
- During 2016, the City's revenues and expenditures continued to trend positively and on a cash basis the general fund ended with an unencumbered cash balance of \$43.7 million, which exceeded the City's informal policy of maintaining a reserve equal to 3 or 4 months of expenditures.
- Total fund balances for all governmental funds decreased from \$93.7 million at the end of 2015 to \$80.9 million at the end of 2016.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Proprietary Funds The City of Westlake maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer operations and golf course activity. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains such funds for its self-insurance of health related employee benefits. Because this fund predominately benefits governmental rather than business functions, it has been included within governmental activities in the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 30 through 32 of this report.

Notes to the Basic Financial Statements The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 34 through 76 of this report.

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

Government-wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2016?" The statement of net position and the statement of activities answer this question. These statements include all assets and deferred outflows of resources and all liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

The City of Westlake as a Whole

Recall that the statement of net position looks at the City as a whole. The following table 1 provides a summary of the City's net position for 2016 compared to 2015.

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

NET POSITION

TABLE 1

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets:						
Current and Other Assets	\$115,291,271	\$131,308,656	\$14,394,740	\$13,725,801	\$129,686,011	\$145,034,457
Capital Assets, Net	213,644,820	196,755,477	25,239,798	25,995,165	238,884,618	222,750,642
<i>Total Assets</i>	<u>328,936,091</u>	<u>328,064,133</u>	<u>39,634,538</u>	<u>39,720,966</u>	<u>368,570,629</u>	<u>367,785,099</u>
Deferred Outflows of Resources:						
Deferred Charge on Refunding Pension	135,280	166,305	0	0	135,280	166,305
	10,893,545	4,233,004	481,661	86,417	11,375,206	4,319,421
<i>Total Deferred Outflows of Resources</i>	<u>11,028,825</u>	<u>4,399,309</u>	<u>481,661</u>	<u>86,417</u>	<u>11,510,486</u>	<u>4,485,726</u>
Current and Other Liabilities:						
10,997,329	13,616,684	224,368	235,902	11,221,697	13,852,586	
Long-Term Liabilities:						
Due within One Year	3,197,648	2,949,791	0	0	3,197,648	2,949,791
Due in More than One Year:						
Net Pension Liability	38,355,849	30,357,081	918,119	494,863	39,273,968	30,851,944
Other Amounts	74,813,668	77,122,666	0	0	74,813,668	77,122,666
<i>Total Liabilities</i>	<u>127,364,494</u>	<u>124,046,222</u>	<u>1,142,487</u>	<u>730,765</u>	<u>128,506,981</u>	<u>124,776,987</u>
Deferred Inflows of Resources:						
Property Taxes	11,965,888	11,871,983	0	0	11,965,888	11,871,983
Pension	951,284	165,181	49,920	8,694	1,001,204	173,875
<i>Total Deferred Inflows of Resources</i>	<u>12,917,172</u>	<u>12,037,164</u>	<u>49,920</u>	<u>8,694</u>	<u>12,967,092</u>	<u>12,045,858</u>
Net Investment in Capital Assets	139,784,700	139,414,217	25,239,798	25,995,165	165,024,498	165,409,382
Restricted for:						
Capital Projects	25,796,704	22,372,654	0	0	25,796,704	22,372,654
Debt Service	2,886,490	2,782,386	0	0	2,886,490	2,782,386
Unclaimed Funds	253,869	268,371	0	0	253,869	268,371
Other Purposes	7,175,802	6,248,798	0	0	7,175,802	6,248,798
Unrestricted	23,785,685	25,293,630	13,683,994	13,072,759	37,469,679	38,366,389
<i>Total Net Position</i>	<u>\$199,683,250</u>	<u>\$196,380,056</u>	<u>\$38,923,792</u>	<u>\$39,067,924</u>	<u>\$238,607,042</u>	<u>\$235,447,980</u>

The net pension liability (NPL) is one of the largest liabilities reported by the City at December 31, 2016 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—An Amendment of Governmental Accounting Standards Board (GASB) Statement 27." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

GASB 68 requires the net pension liability to equal the City's proportionate share of each plan's collective:

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

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

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

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

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

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Total assets in governmental activities increased by \$871,958 from the year 2015 to 2016. This is primarily due to an increase in the net value of the City's capital assets due to the completion of the American Greetings project. The City's total liabilities in governmental activities increased \$3,318,272.

At the end of the current year, the City of Westlake is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

CHANGES IN NET POSITION

TABLE 2

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues:						
Charges for Services	\$7,099,305	\$5,939,813	\$3,054,700	\$3,066,122	\$10,154,005	\$9,005,935
Operating Grants and Contributions	1,608,091	1,634,552	0	0	1,608,091	1,634,552
Capital Grants and Contributions	5,251,537	8,820,731	121,829	127,383	5,373,366	8,948,114
Total Program Revenues	13,958,933	16,395,096	3,176,529	3,193,505	17,135,462	19,588,601
General Revenues:						
Property Taxes	12,071,578	11,558,910	0	0	12,071,578	11,558,910
Income Taxes	28,235,132	25,783,606	0	0	28,235,132	25,783,606
Admission Tax	312,085	124,078	0	0	312,085	124,078
Hotel Tax	684,544	522,645	0	0	684,544	522,645
Grants and Entitlements	1,557,287	1,563,433	0	0	1,557,287	1,563,433
Franchise Taxes	650,093	644,240	0	0	650,093	644,240
Investment Income	487,239	539,348	34,581	34,398	521,820	573,746
Contributions and Donations	0	11,870	0	0	0	11,870
Payment in Lieu of Taxes	2,124,325	539,499	0	0	2,124,325	539,499
Gain on Sale of Capital Assets	79,748	0	0	1,800	79,748	1,800
Gain in Joint Venture	0	0	316,387	0	316,387	0
Miscellaneous	488,275	2,480,501	5,689	4,434	493,964	2,484,935
Total General Revenues	46,690,306	43,768,130	356,657	40,632	47,046,963	43,808,762
Total Revenues	\$60,649,239	\$60,163,226	\$3,533,186	\$3,234,137	\$64,182,425	\$63,397,363

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City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

CHANGES IN NET POSITION

TABLE 2 (continued)

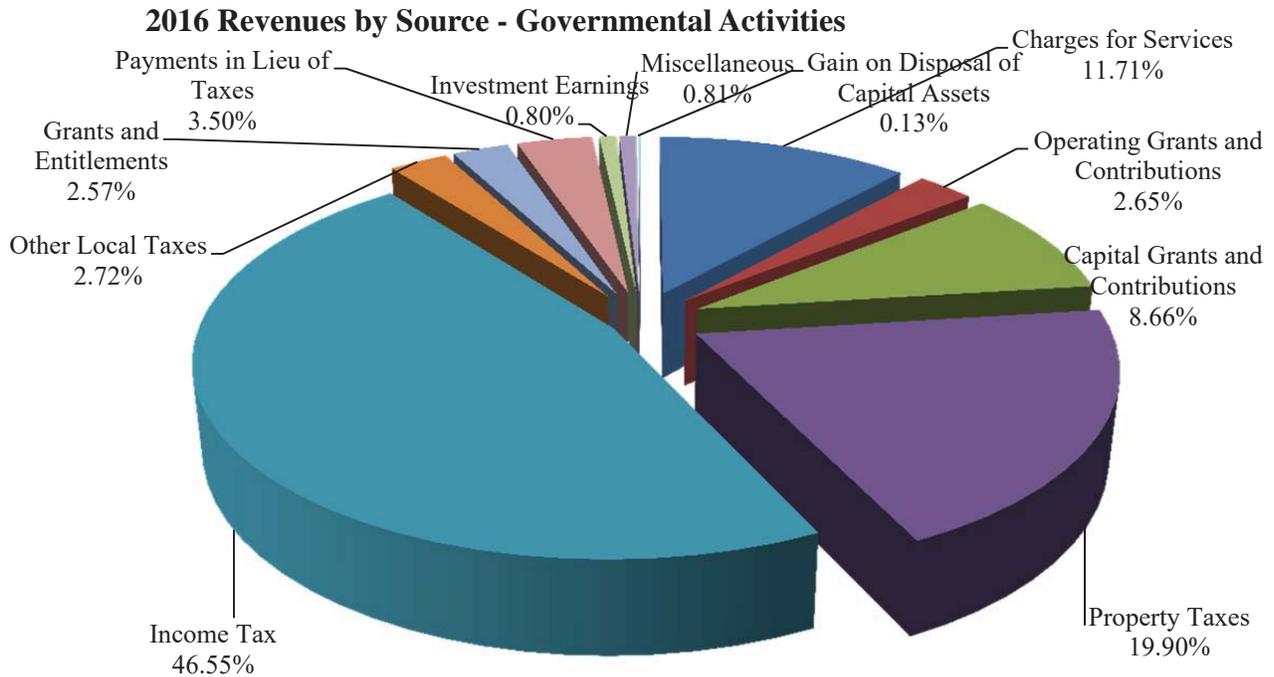
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Program Expenses						
General Government	\$8,217,445	\$7,678,275	\$0	\$0	\$8,217,445	\$7,678,275
Security of Persons and Property	19,656,219	17,282,475	0	0	19,656,219	17,282,475
Public Health Services	1,207,241	1,224,487	0	0	1,207,241	1,224,487
Transportation	15,777,495	13,864,015	0	0	15,777,495	13,864,015
Community Environment	2,056,592	2,101,651	0	0	2,056,592	2,101,651
Basic Utility Services	3,120,425	2,908,847	0	0	3,120,425	2,908,847
Leisure Time Activities	4,367,226	4,089,416	0	0	4,367,226	4,089,416
Interest and Fiscal Charges	2,755,364	2,822,396	0	0	2,755,364	2,822,396
Sewer	0	0	3,404,204	3,519,865	3,404,204	3,519,865
Golf Course	0	0	461,152	453,454	461,152	453,454
<i>Total Program Expenses</i>	<u>57,158,007</u>	<u>51,971,562</u>	<u>3,865,356</u>	<u>3,973,319</u>	<u>61,023,363</u>	<u>55,944,881</u>
<i>Increase (Decrease) in Net Position</i>						
<i>Before Transfers</i>	3,491,232	8,191,664	(332,170)	(739,182)	3,159,062	7,452,482
Transfers	(188,038)	(531)	188,038	531	0	0
<i>Change in Net Position</i>	<u>3,303,194</u>	<u>8,191,133</u>	<u>(144,132)</u>	<u>(738,651)</u>	<u>3,159,062</u>	<u>7,452,482</u>
<i>Net Position Beginning of Year</i>	<u>196,380,056</u>	<u>188,188,923</u>	<u>39,067,924</u>	<u>39,806,575</u>	<u>235,447,980</u>	<u>227,995,498</u>
<i>Net Position End of Year</i>	<u>\$199,683,250</u>	<u>\$196,380,056</u>	<u>\$38,923,792</u>	<u>\$39,067,924</u>	<u>\$238,607,042</u>	<u>\$235,447,980</u>

Governmental Activities

Governmental activities increased the City's net position by \$3,303,194 during 2016, as compared to \$8,191,133 during 2015. Total revenues in governmental activities increased by \$486,013, which was mainly due to an increase in property taxes and income taxes. Program expenses increased compared to 2015 due to wage and benefits increases.

Several types of revenues fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate was 1.5 percent for 2016, the same as the prior year. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if residents work in a locality that has a municipal income tax, the City provides 100 percent credit up to 1.5 percent for those who pay income tax to another city. City Council could by Ordinance, choose to vary that income tax credit and create additional revenues for the City.

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The income tax revenue for 2016 was \$28,235,132, an increase of \$2,451,526 or 9.51 percent from 2015. The increase was due to a turnaround in the overall economy and development within the local economy, which has sustained and even increased employment levels. Of the \$60,649,239 in total revenues, income tax accounted for 46.55 percent, as compared to 42.86 percent of the total during 2015. Property taxes for 2016 were \$12,071,578, a \$512,668 increase from 2015.

Operating grants and contributions decreased by \$26,461 compared to 2015 due to no longer receiving a number of smaller grants that were received during 2015. Capital grants and contributions decreased during 2016 largely due to contributions related to the Block K project received in 2015 that the City did not receive in 2016. Furthermore, charges for services increased by \$1,159,492 during 2016 as compared to 2015, primarily due to increased law enforcement fines and forfeitures and recreation charges for services.

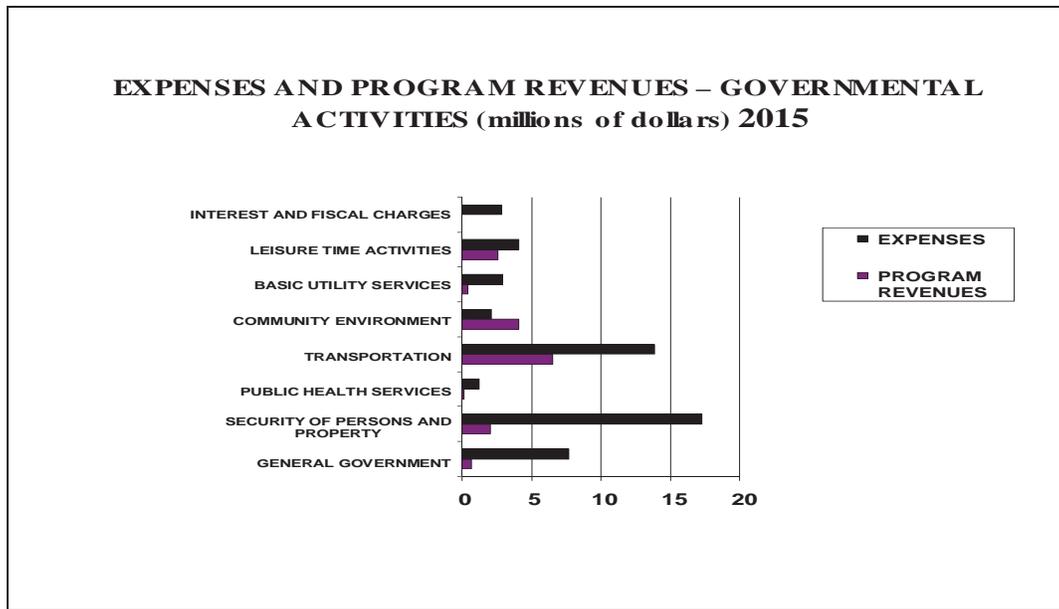
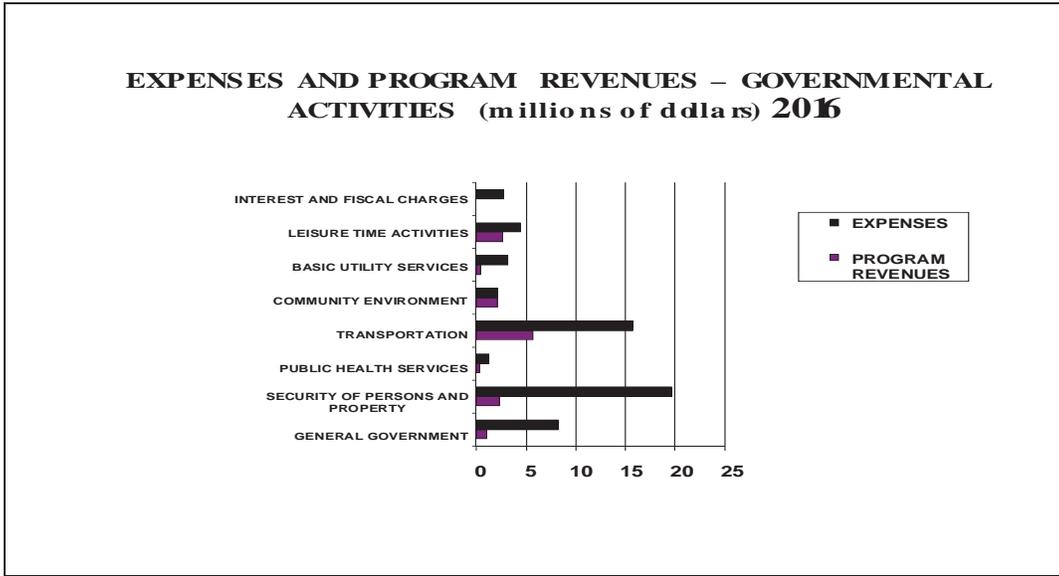
General revenues from grants and entitlements, such as local government funds, are also revenue generators. The City monitors its source of revenues very closely for fluctuations. During 2016, the City received \$1,557,287 in grant and entitlement monies, compared to \$1,563,433 in 2015. Payment in lieu of taxes increased \$1,584,826 due to the City receiving the first year of collections from the American Greetings project. Miscellaneous revenues decreased by \$1,992,226 during 2016.

The largest program function for the City for 2016 is security of persons and property, with program expenses of \$19,656,219 as compared to \$17,282,475 in 2015, an increase of 13.73 percent. Transportation is the next largest program for 2016, with program expenses of \$15,777,495, as compared to \$13,864,015 in 2015, an increase of 13.80 percent. These increases are largely due to wage and benefits increases as well as miscellaneous street maintenance projects throughout the City.

The next largest program is general government, which accounts for the basic operations of the City including council, mayor, finance, law, purchasing, civil service, engineering, building maintenance, among other services. General government expenses for 2016 were \$8,217,445 as compared to \$7,678,275 for 2015, an increase of 7.02 percent. This increase was due to an increase in wages and benefits.

City of Westlake, Ohio
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Leisure time activities expense increased 6.79 percent during 2016 and community environment expense decreased 2.14 percent. Expenses for basic utility services increased from 2015 to 2016 by 7.27 percent due to fewer capitalized expenses.



The charts above reflect how the City funds its programs, either through program or general revenues. As can be seen above, all programs have a heavy reliance on general revenues, with 76.98 percent of total 2016 revenues coming from general revenues. Leisure time activities received the most charges for services program revenue, primarily from the City's recreation center which is a membership-only facility. This was due to an increase in memberships and other recreation revenues such as the Silver Sneakers program.

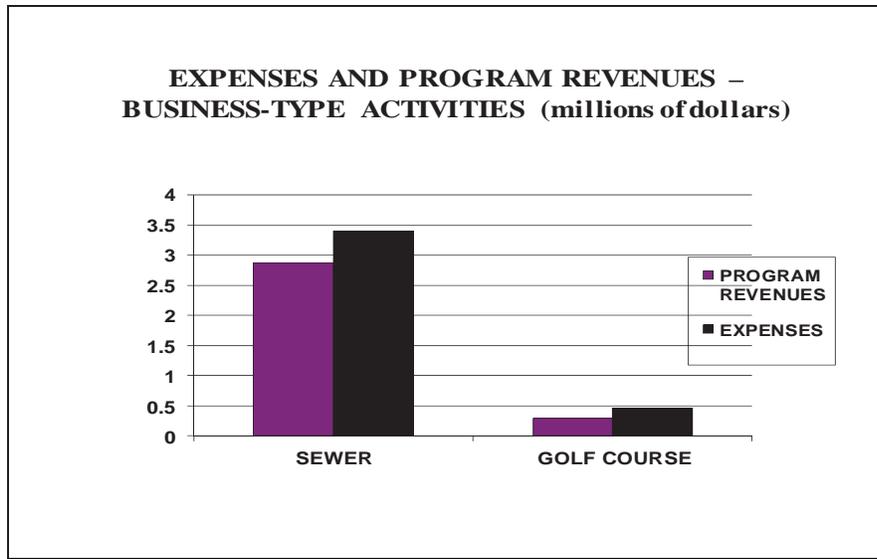
City of Westlake, Ohio
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While security of persons and property is a large program expense, only a small portion of the total program expense is offset by program revenues. The primary program revenue is from police fines and forfeitures. The fire and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

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

Business-Type Activities and Enterprise Funds

The business-type activities of the City, which include the City's sewer operations and golf activities, decreased the City's net position by \$144,132 during 2016, as compared to a decrease of net position of \$738,651 during 2015.



Program expenses exceeded program revenues in the amount of \$522,012 for the sewer operations in 2016. This is due to increased contributions required for the City's share of operating expenses of the Rocky River Wastewater Treatment Plant, improved maintenance program for sewers through the public service department, as well as additional sewer depreciation for recently-replaced sewer lines.

Program expenses exceeded program revenues in the golf course activity in the amount of \$166,815 for the current year due to the charges for services not being sufficient to cover the cost of operations of the golf course due to poor weather conditions. This is comparable to the previous year and resulted in a decrease in net position at year-end.

Financial Analysis of the Government's Funds

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

City of Westlake, Ohio
Management's Discussion and Analysis
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Governmental Funds

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

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins on page 24. These funds are accounted for by using the modified accrual basis of accounting.

As of the end of the current year, the City of Westlake's governmental funds reported combined ending fund balances of \$80,909,972. Nonspendable fund balance of \$1,951,641 includes interfund loans, prepaids, inventory and unclaimed funds. Fund balance in the amount of \$30,827,768 is restricted for road improvements, police and fire department operations, other restricted functions of the City and capital improvements. Fund balance in the amount of \$2,751,481 is committed to recreation and donations. Assigned fund balance includes \$18,686,577 for future severance payments, equipment replacement, cable television, cemetery operations, swimming pool operations, community services, safety town, service center construction, 2017 operations, and purchases on order. Unassigned fund balances of \$26,692,505 represents all balances not previously classified.

All governmental funds had total revenues of \$60,330,355 and expenditures of \$73,273,065, with expenditures exceeding revenues by \$12,750,855 after including other financing sources and uses, although revenues decreased slightly from the prior year.

General Fund

The general fund is the chief operating fund of the City. At the end of the current year, total fund balance for the general fund was \$51,107,511, of which \$1,949,742 was nonspendable because of advances, prepaids, inventory and unclaimed funds; \$18,670,970 was assigned to future severance payments, equipment replacement, cable television, cemetery operations, swimming pool operations, community services, safety town, 2017 operations, and purchases on order; and \$30,486,799 was unassigned for financial reporting purposes. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to annual fund expenditures. Unassigned general fund balance represents 99.64 percent of total general fund expenditures, while total fund balance represents 167.03 percent of that same amount. Total fund balance of the City's general fund increased by \$2,198,043. General fund revenues increased due to gains in property taxes and income taxes. Expenditures decreased primarily due to decreases in contractual services for transportation and community environment projects.

Recreation Fund

The recreation special revenue fund accounts for membership and program fees which are used to operate and maintain the recreation center. At the end of the current year, total fund balance for the recreation fund was \$2,533,721, which was an increase from the prior year. Operations were once again funded with income tax revenues and user fees, while salary and contractual services costs increased slightly.

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American Greetings Fund

The American Greetings capital projects fund accounts for resources used to finance the American Greetings move to the City and the Crocker Park expansion. At the end of the current year, total fund balance decreased significantly to (\$960,443) as work progressed with the expansion. American Greetings was completed in 2016 and placed into service.

Issue II Improvements Fund

The Issue II improvements capital projects fund accounts for resources used for the Issue II infrastructure project. At the end of the current year, total fund balance was \$0, which was an increase from the prior year.

Infrastructure Tax Fund

The infrastructure tax capital projects fund accounts for the infrastructure-related capital improvements which are funded through a 3/8 of one percent of dedicated income tax. During the current year, the fund balance of the City's infrastructure tax fund decreased by \$1,552,857 resulting from project costs including water line rehabilitation and road construction. The dedicated 3/8 of one percent income tax for infrastructure used by this fund was renewed in November 2006, and was effective for another 15 years beginning January 1, 2008.

Grants Fund

The grants capital projects fund accounts for various State and Federal revenues which are used for historical site preservation and the construction of recreational facilities. At the end of the current year, total fund balance was (\$2,657,207), which was a decrease from the prior year due to the large decrease in intergovernmental revenues from grants not requested in 2016.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of 2016, the City amended its general fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within the accounting system which are within their appropriation category (salaries and other expenses). The general fund supports many of our major activities, such as our police and fire departments as well as most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the general fund, original budgeted revenues and other financing sources and final budgeted revenues and other financing sources were \$32,888,377. Original general fund budgeted expenditures and other financing uses were \$48,018,883, and the final budgeted expenditures and other financing uses were \$47,812,374. Actual general fund expenditures and other financing uses were \$35,391,189, or \$12,421,485 less than budgeted, due to all operating expenditures, especially capital outlay, being less than originally estimated.

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

- Budgeted but unfilled vacant full-time and part-time positions accounted for \$2.7 million.
- Capital projects that were budgeted but postponed or that came in under budget accounted for \$5.2 million and included the Market Square project (\$2.3 million), land and building purchases (\$1.7 million), a Welcome Center (\$.5 million) and phone system and computer upgrades (\$.6 million).
- A transfer from the General Fund of \$4.0 million to fund the construction of a new Aquatics Center was also postponed.

Capital Assets and Debt Administration

Capital Assets

Table 3 shows 2016 balances of capital assets as compared to 2015.

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

	Governmental Activities		Business-Type Activities	
	2016	2015	2016	2015
Land	\$14,737,021	\$14,162,808	\$1,499,176	\$1,499,176
Construction in Progress	20,693,800	62,070,665	32,183	0
Buildings and Improvements	70,895,378	29,168,072	1,162,800	1,187,513
Improvements	2,494,542	1,680,379	52,098	57,941
Machinery and Equipment	1,548,019	1,625,583	35,578	30,360
Furniture and Fixtures	446,727	409,326	35,863	40,384
Vehicles	2,918,308	3,174,136	120,873	137,506
Infrastructure:				
Roads	53,117,318	40,685,198	0	0
Water Mains	26,383,349	24,835,635	0	0
Storm Sewers	15,495,016	14,767,635	0	0
Sewer Lines	0	0	22,301,227	23,042,285
Culverts	277,557	353,027	0	0
Traffic Signals	3,722,293	2,872,588	0	0
Bridges	915,492	950,425	0	0
Total	<u>\$213,644,820</u>	<u>\$196,755,477</u>	<u>\$25,239,798</u>	<u>\$25,995,165</u>

Total capital assets for governmental activities increased largely due to the American Greetings/Crocker Park garages being completed and placed into service in 2016, while capital assets for business-type activities decreased due to current year depreciation outpacing current year acquisitions.

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

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

Debt

As of December 31, 2016, the City of Westlake had \$71,665,751 in bonds and loans outstanding.

OUTSTANDING DEBT

TABLE 4

	Governmental Activities	
	2016	2015
General Obligation Bonds	\$8,103,778	\$9,788,444
Special Obligation Bonds	48,921,582	48,921,582
Special Assessment Bonds	2,984,625	3,264,943
OPWC Loans	3,075,873	3,118,802
State Infrastructure Bank Loan	8,579,893	8,765,300
Total	\$71,665,751	\$73,859,071

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

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

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

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 10.5 percent of total assessed valuation. The City's overall legal debt margin was \$142,168,981 at December 31, 2016.

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

Current Financial Related Activities

The City of Westlake maintained throughout 2016 a Moody's Investors Service and Fitch's Aaa rating, and Standard and Poor's AAA rating, and all ratings were affirmed in 2008. The City of Westlake remains the first suburb in Ohio to have been awarded all of the Aaa/AAA ratings.

The Administration and City Council developed a master plan for the acquisition of equipment and the building or upgrading of City facilities. As a result, we have seen a remarkable increase in our capital assets over that period of time and the expansion of all City services. The 2016 year is no different as the City completed the street, water line, sewer line, and other infrastructure improvements.

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

Contacting the City's Finance Department

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

Basic Financial Statements

City of Westlake, Ohio
Statement of Net Position
December 31, 2016

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$82,321,672	\$6,496,796	\$88,818,468
Cash and Cash Equivalents with Escrow Agents	5,237,448	0	5,237,448
Materials and Supplies Inventory	439,022	5,591	444,613
Accrued Interest Receivable	481,175	32,222	513,397
Accounts Receivable	1,146,582	741,812	1,888,394
Internal Balances	1,005,000	(1,005,000)	0
Intergovernmental Receivable	1,614,625	0	1,614,625
Prepaid Items	253,750	461	254,211
Municipal Income Taxes Receivable	7,459,616	0	7,459,616
Admission Taxes Receivable	46,535	0	46,535
Hotel Taxes Receivable	42,563	0	42,563
Permissive Motor Vehicle Taxes Receivable	42,480	0	42,480
Property Taxes Receivable	12,390,803	0	12,390,803
Special Assessments Receivable	2,810,000	0	2,810,000
Investment in Joint Venture	0	8,122,858	8,122,858
Nondepreciable Capital Assets	35,430,821	1,531,359	36,962,180
Depreciable Capital Assets, Net	178,213,999	23,708,439	201,922,438
<i>Total Assets</i>	<u>328,936,091</u>	<u>39,634,538</u>	<u>368,570,629</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	135,280	0	135,280
Pension	10,893,545	481,661	11,375,206
<i>Total Deferred Outflows of Resources</i>	<u>11,028,825</u>	<u>481,661</u>	<u>11,510,486</u>
Liabilities			
Accounts Payable	847,311	6,123	853,434
Contracts Payable	3,396,935	0	3,396,935
Accrued Wages	672,418	21,415	693,833
Retainage Payable	5,375,504	0	5,375,504
Accrued Interest Payable	308,797	0	308,797
Intergovernmental Payable	140,685	3,272	143,957
Unearned Revenue	0	193,558	193,558
Claims Payable	255,679	0	255,679
Long-Term Liabilities:			
Due within One Year	3,197,648	0	3,197,648
Due in More than One Year:			
Net Pension Liability (See Note 14)	38,355,849	918,119	39,273,968
Other Amounts Due in More than One Year	74,813,668	0	74,813,668
<i>Total Liabilities</i>	<u>127,364,494</u>	<u>1,142,487</u>	<u>128,506,981</u>
Deferred Inflows of Resources			
Property Taxes	11,965,888	0	11,965,888
Pension	951,284	49,920	1,001,204
<i>Total Deferred Inflows of Resources</i>	<u>12,917,172</u>	<u>49,920</u>	<u>12,967,092</u>
Net Position			
Net Investment in Capital Assets	139,784,700	25,239,798	165,024,498
Restricted for:			
Capital Projects	25,796,704	0	25,796,704
Debt Service	2,886,490	0	2,886,490
Unclaimed Funds	253,869	0	253,869
Other Purposes	7,175,802	0	7,175,802
Unrestricted	23,785,685	13,683,994	37,469,679
<i>Total Net Position</i>	<u>\$199,683,250</u>	<u>\$38,923,792</u>	<u>\$238,607,042</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Activities
For the Year Ended December 31, 2016

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$8,217,445	\$1,066,656	\$0	\$0
Security of Persons and Property	19,656,219	2,106,341	220,098	0
Public Health Services	1,207,241	247,904	0	0
Transportation	15,777,495	581,247	1,348,416	3,745,066
Community Environment	2,056,592	134,533	39,577	1,506,471
Basic Utility Services	3,120,425	362,825	0	0
Leisure Time Activities	4,367,226	2,599,799	0	0
Interest and Fiscal Charges	2,755,364	0	0	0
<i>Total Governmental Activities</i>	<u>57,158,007</u>	<u>7,099,305</u>	<u>1,608,091</u>	<u>5,251,537</u>
Business-Type Activities				
Sewer	3,404,204	2,760,363	0	121,829
Golf Course	461,152	294,337	0	0
<i>Total Business-Type Activities</i>	<u>3,865,356</u>	<u>3,054,700</u>	<u>0</u>	<u>121,829</u>
<i>Total</i>	<u>\$61,023,363</u>	<u>\$10,154,005</u>	<u>\$1,608,091</u>	<u>\$5,373,366</u>

General Revenues

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

Total General Revenues

Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$7,150,789)	\$0	(\$7,150,789)
(17,329,780)	0	(17,329,780)
(959,337)	0	(959,337)
(10,102,766)	0	(10,102,766)
(376,011)	0	(376,011)
(2,757,600)	0	(2,757,600)
(1,767,427)	0	(1,767,427)
(2,755,364)	0	(2,755,364)
(43,199,074)	0	(43,199,074)
0	(522,012)	(522,012)
0	(166,815)	(166,815)
0	(688,827)	(688,827)
(43,199,074)	(688,827)	(43,887,901)
10,169,515	0	10,169,515
380,419	0	380,419
380,419	0	380,419
1,141,225	0	1,141,225
18,743,101	0	18,743,101
247,088	0	247,088
1,976,025	0	1,976,025
7,268,918	0	7,268,918
312,085	0	312,085
684,544	0	684,544
1,557,287	0	1,557,287
650,093	0	650,093
487,239	34,581	521,820
2,124,325	0	2,124,325
79,748	0	79,748
0	316,387	316,387
488,275	5,689	493,964
46,690,306	356,657	47,046,963
(188,038)	188,038	0
3,303,194	(144,132)	3,159,062
196,380,056	39,067,924	235,447,980
\$199,683,250	\$38,923,792	\$238,607,042

City of Westlake, Ohio
Balance Sheet
Governmental Funds
December 31, 2016

	General	Recreation	American Greetings	Issue II Improvement	Infrastructure Tax	Grants
Assets						
Equity in Pooled Cash and Cash Equivalents	\$46,467,675	\$2,598,773	\$0	\$1,827	\$8,601,226	\$5,645,156
Cash and Cash Equivalents:						
with Escrow Agents	0	0	4,893,920	0	0	0
Materials and Supplies Inventory	437,915	1,107	0	0	0	0
Accrued Interest Receivable	402,238	0	0	0	49,018	0
Accounts Receivable	253,185	1,003	0	0	0	0
Intergovernmental Receivable	792,576	0	0	0	0	51,499
Prepaid Items	252,958	69	0	0	0	0
Municipal Income Taxes Receivable	4,948,508	66,708	0	0	1,665,401	0
Admission Taxes Receivable	46,535	0	0	0	0	0
Hotel Taxes Receivable	42,563	0	0	0	0	0
Permissive Motor Vehicle Taxes Receivable	0	0	0	0	0	0
Property Taxes Receivable	10,438,541	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	0	0
Advances to Other Funds	1,005,000	0	0	0	7,754,500	0
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	253,869	0	0	0	0	0
Total Assets	\$65,341,563	\$2,667,660	\$4,893,920	\$1,827	\$18,070,145	\$5,696,655
Liabilities						
Accounts Payable	\$679,138	\$60,543	\$24,000	\$0	\$0	\$0
Contracts Payable	8,851	0	2,026,955	0	1,112,935	88,108
Accrued Wages	551,349	41,889	0	0	2,821	980
Retainage Payable	94,589	0	3,803,408	0	491,139	510,123
Intergovernmental Payable	114,687	6,465	0	1,827	435	151
Advances From Other Funds	0	0	0	0	0	7,754,500
Total Liabilities	1,448,614	108,897	5,854,363	1,827	1,607,330	8,353,862
Deferred Inflows of Resources						
Property Taxes	10,080,579	0	0	0	0	0
Unavailable Revenue	2,704,859	25,042	0	0	485,684	0
Total Deferred Inflows of Resources	12,785,438	25,042	0	0	485,684	0
Fund Balances						
Nonspendable	1,949,742	1,176	0	0	0	0
Restricted	0	0	0	0	15,977,131	0
Committed	0	2,532,545	0	0	0	0
Assigned	18,670,970	0	0	0	0	0
Unassigned (Deficit)	30,486,799	0	(960,443)	0	0	(2,657,207)
Total Fund Balances (Deficit)	51,107,511	2,533,721	(960,443)	0	15,977,131	(2,657,207)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$65,341,563	\$2,667,660	\$4,893,920	\$1,827	\$18,070,145	\$5,696,655

See accompanying notes to the basic financial statements

City of Westlake, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2016*

Other Governmental Funds	Total Governmental Funds	Total Governmental Fund Balances	\$80,909,972
		<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
\$14,379,442	\$77,694,099	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	213,644,820
343,528	5,237,448	Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:	
0	439,022	Charges for Services	759,127
29,919	481,175	Delinquent Property Taxes	424,915
892,394	1,146,582	Municipal Income Taxes	2,259,342
770,550	1,614,625	Intergovernmental	1,232,280
723	253,750	Special Assessments	2,810,000
778,999	7,459,616	Franchise Taxes	65,341
0	46,535	Miscellaneous	57,849
0	42,563	Total	7,608,854
42,480	42,480	An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	4,118,025
1,952,262	12,390,803	Deferred Outflows of Resources that represent deferred charges on refunding are not reported in the funds.	135,280
2,810,000	2,810,000	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(308,797)
0	8,759,500	Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
0	253,869	General Obligation Bonds	(8,103,778)
\$22,000,297	\$118,672,067	Special Obligation Bonds	(48,921,582)
\$83,630	\$847,311	Special Assessment Bonds	(2,984,625)
160,086	3,396,935	OPWC Loans	(3,075,873)
75,379	672,418	State Infrastructure Bank Loan	(8,579,893)
476,245	5,375,504	Compensated Absences Payable	(5,932,477)
17,120	140,685	Capital Lease Obligation Payable	(8,542)
0	7,754,500	Landfill Postclosure Costs	(404,546)
812,460	18,187,353	Total	(78,011,316)
1,885,309	11,965,888	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 the funds:	
4,393,269	7,608,854	Deferred Outflows - Pension	10,893,545
6,278,578	19,574,742	Net Pension Liability	(38,355,849)
723	1,951,641	Deferred Inflows - Pension	(951,284)
14,850,637	30,827,768	Total	(28,413,588)
218,936	2,751,481	<i>Net Position of Governmental Activities</i>	<u>\$199,683,250</u>
15,607	18,686,577		
(176,644)	26,692,505		
14,909,259	80,909,972		
\$22,000,297	\$118,672,067		

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

	General	Recreation	American Greetings	Issue II Improvement	Infrastructure Tax	Grants
Revenues						
Property Taxes	\$10,130,002	\$0	\$0	\$0	\$0	\$0
Municipal Income Taxes	18,948,749	250,000	0	0	6,435,428	0
Admissions Tax	312,085	0	0	0	0	0
Hotel Tax	684,544	0	0	0	0	0
Permissive Motor Vehicle Taxes	0	0	0	0	0	0
Charges for Services	259,332	2,257,535	22,798	0	0	0
Licenses, Permits and Fees	2,202,648	0	0	0	0	0
Fines and Forfeitures	172,245	0	0	0	0	0
Intergovernmental	1,566,866	0	879,710	179,503	0	3,082,188
Special Assessments	0	0	0	0	0	0
Payments in Lieu of Taxes	0	0	883,868	0	0	0
Interest	389,528	0	10,384	0	57,699	0
Rentals	193,101	78,882	0	0	0	0
Contributions and Donations	0	0	0	0	0	0
Franchise Taxes	584,752	0	0	0	0	0
Miscellaneous	447,976	14,821	0	0	1,085	0
<i>Total Revenues</i>	<u>35,891,828</u>	<u>2,601,238</u>	<u>1,796,760</u>	<u>179,503</u>	<u>6,494,212</u>	<u>3,082,188</u>
Expenditures						
Current:						
General Government	7,194,406	0	0	0	0	0
Security of Persons and Property	12,999,267	0	0	0	0	0
Public Health Services	1,044,299	0	0	0	0	0
Transportation	5,705,305	0	0	0	0	0
Community Environment	1,711,269	0	0	0	0	0
Basic Utility Services	982,279	0	0	0	0	0
Leisure Time Activities	900,045	2,457,651	0	0	0	0
Capital Outlay	60,995	0	13,879,294	3,653	7,872,069	4,446,398
Debt Service:						
Principal Retirement	0	3,248	0	155,036	0	0
Interest and Fiscal Charges	0	509	1,980,569	0	0	0
<i>Total Expenditures</i>	<u>30,597,865</u>	<u>2,461,408</u>	<u>15,859,863</u>	<u>158,689</u>	<u>7,872,069</u>	<u>4,446,398</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,293,963</u>	<u>139,830</u>	<u>(14,063,103)</u>	<u>20,814</u>	<u>(1,377,857)</u>	<u>(1,364,210)</u>
Other Financing Sources (Uses)						
OPWC Loan Issued	0	0	0	112,107	0	0
Sale of Capital Assets	69,584	3,073	0	0	0	0
Transfers In	0	0	0	158,700	0	0
Transfers Out	(3,165,504)	0	(343,181)	0	(175,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(3,095,920)</u>	<u>3,073</u>	<u>(343,181)</u>	<u>270,807</u>	<u>(175,000)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	2,198,043	142,903	(14,406,284)	291,621	(1,552,857)	(1,364,210)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>48,909,468</u>	<u>2,390,818</u>	<u>13,445,841</u>	<u>(291,621)</u>	<u>17,529,988</u>	<u>(1,292,997)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$51,107,511</u>	<u>\$2,533,721</u>	<u>(\$960,443)</u>	<u>\$0</u>	<u>\$15,977,131</u>	<u>(\$2,657,207)</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$9,901,959	\$9,901,959	\$10,130,002	\$228,043
Municipal Income Taxes	17,116,300	17,116,300	18,545,338	1,429,038
Admissions Tax	130,000	130,000	285,274	155,274
Hotel Tax	525,000	525,000	680,760	155,760
Charges for Services	35,000	35,000	26,086	(8,914)
Licenses, Permits and Fees	645,200	645,200	726,381	81,181
Fines and Forfeitures	175,200	175,200	175,200	0
Intergovernmental	1,555,208	1,555,208	1,559,761	4,553
Interest	175,000	175,000	413,056	238,056
Rentals	140,410	140,410	193,101	52,691
Franchise Taxes	2,125,000	2,125,000	2,124,038	(962)
Miscellaneous	291,100	291,100	425,576	134,476
<i>Total Revenues</i>	<u>32,815,377</u>	<u>32,815,377</u>	<u>35,284,573</u>	<u>2,469,196</u>
Expenditures				
Current:				
General Government	12,653,856	12,473,245	7,732,612	4,740,633
Security of Persons and Property	15,097,482	15,149,306	13,529,421	1,619,885
Public Health Services	1,034,175	1,030,838	846,817	184,021
Transportation	7,242,367	7,214,948	6,296,118	918,830
Community Environment	1,966,256	1,931,193	1,760,931	170,262
Basic Utility Services	1,284,048	1,259,084	1,003,272	255,812
Leisure Time Activities	988,087	969,856	761,514	208,342
<i>Total Expenditures</i>	<u>40,266,271</u>	<u>40,028,470</u>	<u>31,930,685</u>	<u>8,097,785</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(7,450,894)</u>	<u>(7,213,093)</u>	<u>3,353,888</u>	<u>10,566,981</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	50,000	50,000	69,584	19,584
Advances In	18,000	18,000	18,000	0
Advances Out	(150,000)	(150,000)	(150,000)	0
Transfers In	5,000	5,000	0	(5,000)
Transfers Out	(7,602,612)	(7,633,904)	(3,310,504)	4,323,400
<i>Total Other Financing Sources (Uses)</i>	<u>(7,679,612)</u>	<u>(7,710,904)</u>	<u>(3,372,920)</u>	<u>4,337,984</u>
<i>Net Change in Fund Balance</i>	(15,130,506)	(14,923,997)	(19,032)	14,904,965
<i>Fund Balance Beginning of Year</i>	41,873,610	41,873,610	41,873,610	0
Prior Year Encumbrances Appropriated	1,836,500	1,836,500	1,836,500	0
<i>Fund Balance End of Year</i>	<u>\$28,579,604</u>	<u>\$28,786,113</u>	<u>\$43,691,078</u>	<u>\$14,904,965</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Municipal Income Taxes	\$250,000	\$250,000	\$250,000	\$0
Charges for Services	2,274,550	2,274,550	2,257,551	(16,999)
Rentals	76,000	76,000	78,882	2,882
Miscellaneous	15,050	15,050	14,821	(229)
<i>Total Revenues</i>	<u>2,615,600</u>	<u>2,615,600</u>	<u>2,601,254</u>	<u>(14,346)</u>
Expenditures				
Current:				
Leisure Time Activities	3,026,673	3,008,262	2,520,717	487,545
Debt Service:				
Principal Retirement	3,248	3,248	3,248	0
Interest and Fiscal Charges	509	509	509	0
<i>Total Expenditures</i>	<u>3,030,430</u>	<u>3,012,019</u>	<u>2,524,474</u>	<u>487,545</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(414,830)	(396,419)	76,780	473,199
Other Financing Sources (Uses)				
Sale of Capital Assets	2,000	2,000	3,073	1,073
<i>Net Change in Fund Balance</i>	(412,830)	(394,419)	79,853	474,272
<i>Fund Balance Beginning of Year</i>	2,315,982	2,315,982	2,315,982	0
Prior Year Encumbrances Appropriated	118,695	118,695	118,695	0
<i>Fund Balance End of Year</i>	<u>\$2,021,847</u>	<u>\$2,040,258</u>	<u>\$2,514,530</u>	<u>\$474,272</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer	Nonmajor - Golf Course	Total	
Assets				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$6,403,598	\$93,198	\$6,496,796	\$4,373,704
Materials and Supplies Inventory	0	5,591	5,591	0
Accrued Interest Receivable	32,222	0	32,222	0
Accounts Receivable	741,812	0	741,812	0
Prepaid Items	173	288	461	0
<i>Total Current Assets</i>	<u>7,177,805</u>	<u>99,077</u>	<u>7,276,882</u>	<u>4,373,704</u>
<i>Noncurrent Assets</i>				
Investment in Joint Venture	8,122,858	0	8,122,858	0
Nondepreciable Capital Assets	32,183	1,499,176	1,531,359	0
Depreciable Capital Assets, Net	23,075,185	633,254	23,708,439	0
<i>Total Noncurrent Assets</i>	<u>31,230,226</u>	<u>2,132,430</u>	<u>33,362,656</u>	<u>0</u>
<i>Total Assets</i>	<u>38,408,031</u>	<u>2,231,507</u>	<u>40,639,538</u>	<u>4,373,704</u>
Deferred Outflows of Resources				
Pension	399,019	82,642	481,661	0
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	4,338	1,785	6,123	0
Claims Payable	0	0	0	255,679
Accrued Wages	16,435	4,980	21,415	0
Intergovernmental Payable	2,504	768	3,272	0
Unearned Revenue	193,558	0	193,558	0
<i>Total Current Liabilities</i>	<u>216,835</u>	<u>7,533</u>	<u>224,368</u>	<u>255,679</u>
<i>Long-Term Liabilities</i>				
Advances from Other Funds	0	1,005,000	1,005,000	0
Net Pension Liability	703,892	214,227	918,119	0
<i>Total Long-Term Liabilities</i>	<u>703,892</u>	<u>1,219,227</u>	<u>1,923,119</u>	<u>0</u>
<i>Total Liabilities</i>	<u>920,727</u>	<u>1,226,760</u>	<u>2,147,487</u>	<u>255,679</u>
Deferred Inflows of Resources				
Pension	13,600	36,320	49,920	0
Net Position				
Investment in Capital Assets	23,107,368	2,132,430	25,239,798	0
Unrestricted (Deficit)	14,765,355	(1,081,361)	13,683,994	4,118,025
<i>Total Net Position</i>	<u>\$37,872,723</u>	<u>\$1,051,069</u>	<u>\$38,923,792</u>	<u>\$4,118,025</u>

See accompanying notes to the basic financial statements

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

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer	Nonmajor - Golf Course	Total	
Operating Revenues				
Charges for Services	\$2,713,324	\$254,279	\$2,967,603	\$3,200,395
Tap-In-Fees	47,039	0	47,039	0
Rentals	0	40,058	40,058	0
Miscellaneous	100	5,589	5,689	0
<i>Total Operating Revenues</i>	<u>2,760,463</u>	<u>299,926</u>	<u>3,060,389</u>	<u>3,200,395</u>
Operating Expenses				
Personal Services	314,892	249,322	564,214	0
Fringe Benefits	216,405	50,259	266,664	0
Contractual Services	1,469,123	72,508	1,541,631	487,466
Materials and Supplies	24,703	47,147	71,850	0
Depreciation	1,136,263	31,225	1,167,488	0
Other	242,818	10,691	253,509	0
Claims	0	0	0	2,584,920
<i>Total Operating Expenses</i>	<u>3,404,204</u>	<u>461,152</u>	<u>3,865,356</u>	<u>3,072,386</u>
<i>Operating (Loss) Income</i>	<u>(643,741)</u>	<u>(161,226)</u>	<u>(804,967)</u>	<u>128,009</u>
Nonoperating Revenues				
Interest	34,581	0	34,581	0
Gain in Joint Venture	316,387	0	316,387	0
<i>Total Nonoperating Revenues (Expenses)</i>	<u>350,968</u>	<u>0</u>	<u>350,968</u>	<u>0</u>
<i>(Loss) Income Before Capital Contributions</i>	<u>(292,773)</u>	<u>(161,226)</u>	<u>(453,999)</u>	<u>128,009</u>
Capital Contributions	309,867	0	309,867	0
<i>Change in Net Position</i>	17,094	(161,226)	(144,132)	128,009
<i>Net Position Beginning of Year</i>	<u>37,855,629</u>	<u>1,212,295</u>	<u>39,067,924</u>	<u>3,990,016</u>
<i>Net Position End of Year</i>	<u>\$37,872,723</u>	<u>\$1,051,069</u>	<u>\$38,923,792</u>	<u>\$4,118,025</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016

	Business-Type Activities - Enterprise Funds			Governmental
	Nonmajor -			Activities -
	Sewer	Golf Course	Total	Internal Service
				Fund
<i>Increase (Decrease) in Cash and Cash Equivalents</i>				
Cash Flows from Operating Activities				
Cash Received from Customers	\$2,644,701	\$294,337	\$2,939,038	\$3,200,395
Cash Received from Other Operating Sources	100	5,589	5,689	0
Cash Received from Tap-In Fees	47,039	0	47,039	0
Cash Payments to Suppliers for Goods and Services	(1,499,589)	(118,684)	(1,618,273)	(487,466)
Cash Payments for Claims	0	0	0	(2,538,097)
Cash Payments for Employee Services and Benefits	(461,474)	(300,553)	(762,027)	0
Cash Payments for Other Operating Expenses	(242,818)	(10,691)	(253,509)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	487,959	(130,002)	357,957	174,832
Cash Flows from Noncapital Financing Activities				
Advance In	0	150,000	150,000	0
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(80,494)	(21,760)	(102,254)	0
Cash Flows from Investing Activities				
Interest	22,244	0	22,244	0
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	429,709	(1,762)	427,947	174,832
<i>Cash and Cash Equivalents Beginning of Year</i>	5,973,889	94,960	6,068,849	4,198,872
<i>Cash and Cash Equivalents End of Year</i>	\$6,403,598	\$93,198	\$6,496,796	\$4,373,704
Reconciliation of Operating (Loss) Income to Net Cash Provided by (Used for) Operating Activities				
<i>Operating (Loss) Income</i>	(\$643,741)	(\$161,226)	(\$804,967)	\$128,009
Adjustments:				
Depreciation	1,136,263	31,225	1,167,488	0
(Increase)/Decrease in Assets:				
Materials and Supplies Inventory	0	828	828	0
Accounts Receivable	(63,188)	0	(63,188)	0
Prepaid Items	5	87	92	0
(Increase)/Decrease in Deferred Outflows of Resources - Pension	211,028	(26,456)	184,572	0
Increase/(Decrease) in Liabilities:				
Accounts Payable	(5,768)	158	(5,610)	0
Claims Payable	0	0	0	46,823
Accrued Wages	1,409	(1,750)	(341)	0
Intergovernmental Payable	225	(373)	(148)	0
Unearned Revenue	(5,435)	0	(5,435)	0
Net Pension Liability	(134,731)	29,973	(104,758)	0
Increase/(Decrease) in Deferred Inflows of Resources - Pension	(8,108)	(2,468)	(10,576)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	\$487,959	(\$130,002)	\$357,957	\$174,832

Noncash Capital Financing Activities

During 2016, the sewer enterprise fund received sewer lines from developers valued at \$121,829.

During 2016, the sewer enterprise fund received assets from governmental funds with a net book value of \$188,038.

During 2016, the net increase in fair value of the sewer enterprise funds investments was \$21,173.

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2016

Assets	
Equity in Pooled Cash and Cash Equivalents	\$1,583,673
Accounts Receivable	<u>157,614</u>
<i>Total Assets</i>	<u><u>\$1,741,287</u></u>
 Liabilities	
Deposits Held and Due to Others	<u><u>\$1,741,287</u></u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 1 – Reporting Entity

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

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

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burden on, the primary government. The reporting entity of the City does not include any component units.

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

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

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

Note 2 – Summary of Significant Accounting Policies

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Basis of Presentation

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

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

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

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

Fund Accounting

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

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

The following are the City's major governmental funds:

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

Recreation Fund The recreation fund accounts for and reports membership and program fees and 1/8 of one percent voted income tax committed for the operation and maintenance of recreation programs and the recreation center.

American Greetings Fund The American Greetings fund accounts for and reports bond proceeds and payments in lieu of taxes restricted for the costs of all capital projects for the American Greetings construction project.

Issue II Improvement Fund The Issue II improvements fund accounts for and reports the receipt of State grants restricted to pay contractor's costs on the Issue II infrastructure project.

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

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

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

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

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

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

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

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

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to

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support the City's own programs. The City has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for central dispatching services for the West Shore Council of Governments, deposits held for contractors and developers and assessments due to other governments.

Measurement Focus

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

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

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

Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlement and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 9). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility

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requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

On enterprise fund financial statements, revenue received as of December 31, 2016, for 2017 services, has been recorded as unearned revenue.

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance year 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes charges for services, delinquent property taxes, municipal income taxes, intergovernmental grants, special assessments and miscellaneous revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 25. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 14).

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

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

City of Westlake, Ohio
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Budgetary Data

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

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

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

Pooled Cash and Cash Equivalents

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

During 2016, investments were limited to municipal bonds, federal farm credit bank bonds, federal home loan bank bonds, and STAR Ohio. Investments are reported at fair value, which is based on quoted market price or current price.

During 2016, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to City funds according to state statutes, City Charter, grant requirements, or debt related restrictions. Interest revenue credited to the general fund during 2016 was \$389,528, which includes \$137,041 assigned from other City funds.

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

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

Materials and Supplies Inventory

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

Prepaid Items

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

Restricted Assets

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

Capital Assets

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

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

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

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

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

Interfund Balances

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

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

Compensated Absences

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

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

Pensions

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

City of Westlake, Ohio
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Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences and net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital lease, and long-term loans are recognized as a liability on the governmental fund financial statements when due.

Fund Balance

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

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

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

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

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

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Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State statute. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. Council assigned fund balance to cover a gap between estimated revenue and appropriations in 2017's appropriated budget. All remaining assigned amounts in the general fund were established by City Council.

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

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

Net Position

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

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

Operating Revenues and Expenses

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

Interfund Activity

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

City of Westlake, Ohio
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Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for a repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are presented on the financial statements.

Contributions of Capital

Contributions of capital in the governmental activities and proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction. Contributions of capital in proprietary fund financial statements also arise from contributions of capital assets from governmental funds.

Bond Premium

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

Deferred Charges on Refunding

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

Estimates

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

Note 3 – Change in Accounting Principles

For 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 72, “Fair Value Measurement and Application,” GASB Statement No 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,” GASB Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,” GASB Statement No. 79, “Certain External Investment Pools and Pool Participants,” GASB Statement No. 77, “Tax Abatement Disclosures,” and GASB Statement No. 82, “Pension Issues an Amendment of GASB Statements No. 67, No. 68 and No. 73.”

City of Westlake, Ohio
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GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated in the City's 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, "Accounting and Financial Reporting for Pensions," as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement No. 67, "Financial Reporting for Pension Plans, and Statement 68." The implementation of this GASB pronouncement did not result in any changes to the City's financial statements.

GASB Statement No. 76 identifies-in the context of the current governmental financial reporting environment-the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles. The implementation of this GASB pronouncement did not result in any changes to the City's financial statements.

GASB Statement No. 77 requires disclosure of information about the nature and magnitude of tax abatements. These changes were incorporated in the City's 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance also establishes additional note disclosure requirements for governments that participate in those pools. The City participates in STAR Ohio which implemented GASB Statement No. 79 for 2016. The City incorporated the corresponding GASB 79 guidance into their 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the City's 2016 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 – Accountability

The American Greetings fund, grants and Crocker Park Block K had deficit fund balances at December 31, 2016, in the amounts of \$960,443, \$2,657,207 and \$176,644, respectively. The deficit in the American Greetings and Crocker Park Block K capital projects funds are the result of the recognition of expenditures on the modified basis of accounting. The general fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur. The deficit in the grants capital projects fund is the result of interfund loans.

Note 5 – Fund Balances

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

City of Westlake, Ohio
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For the Year Ended December 31, 2016

Fund Balances	General	Recreation	American Greetings	Issue II Improvements	Infrastructure Tax	Grants	Other Governmental Funds	Total Governmental Activities
<u>Nonspendable:</u>								
Interfund loans	\$1,005,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,005,000
Prepays	252,958	69	0	0	0	0	723	253,750
Inventory	437,915	1,107	0	0	0	0	0	439,022
Unclaimed Monies	253,869	0	0	0	0	0	0	253,869
<i>Total Nonspendable</i>	<u>1,949,742</u>	<u>1,176</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>723</u>	<u>1,951,641</u>
<u>Restricted for:</u>								
Road Improvements	0	0	0	0	0	0	3,051,628	3,051,628
Police and Fire Departments	0	0	0	0	0	0	589,542	589,542
Law Enforcement	0	0	0	0	0	0	593,999	593,999
Drug and Alcohol Enforcement	0	0	0	0	0	0	91,637	91,637
Juvenile Diversion	0	0	0	0	0	0	8,983	8,983
Cemetery Maintenance	0	0	0	0	0	0	616,628	616,628
West/Bay Ecological	0	0	0	0	0	0	86,069	86,069
Emergency Medical Services	0	0	0	0	0	0	750,220	750,220
Storm Drainage	0	0	0	0	0	0	1,711,511	1,711,511
Construction and Improvement of City Facilities	0	0	0	0	0	0	6,238,599	6,238,599
Debt Service Payments	0	0	0	0	0	0	1,111,821	1,111,821
Issue II Improvements	0	0	0	0	15,977,131	0	0	15,977,131
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,977,131</u>	<u>0</u>	<u>14,850,637</u>	<u>30,827,768</u>
<u>Committed to:</u>								
Recreation	0	2,532,545	0	0	0	0	0	2,532,545
City Donations	0	0	0	0	0	0	218,936	218,936
<i>Total Committed</i>	<u>0</u>	<u>2,532,545</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>218,936</u>	<u>2,751,481</u>
<u>Assigned to:</u>								
Compensated Absences	514,932	0	0	0	0	0	0	514,932
Equipment Replacement	9,714,333	0	0	0	0	0	0	9,714,333
Cable Television	2,950,520	0	0	0	0	0	0	2,950,520
Cemetery Operations	109,434	0	0	0	0	0	0	109,434
Swimming Pool Operations	23,482	0	0	0	0	0	0	23,482
Community Services	44,016	0	0	0	0	0	0	44,016
Safety Town	4,999	0	0	0	0	0	0	4,999
Service Center Construction	0	0	0	0	0	0	15,607	15,607
2017 Operations	4,258,247	0	0	0	0	0	0	4,258,247
Purchases on Order								
Building Maintenance	80,962	0	0	0	0	0	0	80,962
Street Department	298,994	0	0	0	0	0	0	298,994
Basic Utilities	23,857	0	0	0	0	0	0	23,857
Police Department	260,948	0	0	0	0	0	0	260,948
Fire Department	123,512	0	0	0	0	0	0	123,512
Recreation Department	23,660	0	0	0	0	0	0	23,660
Other	239,074	0	0	0	0	0	0	239,074
<i>Total Assigned</i>	<u>18,670,970</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,607</u>	<u>18,686,577</u>
Unassigned (Deficit):	<u>30,486,799</u>	<u>0</u>	<u>(960,443)</u>	<u>0</u>	<u>0</u>	<u>(2,657,207)</u>	<u>(176,644)</u>	<u>26,692,505</u>
Total Fund Balances (Deficit)	<u>\$51,107,511</u>	<u>\$2,533,721</u>	<u>(\$960,443)</u>	<u>\$0</u>	<u>\$15,977,131</u>	<u>(\$2,657,207)</u>	<u>\$14,909,259</u>	<u>\$80,909,972</u>

City of Westlake, Ohio
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Note 6 – Budgetary Basis of Accounting

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

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budget basis statements for the general fund and the recreation major special revenue fund.

	General	Recreation
GAAP Basis	\$2,198,043	\$142,903
Net Adjustment for Revenue Accruals	(511,221)	16
Advances In	18,000	0
Beginning Fair Value Adjustment for Investments	418,191	0
Ending Fair Value Adjustment for Investments	(264,311)	0
Net Adjustment for Expenditure Accruals	(145,924)	21,177
Advances Out	(150,000)	0
Perspective Difference:		
Swimming Pool Operation	43,351	0
Senior/Community Service	(1,147)	0
Cemetery Operating	113,121	0
Reserve for Compensated Absences	333,000	0
Encumbrances	(2,070,135)	(84,243)
Budget Basis	(\$19,032)	\$79,853

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 7 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

8. Written repurchase agreements in securities described in (1) or (2) 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 30 days.

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short-selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of City funds shall be required to pledge security for repayment of all public moneys. The City has no investment policy dealing with deposit custodial risk beyond the requirement in State statute that requires securities purchased pursuant to this division shall be delivered into the custody of the Finance Director or an agent designated by the Finance Director.

At year-end, \$8,111,070 of the City's bank balance of 9,111,070 was uninsured. The uninsured bank balance was collateralized with securities held by the pledging institution's trust department, not in the City's name.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Investments

As of December 31, 2016, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percentage of Total Investments
Net Asset Value Per Share				
STAR Ohio	\$14,795	Average 51.6 Days	AAAm	0.02%
Fair Value - Level Two Inputs				
Federal Farm Credit Bank Bonds	3,004,030	Less than one year	AA+	3.46
Federal Farm Credit Bank Bonds	3,483,209	Less than two years	AA+	4.01
Federal Farm Credit Bank Bonds	496,090	Less than five years	AA+	0.57
Federal Home Loan Bank Bonds	999,220	Less than one year	AA+	1.15
Federal Home Loan Bank Bonds	4,881,712	Less than two years	AA+	5.61
Federal Home Loan Bank Bonds	1,966,360	Less than five years	AA+	2.26
Municipal Bonds:				
City of Avon	8,976,375	Less than one year	N/A	10.32
City of Akron	2,020,460	Less than one year	N/A	2.32
City of Berea	2,652,272	Less than one year	N/A	3.05
City of Brecksville	754,721	Less than one year	N/A	0.87
City of Canton	1,507,080	Less than one year	N/A	1.73
City of Columbus	985,598	Less than one year	N/A	1.13
City of Defiance	2,217,172	Less than one year	N/A	2.55
City of Delaware	2,999,910	Less than one year	N/A	3.45
City of Hilliard	3,699,667	Less than one year	N/A	4.26
City of Lakewood	1,602,590	Less than one year	N/A	1.84
City of Lyndhurst	1,099,802	Less than one year	N/A	1.27
City of Napoleon	1,401,050	Less than one year	N/A	1.61
City of North Ridgeville	2,507,070	Less than one year	N/A	2.88
City of Painesville	2,251,935	Less than one year	N/A	2.59
City of South Euclid	1,300,871	Less than one year	N/A	1.50
City of Uhrichsville	1,836,101	Less than one year	N/A	2.11
City of Westerville	4,007,080	Less than one year	N/A	4.61
City of Youngstown	3,509,080	Less than one year	N/A	4.04
Columbus City School District	1,895,768	Less than one year	N/A	2.18
Gahanna-Jefferson City School District	984,760	Less than one year	N/A	1.13
Lake County	502,680	Less than one year	N/A	0.58
Lebanon City School District	755,235	Less than one year	N/A	0.87
Middleburg Heights	1,239,804	Less than one year	N/A	1.43
Montgomery County	855,687	Less than one year	N/A	0.98
City of North Olmstead	500,145	Less than one year	N/A	0.58
City of North Royalton	231,605	Less than one year	N/A	0.27
Oakwood Village	1,599,060	Less than one year	N/A	1.84
Ohio State Higher Education	861,547	Less than one year	N/A	0.99
City of Powell	2,753,340	Less than one year	N/A	3.17
Trumbull County	2,321,282	Less than one year	N/A	2.67
City of Wadsworth	1,444,954	Less than one year	N/A	1.66

(continued)

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percentage of Total Investments
Fair Value - Level Two Inputs				
Municipal Bonds: (continued)				
City of Avon	\$25,112	Less than two years	N/A	0.03%
City of Dublin	319,425	Less than two years	N/A	0.37
City of Lakewood	313,897	Less than two years	N/A	0.36
City of Columbus	1,391,362	Less than two years	N/A	1.60
Montgomery County	253,225	Less than two years	N/A	0.29
City of North Olmstead	745,184	Less than two years	N/A	0.86
Olentangy Local School District	533,615	Less than two years	N/A	0.61
State of Ohio	519,435	Less than two years	N/A	0.60
City of Cincinnati	135,761	Less than two years	N/A	0.16
Westerville City School District	316,108	Less than two years	N/A	0.36
Avon Lake City School District	444,187	Less than five years	N/A	0.51
City of Dublin	429,100	Less than five years	N/A	0.49
City of Wadsworth	824,491	Less than five years	N/A	0.95
City of Cleveland	878,936	Less than five years	N/A	1.01
City of Columbus	2,342,651	Less than five years	N/A	2.69
Columbus Metropolitan Library	448,457	Less than five years	N/A	0.52
Little Miami Local School District	408,123	Less than five years	N/A	0.47
Ohio State Higher Education	491,463	Less than five years	N/A	0.56
Total Fair Value - Level Two Inputs	<u>86,925,854</u>			
	<u>\$86,940,649</u>			

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2016. The City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

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

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

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 8 – Interfund Transfers and Balances

Interfund Balances

As of December 31, 2016, interfund balances were as follows:

	Receivable	Payable
	Advance to Other Funds	Advance from Other Funds
Major Governmental Funds:		
General Fund	\$1,005,000	\$0
Infrastructure Tax	7,754,500	0
Grants	0	7,754,500
<i>Total Governmental Activities</i>	8,759,500	7,754,500
Business-Type Activity:		
Golf Course	0	1,005,000
Total	\$8,759,500	\$8,759,500

Advances to other funds at December 31, 2016, consisted of a general fund advance of \$1,005,000 to the golf course enterprise fund due to the timing of the operating revenues, and an advance from the infrastructure tax capital projects fund of \$7,754,500 to the grants fund. The interfund balances at December 31, 2016, result from a difference in timing of when expenses are recognized in accordance with generally accepted accounting principles and when the related interfund subsidies are budgeted for payment on a cash basis. Interfund balances are expected to be repaid within one year. Advances to other funds are not expected to be repaid within one year.

Interfund Transfers

At December 31, 2016, interfund transfers were as follows:

Transfers To	Transfers From			Total
	General	American Greetings	Infrastructure Tax	
Major Governmental Funds:				
Issue II Improvement	\$158,700	\$0	\$0	\$158,700
Other Governmental Funds:				
Police Pension	450,000	0	0	450,000
Fire Pension	450,000	0	0	450,000
Market Square	2,106,804	343,181	175,000	2,624,985
Total Other Governmental Funds	3,006,804	343,181	175,000	3,524,985
Total Governmental Funds	\$3,165,504	\$343,181	\$175,000	\$3,683,685

The general fund transfers to the major governmental funds and other governmental funds were made to provide additional resources for capital improvements and current operations. The transfers of \$343,181 and \$175,000 from American Greetings and infrastructure tax capital projects funds, respectively, to the market square fund were made to provide additional resources for the market square project.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 9 – Receivables

Receivables at December 31, 2016, consisted primarily of municipal income taxes, property and hotel taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments, and accounts (billings for utility service).

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

Special assessments expected to be collected in more than one year amount to \$2,810,000 in the special assessment bond retirement fund. At December 31, 2016, the amount of delinquent special assessments was \$110,269.

Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2016 for real and public utility property taxes represents collections of 2015 taxes.

2016 real property taxes are levied after October 1, 2016, on the assessed value as of January 1, 2016, the lien date. Assessed values are established by state law at 35 percent of appraised market value. 2016 real property taxes are collected in and intended to finance 2017.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2016 public utility property taxes which became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2016, was \$9.52 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2016 property tax receipts were based are as follows:

<u>Category</u>	<u>Amount</u>
Real Estate:	
Residential/Agricultural	\$1,019,017,040
Other Real Estate	381,570,250
Public Utility Tangible Property	<u>25,840,090</u>
Total Assessed Valuation	<u><u>\$1,426,427,380</u></u>

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City of Westlake and periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility taxes and outstanding delinquencies which are measurable as of December 31, 2016, and for which there is an enforceable legal claim. In governmental funds, the portion of

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

the receivable levied to finance 2017 operations is offset to deferred inflows of resources – property taxes. On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Taxes

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

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

Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities:	
Homestead and Rollback	\$686,873
Gas Excise Tax	360,646
Local Government	179,786
Highway Distribution	182,692
Auto Registration	108,200
Ohio Department of Public Safety Grants	85,046
City of Cleveland	7,450
State of Ohio Salt Reimbursement	3,332
Other	600
Total Intergovernmental Receivables	\$1,614,625

Payments in Lieu of Taxes

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 10 – Tax Abatements

As of December 31, 2016, the City provides tax abatements through Community Reinvestment Area programs. Pursuant to Ohio Revised Code Chapter 5709, the City has established a Community Reinvestment Area to provide property tax abatements to encourage revitalization of existing buildings and the construction of new structures. Abatements are obtained through application by the property owner, including proof that the improvements have been made, and equal 50 percent of the additional property tax resulting from the increase in assessed value as a result of the improvement. The amount of the abatement is deducted from the recipient's tax bill. The City also contracts with the overlapping school district for payments in lieu of taxes when required by Ohio Revised Code. For 2016, the value of the taxes being abated was \$22,165.

Note 11 – Capital Assets

A summary of changes in capital assets during 2016 follows:

	Balance 12/31/2015	Additions	Deletions	Balance 12/31/2016
Business-Type Activities:				
<i>Nondepreciable Capital Assets</i>				
Land	\$1,499,176	\$0	\$0	\$1,499,176
Construction in Progress	0	32,183	0	32,183
<i>Total Nondepreciable Capital Assets</i>	<u>1,499,176</u>	<u>32,183</u>	<u>0</u>	<u>1,531,359</u>
<i>Depreciable Capital Assets</i>				
Buildings and Improvements	1,758,202	10,225	0	1,768,427
Improvements	264,339	0	0	264,339
Machinery and Equipment	300,293	16,460	0	316,753
Furniture and Fixtures	70,691	0	0	70,691
Vehicles	843,768	43,386	0	887,154
Infrastructure				
Sewer Lines	52,233,362	309,867	0	52,543,229
<i>Total Depreciable Capital Assets</i>	<u>55,470,655</u>	<u>379,938</u>	<u>0</u>	<u>55,850,593</u>
<i>Less Accumulated Depreciation</i>				
Buildings and Improvements	(570,689)	(34,938)	0	(605,627)
Improvements	(206,398)	(5,843)	0	(212,241)
Machinery and Equipment	(269,933)	(11,242)	0	(281,175)
Furniture and Fixtures	(30,307)	(4,521)	0	(34,828)
Vehicles	(706,262)	(60,019)	0	(766,281)
Infrastructure				
Sewer Lines	(29,191,077)	(1,050,925)	0	(30,242,002)
<i>Total Accumulated Depreciation</i>	<u>(30,974,666)</u>	<u>(1,167,488)</u>	<u>0</u>	<u>(32,142,154)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>24,495,989</u>	<u>(787,550)</u>	<u>0</u>	<u>23,708,439</u>
<i>Total Business-Type Activities Capital Assets, Net</i>	<u>\$25,995,165</u>	<u>(\$755,367)</u>	<u>\$0</u>	<u>\$25,239,798</u>

During 2016, the sewer enterprise fund received sewer lines from developers valued at \$121,829 and sewer lines from governmental activities with a net book value of \$188,038.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

	Balance 12/31/2015	Additions	Deletions	Balance 12/31/2016
Governmental Activities:				
<i>Nondepreciable Capital Assets</i>				
Land	\$14,162,808	\$574,213	\$0	\$14,737,021
Construction in Progress	62,070,665	22,919,734	(64,296,599)	20,693,800
<i>Total Nondepreciable Capital Assets</i>	<u>76,233,473</u>	<u>23,493,947</u>	<u>(64,296,599)</u>	<u>35,430,821</u>
<i>Depreciable Capital Assets</i>				
Buildings and Improvements	42,506,382	42,806,730	0	85,313,112
Improvements	6,042,948	1,034,194	(96,643)	6,980,499
Machinery and Equipment	6,970,793	486,795	(291,920)	7,165,668
Furniture and Fixtures	1,862,165	111,078	(19,831)	1,953,412
Vehicles	9,850,904	656,491	(470,298)	10,037,097
Infrastructure				
Roads	128,727,304	15,787,950	0	144,515,254
Water Mains	43,024,872	2,302,621	(131,901)	45,195,592
Storm Sewers	29,918,896	1,315,510	0	31,234,406
Culverts	3,320,916	0	0	3,320,916
Traffic Signals	4,098,368	979,819	0	5,078,187
Bridges	1,980,831	0	0	1,980,831
<i>Total Depreciable Capital Assets</i>	<u>278,304,379</u>	<u>65,481,188</u>	<u>(1,010,593)</u>	<u>342,774,974</u>
<i>Less Accumulated Depreciation</i>				
Buildings and Improvements	(13,338,310)	(1,079,424)	0	(14,417,734)
Improvements	(4,362,569)	(187,863)	64,475	(4,485,957)
Machinery and Equipment	(5,345,210)	(548,513)	276,074	(5,617,649)
Furniture and Fixtures	(1,452,839)	(73,677)	19,831	(1,506,685)
Vehicles	(6,676,768)	(879,706)	437,685	(7,118,789)
Infrastructure				
Roads	(88,042,106)	(3,355,830)	0	(91,397,936)
Water Mains	(18,189,237)	(754,907)	131,901	(18,812,243)
Storm Sewers	(15,151,261)	(588,129)	0	(15,739,390)
Culverts	(2,967,889)	(75,470)	0	(3,043,359)
Traffic Signals	(1,225,780)	(130,114)	0	(1,355,894)
Bridges	(1,030,406)	(34,933)	0	(1,065,339)
<i>Total Accumulated Depreciation</i>	<u>(157,782,375)</u>	<u>(7,708,566)*</u>	<u>929,966</u>	<u>(164,560,975)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>120,522,004</u>	<u>57,772,622</u>	<u>(80,627)</u>	<u>178,213,999</u>
<i>Total Governmental Capital Assets, Net</i>	<u>\$196,755,477</u>	<u>\$81,266,569</u>	<u>(\$64,377,226)</u>	<u>\$213,644,820</u>

During 2016, governmental activities received roads, water mains and storm sewers from developers valued at \$1,032,429.

* Depreciation expense was charged to governmental functions as follows:

General Government	\$297,170
Security of Persons and Property	912,105
Public Health Services	90,374
Transportation	4,107,868
Community Environment	247,384
Basic Utility Services	1,418,506
Leisure Time Activities	635,159
Total	<u>\$7,708,566</u>

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 12 – Risk Management

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

The types of coverage and deductibles are as follows:

Type of Coverage	Coverage	Deductible
U.S. Specialty Insurance Company		
Blanket Property and Contents, Replacement	\$73,564,427	\$2,500
Inland Marine	5,938,560	1,000
General Liability	1,000,000/3,000,000	0
Automobile Liability	1,000,000	0
Public Officials Liability	1,000,000/1,000,000	10,000
Police Professional Liability	1,000,000/1,000,000	5,000
Employment Practices Liability	1,000,000/1,000,000	10,000
Computer - Hardware	2,823,758	1,000
Computer - Software	25,000	1,000
Umbrella Excess Liability	10,000,000	No SIR
Travelers Property & Casualty Insurance Company		
Forgery or Alteration	1,000,000	5,000
Employee Theft - Per Loss	1,000,000	5,000
On Premises	1,000,000	5,000
In Transit	1,000,000	5,000
Money Orders & Counterfeit Money	1,000,000	5,000
Computer Fraud	1,000,000	5,000
Funds Transfer Fraud	1,000,000	5,000

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

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

The City utilizes the services of America’s Choice Healthplans, the third party administrator, to review, process, and pay employee claims. The City purchased stop-loss coverage for claims in excess of \$80,000 per individual and \$3,067,084 aggregate per year. For each employee, the City paid monthly into the hospitalization internal service fund \$554 for single, \$929 for single-plus-one and \$1,313 for family coverage. These rates are paid by the fund from which the employees’ salary is paid.

The claims liability of \$255,679 as estimated by the third-party administrator and reported in the hospitalization internal service fund at December 31, 2016, is based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund claims liability amount in 2015 and 2016 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2015	\$148,371	\$2,089,804	\$2,029,319	\$208,856
2016	208,856	2,584,920	2,538,097	255,679

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

Note 13 – Significant Commitments

Contractual Commitments

At December 31, 2016, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
2016 Street Maintenance	\$2,709,280	\$1,628,781	\$1,080,499
Bradley Road Waterline Improvements	2,546,870	2,029,218	517,652
Canterbury/Detroit Roads Intersection Improvements	3,325,584	2,778,706	546,878
Detroit Road Resurfacing	2,694,962	2,301,145	393,817
Traffic Signalization	4,087,156	3,565,268	521,888
American Greetings/Crocker Park Garages	66,208,658	59,639,551	6,569,107
Market Square	2,481,285	2,233,157	248,128
Total	\$84,053,795	\$74,175,826	\$9,877,969

\$3,145,860 of the remaining commitments were encumbered at year-end. The amounts of \$3,396,935 and \$5,375,504 in contracts and retainage payable, respectively, have been capitalized.

Encumbrances

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

Governmental Funds:		Proprietary Funds:	
General	\$2,070,135	Enterprise:	
Recreation	84,243	Sewer	\$468,365
American Greetings	7,710	Nonmajor - Golf Course	3,413
Issue II Improvements	1,827		
Infrastructure Tax	3,725,446	Total Enterprise Funds	471,778
Grants	1,003,896		
Other Governmental Funds	785,425	Internal Service Fund	772,552
Total Governmental Funds	\$7,678,682	Total Proprietary Funds	\$1,244,330

City of Westlake, Ohio
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Note 14 – Defined Benefit Pension Plan

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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.

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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, including requirements for reduced and unreduced benefits):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013, or 5 years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire 10 years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

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

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

Additionally, a death benefit of \$500-\$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the traditional plan.

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

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

City of Westlake, Ohio
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Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution for was \$1,277,433 for 2016. Of this amount, \$38,948 is reported as an intergovernmental payable.

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

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

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

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

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

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

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

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

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	<u>Police</u>	<u>Firefighters</u>
2016 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2016 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F for was \$1,753,225 for 2016. Of this amount, \$76,617 is reported as an intergovernmental payable.

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

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

	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.0803110%	0.3942610%	
Prior Measurement Date	<u>0.0820590%</u>	<u>0.4044985%</u>	
Change in Proportionate Share	<u>-0.0017480%</u>	<u>-0.0102375%</u>	
			<u>Total</u>
Proportionate Share of the Net Pension Liability	\$13,910,880	\$25,363,088	\$39,273,968
Pension Expense	\$1,887,052	\$3,337,174	\$5,224,226

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

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	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$4,088,929	\$4,128,138	\$8,217,067
Changes in proportion and differences between City contributions and proportionate share of contributions City contributions subsequent to the measurement date	127,481	0	127,481
	<u>1,277,433</u>	<u>1,753,225</u>	<u>3,030,658</u>
Total Deferred Outflows of Resources	<u>\$5,493,843</u>	<u>\$5,881,363</u>	<u>\$11,375,206</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$268,783	\$71,218	\$340,001
Changes in proportion and differences between City contributions and proportionate share of contributions	266,583	394,620	661,203
	<u>266,583</u>	<u>394,620</u>	<u>661,203</u>
Total Deferred Inflows of Resources	<u>\$535,366</u>	<u>\$465,838</u>	<u>\$1,001,204</u>

\$3,030,658 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2017	\$830,106	\$997,294	\$1,827,400
2018	895,487	997,294	1,892,781
2019	1,030,124	997,294	2,027,418
2020	925,327	777,228	1,702,555
2021	0	(89,757)	(89,757)
Thereafter	0	(17,053)	(17,053)
	<u>0</u>	<u>(17,053)</u>	<u>(17,053)</u>
Total	<u>\$3,681,044</u>	<u>\$3,662,300</u>	<u>\$7,343,344</u>

Actuarial Assumptions – OPERS

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

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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2015, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuations are presented as follows:

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

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

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the traditional pension plan, the defined benefit component of the combined plan, the annuitized accounts of the member-directed plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

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

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

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the County’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$22,163,427	\$13,910,880	\$6,950,114

Changes between Measurement Date and Report Date

In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the City’s net pension liability is expected to be significant.

Actuarial Assumptions – OP&F

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

City of Westlake, Ohio
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Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

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

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

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2015, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Real Rate of Return**</u>	<u>30 Year Expected Real Rate of Return**</u>
Cash and Cash Equivalents	0.00 %	0.00 %	0.00 %
Domestic Equity	16.00	6.50	7.80
Non-US Equity	16.00	6.70	8.00
Core Fixed Income *	20.00	3.50	5.35
Global Inflation Protected Securities*	20.00	3.50	4.73
High Yield	15.00	6.35	7.21
Real Estate	12.00	5.80	7.43
Private Markets	8.00	9.50	10.73
Timber	5.00	6.55	7.35
Master Limited Partnerships	8.00	9.65	10.75
Total	<u>120.00 %</u>		

Note: Assumptions are geometric.

* levered 2x

** Numbers are net of expected inflation

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.

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$33,450,514	\$25,363,088	\$18,512,240

Note 15 – Post-Employment Benefits

Ohio Public Employees Retirement System

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.

At the beginning of 2016, OPERS maintained three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust (401(h) Trust) and the 115 Health Care Trust (115 Trust), worked together to provide health care funding to eligible retirees of the traditional pension and combined plans.

In March 2016, OPERS received two favorable rulings from the IRS allowing OPERS to consolidate all health care assets into the 115 Trust. Transition to the new health care trust structure occurred during 2016. OPERS Combining Statements of Changes in Fiduciary Net Position for the year ended December 31, 2016, will reflect a partial year of activity in the 401(h) Trust and VEBA Trust prior to the termination of these trusts as of end of business day June 30, 2016, and the assets and liabilities, or net position, of these trusts being consolidated into the 115 Trust on July 1, 2016.

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 45. See OPERS' CAFR referenced below for additional information.

City of Westlake, Ohio
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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. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, state and local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contributions rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both the traditional pension and combined plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) Trust that provides funding for a Retiree Medical Account (RMA) for member-directed plan members. The employer contribution as a percentage of covered payroll deposited to the RMAs for 2016 was 4.0 percent.

Substantially all of the City's contribution allocated to fund post-employment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2016, 2015, and 2014 was \$212,906, \$200,040 and \$201,209, respectively. For 2016, 96.95 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2015 and 2014.

Ohio Police and Fire Pension Fund

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 OP&F. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, Medicare Part B Premium, and long-term care 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. 45.

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2016, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contribution to OP&F for the years ended December 31, 2016, 2015, and 2014 were \$1,793,361, \$1,728,106 and \$1,733,160, respectively, of which \$40,136, \$40,139 and \$40,360, respectively, was allocated to the healthcare plan. For 2016, 95.55 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2015 and 2014.

Note 16 – Compensated Absences

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

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 17 – Contingent Liabilities

Litigation

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

Federal and State Grants

The City receives financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the City at December 31, 2016.

Note 18 – Long-Term Obligations

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
General Obligation Bonds:				
Recreational Facilities Refunding Bonds	2008	2020	3.25-3.88 %	\$9,990,000
Infrastructure Various Purpose Bonds	2011	2021	2.25-4.00	7,350,000
Special Obligation Bond:				
American Greetings/Crocker Park Improvements	2014	2044	1.17-4.33	48,330,000
Special Assessment Bonds:				
Various Purpose Improvements	2001	2021	4.75-5.00	765,000
Street Improvement Bonds	2005	2025	4.00-5.25	4,620,000
OPWC Loans:				
Hilliard Boulevard Watermain Replacement	2003	2025	0	806,235
Detroit/Bradley Road Intersection	2014	2041	0	2,868,104
State Infrastructure Bank Loan:				
State Route 254/Crocker Road Improvements	2015	2034	3.00	8,765,300

Changes in long-term obligations during the year ended December 31, 2016, consisted of the following:

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

	Balance 12/31/2015	Increase	Decrease	Balance 12/31/2016	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds:					
Recreational Facilities					
Refunding Bonds	\$5,280,000	\$0	\$985,000	\$4,295,000	\$1,005,000
Unamortized Premium	2,524	0	471	2,053	0
Infrastructure Various					
Purpose Bonds	4,350,000	0	675,000	3,675,000	700,000
Unamortized Premium	155,920	0	24,195	131,725	0
<i>Total General Obligation Bonds</i>	<u>9,788,444</u>	<u>0</u>	<u>1,684,666</u>	<u>8,103,778</u>	<u>1,705,000</u>
Special Obligation Bond:					
American Greetings/ Crocker Park Improvements:					
Serial Portion	18,190,000	0	0	18,190,000	0
Term Portion	30,140,000	0	0	30,140,000	0
Unamortized Premium	591,582	0	0	591,582	0
<i>Total Special Obligation Bond</i>	<u>48,921,582</u>	<u>0</u>	<u>0</u>	<u>48,921,582</u>	<u>0</u>
Special Assessment Bonds:					
Various Purpose Improvements	285,000	0	40,000	245,000	45,000
Street Improvement Bonds	2,790,000	0	225,000	2,565,000	235,000
Unamortized Premium	189,943	0	15,318	174,625	0
<i>Total Special Assessment Bonds</i>	<u>3,264,943</u>	<u>0</u>	<u>280,318</u>	<u>2,984,625</u>	<u>280,000</u>
OPWC Loans					
Hilliard Boulevard Watermain Replacement	362,804	0	40,312	322,492	40,312
Detroit/Bradley Road Intersection	2,755,998	112,107	114,724	2,753,381	114,724
<i>Total OPWC Loans</i>	<u>3,118,802</u>	<u>112,107</u>	<u>155,036</u>	<u>3,075,873</u>	<u>155,036</u>
State Infrastructure Bank Loan					
State Route 254/ Crocker Road Improvements	8,765,300	0	185,407	8,579,893	379,200
Other Long-Term Obligations					
Compensated Absences Payable	5,785,647	479,830	333,000	5,932,477	600,000
Capital Lease	11,790	0	3,248	8,542	3,412
Landfill Postclosure Costs	415,949	39,165	50,568	404,546	75,000
<i>Total Other Long-Term Obligations</i>	<u>6,213,386</u>	<u>518,995</u>	<u>386,816</u>	<u>6,345,565</u>	<u>678,412</u>
Net Pension Liability:					
OPERS	9,402,372	3,590,389	0	12,992,761	0
OP&F	20,954,709	4,408,379	0	25,363,088	0
<i>Total Net Pension Liability</i>	<u>30,357,081</u>	<u>7,998,768</u>	<u>0</u>	<u>38,355,849</u>	<u>0</u>
Total Governmental Long-Term Liabilities	<u>\$110,429,538</u>	<u>\$8,629,870</u>	<u>\$2,692,243</u>	<u>\$116,367,165</u>	<u>\$3,197,648</u>
Business-Type Activities					
Net Pension Liability:					
Sewer	\$296,918	\$406,974	\$0	\$703,892	\$0
Golf Course	197,945	16,282	0	214,227	0
Total Business-Type Long-Term Liabilities	<u>\$494,863</u>	<u>\$423,256</u>	<u>\$0</u>	<u>\$918,119</u>	<u>\$0</u>

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

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

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

The City has pledged a portion of tax incremental financing revenue to repay the special obligation bonds. The bonds are paid solely from tax incremental financing revenue and payable through 2044. Annual principal and interest payments on the bonds are to require less than 100 percent of tax incremental financing revenue. The total principal and interest remaining to be paid on the bonds is \$85,569,232. Interest paid for the current year was \$1,980,569 and tax incremental financing revenue was \$1,084,549 with shortfall payments from the beneficiaries of the bonds covering the difference. As of December 31, 2016, \$5,553,400 of the proceeds was unspent.

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

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

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

Refunded Bonds In 2008, the City defeased a 1997 Recreation Center and Marview Waterline general obligation bond issue in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2016, \$4,405,000 of the defeased bonds are still outstanding.

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

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

The City acquired a loan in the amount of \$8,765,300 from the Ohio Department of Transportation for the Public Private Partnership project involving the construction of the American Greetings world headquarters and additional development of the Crocker Park complex which is a mixed-use development in the City. All proceeds of the loan were received in 2015. The loan will be paid from the TIF bond retirement fund with tax incremental financing revenues and shortfall payments from Crocker Park and American Greetings. In the event there are not sufficient revenues to repay the loan, permissive license tax, motor vehicle license tax and motor vehicle gasoline tax funds received by the City will be used. The loan will be repaid over 20 years at an interest rate of 3.0 percent per annum. Annual principal and interest payments on the loan are to require less than 100 percent of the pledged revenues. The total principal and interest remaining to be paid on the loan is \$11,091,030. Principal and interest paid for the current year and total pledged revenues were \$316,887 and \$1,251,996. As of December 31, 2016, all proceeds had been spent.

The City's overall legal debt margin was \$142,168,981 and the unvoted legal debt margin was \$70,847,612 at December 31, 2016. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2016, are as follows:

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Year	General Obligation Bonds		Special Obligation Bonds			
	Serial		Serial		Term	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$1,705,000	\$296,657	\$0	\$1,980,569	\$0	\$0
2018	1,755,000	237,474	775,000	1,980,569	0	0
2019	1,830,000	176,194	895,000	1,957,319	0	0
2020	1,905,000	105,756	915,000	1,939,419	0	0
2021	775,000	31,000	930,000	1,921,119	0	0
2022-2026	0	0	5,180,000	9,087,994	0	0
2027-2031	0	0	6,455,000	7,812,344	0	0
2032-2036	0	0	3,040,000	2,665,086	6,735,000	3,403,206
2037-2041	0	0	0	0	13,750,000	3,684,344
2042-2044	0	0	0	0	9,655,000	807,263
Total	\$7,970,000	\$847,081	\$18,190,000	\$29,344,419	\$30,140,000	\$7,894,813

Year	Special Assessment Bonds		OPWC	State Infrastructure	
	Principal	Interest	Loans	Bank Loan	
			Principal	Principal	Interest
2017	\$280,000	\$141,350	\$155,036	\$379,200	\$254,574
2018	295,000	129,700	155,036	390,660	243,113
2019	305,000	114,950	155,036	402,468	231,305
2020	320,000	99,700	155,036	414,633	219,140
2021	330,000	83,700	155,035	427,165	206,608
2022-2026	1,280,000	172,462	694,553	2,337,474	831,391
2027-2031	0	0	573,620	2,712,736	456,131
2032-2036	0	0	573,620	1,515,557	68,875
2037-2041	0	0	458,901	0	0
Total	\$2,810,000	\$741,862	\$3,075,873	\$8,579,893	\$2,511,137

Note 19 – Capital Lease

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

Capital asset acquired by the lease currently being paid has been capitalized and depreciated as follows as of December 31, 2016:

Governmental Activities:	
Equipment	\$13,612
Less Accumulated Depreciation	<u>(4,310)</u>
Carrying Value	<u>\$9,302</u>

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

	Equipment
2017	\$3,757
2018	3,757
2019	1,565
Total Minimum Lease Payment	9,079
Less: Amount Representing Interest	(537)
Present Value of Minimum Lease Payment	\$8,542

Note 20 – Industrial Development Revenue Bonds

At December 31, 2016, the City has one remaining series of industrial development revenue bonds in the aggregate outstanding principal amount of \$19,625,000 for facilities used by private corporations or other entities. The City is not obligated in any way to pay debt-related charges on the bonds from any of its funds, and therefore, they have been excluded entirely from the City’s debt presentation. There has not been, and there is not currently, any condition of default under the bonds or the related financing documents.

Note 21 – Landfill Closure and Post-closure Care Cost

State and Federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The City’s landfill placed its final cover in 1989. The \$404,546 reported as landfill post-closure costs in the long-term liabilities due in one year and due in more than one year lines of the governmental activities column of the statement of net position at December 31, 2016, represents the estimated cost of maintenance and monitoring through 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The City is required by State and Federal laws and regulations to provide assurances that financial resources will be available to provide for post-closure care and remediation or containment of environmental hazards at the landfill. Financial assurance may take the form of a financial test and corporate guarantee. The financial test was performed on the 2016 audited financial statements and the City was in compliance.

Note 22 – Joint Venture – Rocky River Wastewater Treatment Plant

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

Continued existence of the Plant is dependent on the City’s continued participation, and the City has an equity interest in the Plant. The City’s equity interest is \$8,122,858, which represents 39.51 percent of the total equity in the Plant. The Plant is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. Complete financial statements can be obtained from the City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 23 – Jointly Governed Organizations

West Shore Council of Governments

The West Shore Council of Governments (Council) helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The board is comprised of one member from each of the six participating entities. The board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the board. Each City's degree of control is limited to its representation on the board. In 2016, the City contributed \$67,032, which represented 20.28 percent of total contributions. Complete financial statements can be obtained from the City of Bay Village, 350 Dover Center Road, Bay Village, Ohio 44140.

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

Tri-City Park

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

Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. The City of Westlake contributed \$3,000 to Tri-City Park in 2016. Complete financial statements can be obtained from the City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116.

S.A.F.E Council of Governments

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

Budgets are adopted by the board. Each City's degree of control is limited to its representation on the board. The City of Westlake did not make any contributions to the S.A.F.E. in 2016. Complete financial statements can be obtained from the City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116.

West Shore Area Rescue Association

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

Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. In 2016, the City contributed \$500, which represented 13 percent of total contributions. Complete financial statements can be obtained from Fairview General Hospital, 18101 Lorain Road, Cleveland, Ohio 44111.

Required Supplementary Information

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

	2016	2015	2014
City's Proportion of the Net Pension Liability	0.08031100%	0.08205900%	0.08205900%
City's Proportionate Share of the Net Pension Liability	\$13,910,880	\$9,897,235	\$9,673,688
City's Covered Payroll	\$10,001,992	\$10,060,433	\$10,064,662
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	139.08%	98.38%	96.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%

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

*Amounts presented as of the City's measurement date which is the prior year end.

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

	2016	2015	2014
City's Proportion of the Net Pension Liability	0.39426100%	0.40449850%	0.40449850%
City's Proportionate Share of the Net Pension Liability	\$25,363,088	\$20,954,709	\$19,700,346
City's Covered Payroll	\$8,027,897	\$8,071,930	\$7,542,074
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	315.94%	259.60%	261.21%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	71.71%	73.00%

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

*Amounts presented as of the City's measurement date which is the prior year end.

City of Westlake, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Four Years (1)

	2016	2015	2014	2013
Contractually Required Contribution	\$1,277,433	\$1,200,239	\$1,207,252	\$1,308,406
Contributions in Relation to the Contractually Required Contribution	<u>(1,277,433)</u>	<u>(1,200,239)</u>	<u>(1,207,252)</u>	<u>(1,308,406)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$10,645,275	\$10,001,992	\$10,060,433	\$10,064,662
Contributions as a Percentage of Covered Payroll	12.00%	12.00%	12.00%	13.00%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available. An additional column will be added each year.

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

	2016	2015	2014	2013
Contractually Required Contribution	\$1,753,225	\$1,687,967	\$1,692,800	\$1,348,367
Contributions in Relation to the Contractually Required Contribution	<u>(1,753,225)</u>	<u>(1,687,967)</u>	<u>(1,692,800)</u>	<u>(1,348,367)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$8,401,302	\$8,027,897	\$8,071,930	\$7,542,074
Contributions as a Percentage of Covered Payroll	20.87%	21.03%	20.97%	17.88%

2012	2011	2010	2009	2008	2007
\$1,068,217	\$1,054,439	\$1,008,946	\$1,049,180	\$1,030,852	\$923,245
(1,068,217)	(1,054,439)	(1,008,946)	(1,049,180)	(1,030,852)	(923,245)
\$0	\$0	\$0	\$0	\$0	\$0
\$7,241,299	\$7,158,237	\$6,851,043	\$7,116,282	\$6,990,990	\$6,244,257
14.75%	14.73%	14.73%	14.74%	14.75%	14.79%

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Combining and Individual Fund Statements and Schedules

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Combining and Individual Fund Statements and Schedules

Fund Descriptions - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

Combining and Individual Fund Statements and Schedules

Fund Descriptions - Nonmajor Governmental Funds (continued)

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

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

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

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

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

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

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

Nonmajor Debt Service Funds

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

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

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

TIF Bond Retirement Fund - To account for and report payment in lieu of taxes restricted for the payment of principal and interest and fiscal charges related to debt issued to finance American Greetings project.

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

(continued)

Combining and Individual Fund Statements and Schedules

Fund Descriptions - Nonmajor Governmental Funds (continued)

Nonmajor Capital Projects Funds

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

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

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

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

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

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

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

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

City of Westlake, Ohio
Combining Balance Sheet
Other Governmental Funds
December 31, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$5,720,327	\$747,867	\$7,911,248	\$14,379,442
Cash and Cash Equivalents				
with Escrow Agents	0	0	343,528	343,528
Accrued Interest Receivable	20,000	0	9,919	29,919
Accounts Receivable	891,894	0	500	892,394
Intergovernmental Receivable	770,550	0	0	770,550
Prepaid Items	723	0	0	723
Municipal Income Taxes Receivable	0	535,352	243,647	778,999
Permissive Motor Vehicle Taxes Receivable	42,480	0	0	42,480
Property Taxes Receivable	1,952,262	0	0	1,952,262
Special Assessments Receivable	0	2,810,000	0	2,810,000
<i>Total Assets</i>	<u>\$9,398,236</u>	<u>\$4,093,219</u>	<u>\$8,508,842</u>	<u>\$22,000,297</u>
Liabilities				
Accounts Payable	\$25,849	\$0	\$57,781	\$83,630
Contracts Payable	29,725	0	130,361	160,086
Accrued Wages	75,241	0	138	75,379
Retainage Payable	0	0	476,245	476,245
Intergovernmental Payable	17,099	0	21	17,120
<i>Total Liabilities</i>	<u>147,914</u>	<u>0</u>	<u>664,546</u>	<u>812,460</u>
Deferred Inflows of Resources				
Property Taxes	1,885,309	0	0	1,885,309
Unavailable Revenue	1,356,648	2,981,398	55,223	4,393,269
<i>Total Deferred Inflows of Resources</i>	<u>3,241,957</u>	<u>2,981,398</u>	<u>55,223</u>	<u>6,278,578</u>
Fund Balances				
Nonspendable	723	0	0	723
Restricted	5,788,706	1,111,821	7,950,110	14,850,637
Committed	218,936	0	0	218,936
Assigned	0	0	15,607	15,607
Unassigned (Deficit)	0	0	(176,644)	(176,644)
<i>Total Fund Balances</i>	<u>6,008,365</u>	<u>1,111,821</u>	<u>7,789,073</u>	<u>14,909,259</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$9,398,236</u>	<u>\$4,093,219</u>	<u>\$8,508,842</u>	<u>\$22,000,297</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended December 31, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
Revenues				
Property Taxes	\$1,894,670	\$0	\$0	\$1,894,670
Municipal Income Taxes	0	2,005,473	979,976	2,985,449
Permissive Motor Vehicle Taxes	238,862	0	0	238,862
Charges for Services	1,041,945	30,000	21,494	1,093,439
Licenses, Permits and Fees	0	0	190,570	190,570
Fines and Forfeitures	111,462	0	0	111,462
Intergovernmental	1,575,093	0	447,258	2,022,351
Special Assessments	0	431,761	0	431,761
Payments in Lieu of Taxes	0	1,240,457	0	1,240,457
Interest	21,349	0	8,279	29,628
Contributions and Donations	40,477	0	0	40,477
Miscellaneous	0	0	5,500	5,500
<i>Total Revenues</i>	<u>4,923,858</u>	<u>3,707,691</u>	<u>1,653,077</u>	<u>10,284,626</u>
Expenditures				
Current:				
General Government	0	455,000	0	455,000
Security of Persons and Property	3,999,175	0	0	3,999,175
Public Health Services	3,000	0	0	3,000
Transportation	844,051	0	0	844,051
Community Environment	17,237	0	0	17,237
Basic Utility Services	112,244	0	90,618	202,862
Capital Outlay	0	0	3,537,592	3,537,592
Debt Service:				
Principal Retirement	0	2,110,407	0	2,110,407
Interest and Fiscal Charges	0	707,449	0	707,449
<i>Total Expenditures</i>	<u>4,975,707</u>	<u>3,272,856</u>	<u>3,628,210</u>	<u>11,876,773</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(51,849)</u>	<u>434,835</u>	<u>(1,975,133)</u>	<u>(1,592,147)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	7,091	0	0	7,091
Transfers In	900,000	0	2,624,985	3,524,985
<i>Total Other Financing Sources (Uses)</i>	<u>907,091</u>	<u>0</u>	<u>2,624,985</u>	<u>3,532,076</u>
<i>Net Change in Fund Balances</i>	855,242	434,835	649,852	1,939,929
<i>Fund Balances Beginning of Year</i>	<u>5,153,123</u>	<u>676,986</u>	<u>7,139,221</u>	<u>12,969,330</u>
<i>Fund Balances End of Year</i>	<u><u>\$6,008,365</u></u>	<u><u>\$1,111,821</u></u>	<u><u>\$7,789,073</u></u>	<u><u>\$14,909,259</u></u>

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016

	Street Maintenance	State Highway	Permissive Motor Vehicle License	Police Pension	Fire Pension
Assets					
Equity in Pooled Cash and Cash Equivalents	\$1,530,777	\$728,725	\$539,112	\$65,645	\$201,561
Accrued Interest Receivable	8,724	4,153	3,072	0	0
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	613,455	48,865	0	21,647	21,647
Prepaid Items	0	0	0	0	0
Permissive Motor Vehicle Taxes Receivable	0	0	42,480	0	0
Property Taxes Receivable	0	0	0	390,427	390,427
<i>Total Assets</i>	<u>\$2,152,956</u>	<u>\$781,743</u>	<u>\$584,664</u>	<u>\$477,719</u>	<u>\$613,635</u>
Liabilities					
Accounts Payable	\$5,985	\$0	\$0	\$0	\$0
Contracts Payable	26,491	3,234	0	0	0
Accrued Wages	8,395	0	0	0	0
Intergovernmental Payable	1,292	0	0	0	0
<i>Total Liabilities</i>	<u>42,163</u>	<u>3,234</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources					
Property Taxes	0	0	0	377,036	377,036
Unavailable Revenue	390,664	31,674	0	35,038	35,038
<i>Total Deferred Inflows of Resources</i>	<u>390,664</u>	<u>31,674</u>	<u>0</u>	<u>412,074</u>	<u>412,074</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	1,720,129	746,835	584,664	65,645	201,561
Committed	0	0	0	0	0
<i>Total Fund Balances</i>	<u>1,720,129</u>	<u>746,835</u>	<u>584,664</u>	<u>65,645</u>	<u>201,561</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,152,956</u>	<u>\$781,743</u>	<u>\$584,664</u>	<u>\$477,719</u>	<u>\$613,635</u>

Police and Fire Operating	Law Enforcement	Mandatory Drug Fines	Alcohol Education	Juvenile Diversion	Federal Equitable	Emergency Medical Service
\$375,236	\$487,365	\$66,864	\$23,258	\$8,983	\$96,198	\$688,141
0	0	0	0	0	548	0
0	0	940	575	0	16,416	860,032
64,936	0	0	0	0	0	0
0	0	0	0	0	63	660
0	0	0	0	0	0	0
1,171,408	0	0	0	0	0	0
<u>\$1,611,580</u>	<u>\$487,365</u>	<u>\$67,804</u>	<u>\$23,833</u>	<u>\$8,983</u>	<u>\$113,225</u>	<u>\$1,548,833</u>
\$0	\$640	\$0	\$0	\$0	\$5,888	\$11,419
0	0	0	0	0	0	0
42,959	0	0	0	0	0	21,880
9,941	0	0	0	0	0	5,557
<u>52,900</u>	<u>640</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,888</u>	<u>38,856</u>
1,131,237	0	0	0	0	0	0
105,107	0	0	0	0	0	759,097
<u>1,236,344</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>759,097</u>
0	0	0	0	0	63	660
322,336	486,725	67,804	23,833	8,983	107,274	750,220
0	0	0	0	0	0	0
<u>322,336</u>	<u>486,725</u>	<u>67,804</u>	<u>23,833</u>	<u>8,983</u>	<u>107,337</u>	<u>750,880</u>
<u>\$1,611,580</u>	<u>\$487,365</u>	<u>\$67,804</u>	<u>\$23,833</u>	<u>\$8,983</u>	<u>\$113,225</u>	<u>\$1,548,833</u>

(continued)

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2016

	Cemetery Investment	Westlake/ Bay Ecological	City Donations	Total Nonmajor Special Revenue Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$613,125	\$74,973	\$220,364	\$5,720,327
Accrued Interest Receivable	3,503	0	0	20,000
Accounts Receivable	0	13,931	0	891,894
Intergovernmental Receivable	0	0	0	770,550
Prepaid Items	0	0	0	723
Permissive Motor Vehicle Taxes Receivable	0	0	0	42,480
Property Taxes Receivable	0	0	0	1,952,262
<i>Total Assets</i>	<u>\$616,628</u>	<u>\$88,904</u>	<u>\$220,364</u>	<u>\$9,398,236</u>
Liabilities				
Accounts Payable	\$0	\$489	\$1,428	\$25,849
Contracts Payable	0	0	0	29,725
Accrued Wages	0	2,007	0	75,241
Intergovernmental Payable	0	309	0	17,099
<i>Total Liabilities</i>	<u>0</u>	<u>2,805</u>	<u>1,428</u>	<u>147,914</u>
Deferred Inflows of Resources				
Property Taxes	0	0	0	1,885,309
Unavailable Revenue	0	30	0	1,356,648
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>30</u>	<u>0</u>	<u>3,241,957</u>
Fund Balances				
Nonspendable	0	0	0	723
Restricted	616,628	86,069	0	5,788,706
Committed	0	0	218,936	218,936
<i>Total Fund Balances</i>	<u>616,628</u>	<u>86,069</u>	<u>218,936</u>	<u>6,008,365</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$616,628</u>	<u>\$88,904</u>	<u>\$220,364</u>	<u>\$9,398,236</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016

	Street Maintenance	State Highway	Permissive Motor Vehicle License	Police Pension	Fire Pension
Revenues					
Property Taxes	\$0	\$0	\$0	\$378,940	\$378,940
Permissive Motor Vehicle Taxes	0	0	238,862	0	0
Charges for Services	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	1,251,996	100,640	0	43,293	43,293
Interest	11,717	4,415	4,921	0	0
Contributions and Donations	0	0	0	0	0
<i>Total Revenues</i>	<u>1,263,713</u>	<u>105,055</u>	<u>243,783</u>	<u>422,233</u>	<u>422,233</u>
Expenditures					
Current:					
Security of Persons and Property	0	0	0	958,352	844,449
Public Health Services	0	0	0	0	0
Transportation	814,142	29,878	31	0	0
Community Environment	0	0	0	0	0
Basic Utility Services	0	0	0	0	0
<i>Total Expenditures</i>	<u>814,142</u>	<u>29,878</u>	<u>31</u>	<u>958,352</u>	<u>844,449</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>449,571</u>	<u>75,177</u>	<u>243,752</u>	<u>(536,119)</u>	<u>(422,216)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	0	0	0	0	0
Transfers In	0	0	0	450,000	450,000
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>450,000</u>	<u>450,000</u>
<i>Net Change in Fund Balances</i>	449,571	75,177	243,752	(86,119)	27,784
<i>Fund Balances Beginning of Year</i>	<u>1,270,558</u>	<u>671,658</u>	<u>340,912</u>	<u>151,764</u>	<u>173,777</u>
<i>Fund Balances End of Year</i>	<u>\$1,720,129</u>	<u>\$746,835</u>	<u>\$584,664</u>	<u>\$65,645</u>	<u>\$201,561</u>

(continued)

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2016

	Police and Fire Operating	Law Enforcement	Mandatory Drug Fines	Alcohol Education	Juvenile Diversion
Revenues					
Property Taxes	\$1,136,790	\$0	\$0	\$0	\$0
Permissive Motor Vehicle Taxes	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines and Forfeitures	0	51,590	4,393	10,516	3,200
Intergovernmental	129,871	0	0	0	0
Interest	0	0	0	0	0
Contributions and Donations	0	0	900	0	0
<i>Total Revenues</i>	<u>1,266,661</u>	<u>51,590</u>	<u>5,293</u>	<u>10,516</u>	<u>3,200</u>
Expenditures					
Current:					
Security of Persons and Property	1,256,115	30,161	27,235	1,970	1,045
Public Health Services	0	0	0	0	0
Transportation	0	0	0	0	0
Community Environment	0	0	0	0	0
Basic Utility Services	0	0	0	0	0
<i>Total Expenditures</i>	<u>1,256,115</u>	<u>30,161</u>	<u>27,235</u>	<u>1,970</u>	<u>1,045</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>10,546</u>	<u>21,429</u>	<u>(21,942)</u>	<u>8,546</u>	<u>2,155</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	0	7,091	0	0	0
Transfers In	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>7,091</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	10,546	28,520	(21,942)	8,546	2,155
<i>Fund Balances Beginning of Year</i>	<u>311,790</u>	<u>458,205</u>	<u>89,746</u>	<u>15,287</u>	<u>6,828</u>
<i>Fund Balances End of Year</i>	<u><u>\$322,336</u></u>	<u><u>\$486,725</u></u>	<u><u>\$67,804</u></u>	<u><u>\$23,833</u></u>	<u><u>\$8,983</u></u>

Federal Equitable	Emergency Medical Service	Cemetery Investment	Westlake/ Bay Ecological	City Donations	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$1,894,670
0	0	0	0	0	238,862
0	920,471	20,871	100,603	0	1,041,945
41,763	0	0	0	0	111,462
0	6,000	0	0	0	1,575,093
296	0	0	0	0	21,349
0	0	0	0	39,577	40,477
<u>42,059</u>	<u>926,471</u>	<u>20,871</u>	<u>100,603</u>	<u>39,577</u>	<u>4,923,858</u>
52,221	827,627	0	0	0	3,999,175
0	0	3,000	0	0	3,000
0	0	0	0	0	844,051
0	0	0	0	17,237	17,237
0	0	0	112,244	0	112,244
<u>52,221</u>	<u>827,627</u>	<u>3,000</u>	<u>112,244</u>	<u>17,237</u>	<u>4,975,707</u>
<u>(10,162)</u>	<u>98,844</u>	<u>17,871</u>	<u>(11,641)</u>	<u>22,340</u>	<u>(51,849)</u>
0	0	0	0	0	7,091
0	0	0	0	0	900,000
0	0	0	0	0	907,091
<u>(10,162)</u>	<u>98,844</u>	<u>17,871</u>	<u>(11,641)</u>	<u>22,340</u>	<u>855,242</u>
<u>117,499</u>	<u>652,036</u>	<u>598,757</u>	<u>97,710</u>	<u>196,596</u>	<u>5,153,123</u>
<u>\$107,337</u>	<u>\$750,880</u>	<u>\$616,628</u>	<u>\$86,069</u>	<u>\$218,936</u>	<u>\$6,008,365</u>

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2016

	General Obligation Bond Retirement	Special Assessment Bond Retirement	TIF Bond Retirement	Issue II Bond Retirement	Total Nonmajor Debt Service Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$152	\$288,145	\$459,570	\$0	\$747,867
Municipal Income Taxes Receivable	315,056	0	0	220,296	535,352
Special Assessments Receivable	0	2,810,000	0	0	2,810,000
<i>Total Assets</i>	<u>\$315,208</u>	<u>\$3,098,145</u>	<u>\$459,570</u>	<u>\$220,296</u>	<u>\$4,093,219</u>
Deferred Inflows of Resources					
Unavailable Revenue	\$103,002	\$2,810,000	\$0	\$68,396	\$2,981,398
Fund Balances					
Restricted	212,206	288,145	459,570	151,900	1,111,821
<i>Total Deferred Inflows of Resources and Fund Balances</i>	<u>\$315,208</u>	<u>\$3,098,145</u>	<u>\$459,570</u>	<u>\$220,296</u>	<u>\$4,093,219</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2016

	General Obligation Bond Retirement	Special Assessment Bond Retirement	TIF Bond Retirement	Issue II Bond Retirement	Total Nonmajor Debt Service Funds
Revenues					
Municipal Income Taxes	\$1,178,089	\$0	\$0	\$827,384	\$2,005,473
Charges for Services	0	0	30,000	0	30,000
Special Assessments	0	431,761	0	0	431,761
Payments in Lieu of Taxes	0	0	1,240,457	0	1,240,457
<i>Total Revenues</i>	<u>1,178,089</u>	<u>431,761</u>	<u>1,270,457</u>	<u>827,384</u>	<u>3,707,691</u>
Expenditures					
Current:					
General Government	0	0	455,000	0	455,000
Debt Service:					
Principal Retirement	985,000	265,000	185,407	675,000	2,110,407
Interest and Fiscal Charges	198,975	187,400	170,480	150,594	707,449
<i>Total Expenditures</i>	<u>1,183,975</u>	<u>452,400</u>	<u>810,887</u>	<u>825,594</u>	<u>3,272,856</u>
<i>Net Change in Fund Balances</i>	(5,886)	(20,639)	459,570	1,790	434,835
<i>Fund Balances Beginning of Year</i>	<u>218,092</u>	<u>308,784</u>	<u>0</u>	<u>150,110</u>	<u>676,986</u>
<i>Fund Balances End of Year</i>	<u><u>\$212,206</u></u>	<u><u>\$288,145</u></u>	<u><u>\$459,570</u></u>	<u><u>\$151,900</u></u>	<u><u>\$1,111,821</u></u>

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2016

	Storm Drainage	Crocker Park Block K	Market Square	Impact Fees
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,740,563	\$0	\$92,421	\$1,497,595
Cash and Cash Equivalents with Escrow Agents			343,528	
Accrued Interest Receivable	9,919	0	0	0
Accounts Receivable	0	0	0	0
Municipal Income Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$1,750,482</u>	<u>\$0</u>	<u>\$435,949</u>	<u>\$1,497,595</u>
Liabilities				
Accounts Payable	\$6,200	\$0	\$1,109	\$0
Contracts Payable	32,612	0	95,399	2,350
Accrued Wages	138	0	0	0
Retainage Payable	0	176,644	248,129	4,800
Intergovernmental Payable	21	0	0	0
<i>Total Liabilities</i>	<u>38,971</u>	<u>176,644</u>	<u>344,637</u>	<u>7,150</u>
Deferred Inflows of Resources				
Unavailable Revenue	0	0	0	0
Fund Balances				
Restricted	1,711,511	0	91,312	1,490,445
Assigned	0	0	0	0
Unassigned (Deficit)	0	(176,644)	0	0
<i>Total Fund Balances (Deficit)</i>	<u>1,711,511</u>	<u>(176,644)</u>	<u>91,312</u>	<u>1,490,445</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,750,482</u>	<u>\$0</u>	<u>\$435,949</u>	<u>\$1,497,595</u>

Sidewalks	Service Center Construction	Recreation Center Construction	Total Nonmajor Capital Projects Funds
\$115,579	\$37,607	\$4,427,483	\$7,911,248
			343,528
0	0	0	9,919
500	0	0	500
0	0	243,647	243,647
<u>\$116,079</u>	<u>\$37,607</u>	<u>\$4,671,130</u>	<u>\$8,508,842</u>
\$0	\$0	\$50,472	\$57,781
0	0	0	130,361
0	0	0	138
0	22,000	24,672	476,245
0	0	0	21
0	22,000	75,144	664,546
0	0	55,223	55,223
116,079	0	4,540,763	7,950,110
0	15,607	0	15,607
0	0	0	(176,644)
<u>116,079</u>	<u>15,607</u>	<u>4,540,763</u>	<u>7,789,073</u>
<u>\$116,079</u>	<u>\$37,607</u>	<u>\$4,671,130</u>	<u>\$8,508,842</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016

	Storm Drainage	Crocker Park Block K	Market Square	Impact Fees
Revenues				
Municipal Income Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Licenses, Permits and Fees	78,688	0	0	111,882
Intergovernmental	0	415,958	31,300	0
Interest	8,279	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>86,967</u>	<u>415,958</u>	<u>31,300</u>	<u>111,882</u>
Expenditures				
Current:				
Basic Utility Services	90,618	0	0	0
Capital Outlay	159,873	265,904	2,564,973	154,499
<i>Total Expenditures</i>	<u>250,491</u>	<u>265,904</u>	<u>2,564,973</u>	<u>154,499</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(163,524)	150,054	(2,533,673)	(42,617)
Other Financing Sources (Uses)				
Transfers In	0	0	2,624,985	0
<i>Net Change in Fund Balances</i>	(163,524)	150,054	91,312	(42,617)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,875,035</u>	<u>(326,698)</u>	<u>0</u>	<u>1,533,062</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,711,511</u>	<u>(\$176,644)</u>	<u>\$91,312</u>	<u>\$1,490,445</u>

Sidewalks	Service Center Construction	Recreation Center Construction	Total Nonmajor Capital Projects Funds
\$0	\$0	\$979,976	\$979,976
21,494	0	0	21,494
0	0	0	190,570
0	0	0	447,258
0	0	0	8,279
0	0	5,500	5,500
21,494	0	985,476	1,653,077
0	0	0	90,618
3,240	0	389,103	3,537,592
3,240	0	389,103	3,628,210
18,254	0	596,373	(1,975,133)
0	0	0	2,624,985
18,254	0	596,373	649,852
97,825	15,607	3,944,390	7,139,221
<u>\$116,079</u>	<u>\$15,607</u>	<u>\$4,540,763</u>	<u>\$7,789,073</u>

Fund Descriptions - Fiduciary Fund

Fiduciary Fund

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

Agency Funds

Central Dispatch Fund - To account for monies received for the West Shore Council of Governments dispatching services.

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

Toledo/Lucas County Port Authority Fund - to account for the pass-through of the annual payment of the special assessment from Crocker Park LLC to the Toledo/Lucas County Port Authority for bond payments for the public parking and other improvements made per a cooperative agreement among the City of Westlake, Crocker Park, LLC, and the Toledo/Lucas County Port Authority.

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

	Balance 12/31/15	Additions	Reductions	Balance 12/31/16
<i>Central Dispatch</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$322,720	\$829,172	\$878,592	\$273,300
Accounts Receivable	203,391	157,614	203,391	157,614
Total Assets	\$526,111	\$986,786	\$1,081,983	\$430,914
Liabilities				
Deposits Held and Due to Others	\$526,111	\$986,786	\$1,081,983	\$430,914
<i>Deposits</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,648,377	\$367,683	\$705,687	\$1,310,373
Liabilities				
Deposits Held and Due to Others	\$1,648,377	\$367,683	\$705,687	\$1,310,373
<i>Toledo/Lucas County Port Authority</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$4,863,905	\$4,863,905	\$0
Liabilities				
Deposits Held and Due to Others	\$0	\$4,863,905	\$4,863,905	\$0
<i>Total All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,971,097	\$6,060,760	\$6,448,184	\$1,583,673
Accounts Receivable	203,391	157,614	203,391	157,614
Total Assets	\$2,174,488	\$6,218,374	\$6,651,575	\$1,741,287
Liabilities				
Deposits Held and Due to Others	\$2,174,488	\$6,218,374	\$6,651,575	\$1,741,287

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

Budget (Non-GAAP Basis) and Actual

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City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$9,901,959	\$9,901,959	\$10,130,002	\$228,043
Municipal Income Taxes	17,116,300	17,116,300	18,545,338	1,429,038
Admissions Tax	130,000	130,000	285,274	155,274
Hotel Tax	525,000	525,000	680,760	155,760
Charges for Services	35,000	35,000	26,086	(8,914)
Licenses, Permits and Fees	645,200	645,200	726,381	81,181
Fines and Forfeitures	175,200	175,200	175,200	0
Intergovernmental	1,555,208	1,555,208	1,559,761	4,553
Interest	175,000	175,000	413,056	238,056
Rentals	140,410	140,410	193,101	52,691
Franchise Taxes	2,125,000	2,125,000	2,124,038	(962)
Miscellaneous	291,100	291,100	425,576	134,476
<i>Total Revenues</i>	<u>32,815,377</u>	<u>32,815,377</u>	<u>35,284,573</u>	<u>2,469,196</u>
Expenditures				
Current:				
General Government:				
Council:				
Salaries	182,300	182,300	180,369	1,931
Fringe Benefits	34,785	34,785	34,247	538
Contractual Services	37,319	36,472	12,084	24,388
Materials and Supplies	2,000	2,000	445	1,555
Other	5,450	5,450	4,362	1,088
Total Council	<u>261,854</u>	<u>261,007</u>	<u>231,507</u>	<u>29,500</u>
Mayor:				
Salaries	255,100	255,100	215,078	40,022
Fringe Benefits	63,300	63,300	42,030	21,270
Contractual Services	31,480	31,480	20,428	11,052
Materials and Supplies	5,202	5,202	3,164	2,038
Capital Outlay	10,000	10,000	7,342	2,658
Other	15,351	15,351	12,435	2,916
Total Mayor	<u>380,433</u>	<u>380,433</u>	<u>300,477</u>	<u>79,956</u>
Finance Department:				
Salaries	676,500	676,500	553,155	123,345
Fringe Benefits	222,300	222,300	167,720	54,580
Contractual Services	900,858	959,581	905,812	53,769
Materials and Supplies	19,300	19,300	10,797	8,503
Capital Outlay	233,400	233,400	27,067	206,333
Other	5,570	5,570	4,899	671
Total Finance Department	<u>\$2,057,928</u>	<u>\$2,116,651</u>	<u>\$1,669,450</u>	<u>\$447,201</u>

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Communications:				
Salaries	\$121,200	\$121,200	\$28,344	\$92,856
Fringe Benefits	51,191	51,000	4,379	46,621
Contractual Services	49,065	49,065	33,420	15,645
Materials and Supplies	12,072	12,072	10,900	1,172
Capital Outlay	24,735	24,735	6,495	18,240
Other	10,020	10,020	6,720	3,300
Total Communications	268,283	268,092	90,258	177,834
Law Department:				
Salaries	391,000	391,000	333,594	57,406
Fringe Benefits	105,300	104,100	94,860	9,240
Contractual Services	49,276	49,276	21,876	27,400
Materials and Supplies	2,000	2,000	345	1,655
Capital Outlay	0	0	0	0
Other	2,000	2,000	128	1,872
Total Law Department	549,576	548,376	450,803	97,573
Purchasing:				
Salaries	145,000	145,000	142,828	2,172
Fringe Benefits	45,650	45,650	43,849	1,801
Contractual Services	14,954	14,954	6,436	8,518
Materials and Supplies	2,000	2,000	1,706	294
Other	1,345	1,345	1,093	252
Total Purchasing	208,949	208,949	195,912	13,037
Civil Service:				
Salaries	139,900	139,900	101,414	38,486
Fringe Benefits	45,875	44,650	38,301	6,349
Contractual Services	25,632	25,632	2,390	23,242
Material and Supplies	1,650	1,650	768	882
Other	11,412	11,412	9,013	2,399
Total Civil Service	224,469	223,244	151,886	71,358
Engineering:				
Salaries	534,500	534,500	439,815	94,685
Fringe Benefits	208,400	204,850	153,587	51,263
Contractual Services	75,739	75,739	55,641	20,098
Material and Supplies	26,217	26,217	13,226	12,991
Capital Outlay	12,200	12,200	5,679	6,521
Other	29,992	29,992	26,716	3,276
Total Engineering	\$887,048	\$883,498	\$694,664	\$188,834

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Building Maintenance:				
Salaries	\$71,600	\$71,600	\$22,219	\$49,381
Fringe Benefits	38,800	38,800	15,096	23,704
Contractual Services	463,110	348,473	263,941	84,532
Material and Supplies	13,768	13,768	4,590	9,178
Capital Outlay	75,000	75,000	2,300	72,700
Other	20,802	20,802	19,872	930
Total Building Maintenance	683,080	568,443	328,018	240,425
Miscellaneous:				
Salaries	129,400	129,400	64,018	65,382
Fringe Benefits	585,478	585,478	529,992	55,486
Contractual Services	2,009,284	2,009,284	1,296,523	712,761
Material and Supplies	77,840	77,840	61,124	16,716
Capital Outlay	35,423	35,423	20,423	15,000
Other	177,274	53,790	40,108	13,682
Total Miscellaneous	3,014,699	2,891,215	2,012,188	879,027
Cable TV:				
Salaries	5,000	5,000	1,358	3,642
Fringe Benefits	800	800	209	591
Capital Outlay	1,079,686	1,079,686	522,647	557,039
Other	2,207	8,007	3,567	4,440
Total Cable TV	1,087,693	1,093,493	527,781	565,712
Contracts:				
Contractual Services	829,844	829,844	773,454	56,390
Capital Outlay	2,200,000	2,200,000	306,214	1,893,786
Total Contracts	3,029,844	3,029,844	1,079,668	1,950,176
Total General Government	12,653,856	12,473,245	7,732,612	4,740,633
Security of Persons and Property:				
Police Department:				
Salaries	6,131,100	6,131,100	5,620,401	510,699
Fringe Benefits	1,256,173	1,282,000	1,139,641	142,359
Contractual Services	663,444	663,444	573,058	90,386
Materials and Supplies	275,057	275,057	157,301	117,756
Capital Outlay	1,105,314	1,105,314	1,093,334	11,980
Other	439,713	439,713	294,133	145,580
Total Police Department:	\$9,870,801	\$9,896,628	\$8,877,868	\$1,018,760

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fire Department:				
Salaries	\$2,968,300	\$2,968,300	\$2,612,867	\$355,433
Fringe Benefits	719,153	703,300	609,990	93,310
Contractual Services	314,413	314,413	248,315	66,098
Materials and Supplies	126,340	126,340	93,654	32,686
Capital Outlay	713,593	713,593	708,318	5,275
Other	361,982	403,832	356,929	46,903
Total Fire Department	5,203,781	5,229,778	4,630,073	599,705
Safety Town:				
Salaries	11,500	11,500	10,679	821
Fringe Benefits	1,900	1,900	1,650	250
Other	9,500	9,500	9,151	349
Total Safety Town	22,900	22,900	21,480	1,420
<i>Total Security of Persons and Property</i>	<i>15,097,482</i>	<i>15,149,306</i>	<i>13,529,421</i>	<i>1,619,885</i>
Public Health Services:				
Community Services:				
Salaries	547,000	547,000	509,128	37,872
Fringe Benefits	192,287	188,950	177,722	11,228
Contractual Services	173,498	173,498	106,492	67,006
Materials and Supplies	20,340	20,340	12,789	7,551
Capital Outlay	73,800	73,800	16,785	57,015
Other	27,250	27,250	23,901	3,349
Total Community Services	1,034,175	1,030,838	846,817	184,021
Cemetery Operations:				
Capital Outlay	0	0	0	0
<i>Total Public Health Services</i>	<i>1,034,175</i>	<i>1,030,838</i>	<i>846,817</i>	<i>184,021</i>
Transportation:				
Service Director:				
Salaries	194,500	194,500	185,020	9,480
Fringe Benefits	52,760	52,700	50,429	2,271
Contractual Services	15,190	15,190	3,261	11,929
Materials and Supplies	6,035	6,035	1,543	4,492
Capital Outlay	0	0	0	0
Other	21,507	21,507	20,132	1,375
Total Service Director	\$289,992	\$289,932	\$260,385	\$29,547

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
City Service:				
Salaries	\$1,772,500	\$1,772,500	\$1,695,843	\$76,657
Fringe Benefits	756,935	756,935	683,070	73,865
Contractual Services	2,565,559	2,538,727	2,422,323	116,404
Materials and Supplies	302,669	302,669	169,468	133,201
Capital Outlay	642,614	642,614	341,560	301,054
Other	565,369	565,369	556,506	8,863
Total City Service	6,605,646	6,578,814	5,868,770	710,044
Snow Removal:				
Salaries	265,000	265,000	111,855	153,145
Fringe Benefits	41,527	41,000	17,134	23,866
Contractual Services	39,202	39,202	37,974	1,228
Other	1,000	1,000	0	1,000
Total Snow Removal	346,729	346,202	166,963	179,239
Total Transportation	7,242,367	7,214,948	6,296,118	918,830
Community Environment:				
Planning:				
Salaries	357,800	357,800	345,561	12,239
Fringe Benefits	124,542	89,500	87,541	1,959
Contractual Services	48,986	48,986	39,817	9,169
Materials and Supplies	5,000	5,000	1,972	3,028
Capital Outlay	1,900	1,900	1,160	740
Other	350	350	135	215
Total Planning	538,578	503,536	476,186	27,350
Zoning:				
Contractual Services	3,800	3,800	1,944	1,856
Materials and Supplies	900	900	346	554
Total Zoning	4,700	4,700	2,290	2,410
Board of Building Standards:				
Contractual Services	100	100	0	100
Materials and Supplies	200	200	0	200
Other	100	100	0	100
Total Board of Building Standards	\$400	\$400	\$0	\$400

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Inspection:				
Salaries	\$739,000	\$739,000	\$718,623	\$20,377
Fringe Benefits	232,121	232,100	225,401	6,699
Contractual Services	49,169	49,169	28,084	21,085
Materials and Supplies	19,292	19,292	11,551	7,741
Capital Outlay	77,000	77,000	50,818	26,182
Other	13,216	13,216	9,869	3,347
Total Inspection	1,129,798	1,129,777	1,044,346	85,431
Architect:				
Contractual Services	229,430	229,430	220,193	9,237
Unclaimed Monies:				
Salaries	5,000	5,000	33	4,967
Fringe Benefits	750	750	5	745
Other	57,600	57,600	17,878	39,722
Total Unclaimed Monies	63,350	63,350	17,916	45,434
<i>Total Community Environment</i>	<i>1,966,256</i>	<i>1,931,193</i>	<i>1,760,931</i>	<i>170,262</i>
Basic Utility Services:				
Rubbish:				
Capital Outlay	112,900	112,900	112,900	0
Forester:				
Salaries	234,900	249,900	242,697	7,203
Fringe Benefits	89,487	89,300	85,696	3,604
Contractual Services	29,687	29,687	29,208	479
Capital Outlay	31,000	31,000	30,859	141
Other	51,848	51,848	46,260	5,588
Total Forester	436,922	451,735	434,720	17,015
Storm Drainage:				
Salaries	180,000	180,000	105,601	74,399
Fringe Benefits	27,900	27,900	16,121	11,779
Contractual Services	117,005	77,715	29,065	48,650
Materials and Supplies	56,409	56,409	38,373	18,036
Capital Outlay	32,700	32,700	2,682	30,018
Other	5,800	5,800	3,415	2,385
Total Storm Drainage	\$419,814	\$380,524	\$195,257	\$185,267

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Leaf Pick-Up:				
Salaries	\$210,000	\$210,000	\$164,521	\$45,479
Fringe Benefits	32,500	32,500	25,195	7,305
Contractual Services	60,604	60,117	59,555	562
Other	11,308	11,308	11,124	184
Total Leaf Pick-Up	314,412	313,925	260,395	53,530
<i>Total Basic Utility Services</i>	<i>1,284,048</i>	<i>1,259,084</i>	<i>1,003,272</i>	<i>255,812</i>
Leisure Time Activities:				
Recreation:				
Salaries	189,500	189,500	181,291	8,209
Fringe Benefits	51,200	51,200	50,659	541
Contractual Services	125,418	117,730	69,308	48,422
Materials and Supplies	20,025	20,025	14,394	5,631
Capital Outlay	121,859	121,859	90,391	31,468
Other	3,115	3,115	160	2,955
Total Recreation	511,117	503,429	406,203	97,226
Park:				
Salaries	\$161,500	\$161,500	\$115,806	\$45,694
Fringe Benefits	61,800	61,800	52,248	9,552
Contractual Services	178,683	168,140	138,587	29,553
Materials and Supplies	16,262	16,262	9,625	6,637
Capital Outlay	19,875	19,875	11,623	8,252
Other	38,850	38,850	27,422	11,428
Total Park	476,970	466,427	355,311	111,116
<i>Total Leisure Time Activities</i>	<i>988,087</i>	<i>969,856</i>	<i>761,514</i>	<i>208,342</i>
Total Expenditures	40,266,271	40,028,470	31,930,685	8,097,785
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(7,450,894)</i>	<i>(7,213,093)</i>	<i>3,353,888</i>	<i>10,566,981</i>
Other Financing Sources (Uses)				
Sale of Capital Assets	50,000	50,000	69,584	19,584
Advances In	18,000	18,000	18,000	0
Advances Out	(150,000)	(150,000)	(150,000)	0
Transfers In	5,000	5,000	0	(5,000)
Transfers Out	(7,602,612)	(7,633,904)	(3,310,504)	4,323,400
Total Other Financing Sources (Uses)	(7,679,612)	(7,710,904)	(3,372,920)	4,337,984
Net Change in Fund Balance	(15,130,506)	(14,923,997)	(19,032)	14,904,965
<i>Fund Balance Beginning of Year</i>	<i>41,873,610</i>	<i>41,873,610</i>	<i>41,873,610</i>	<i>0</i>
Prior Year Encumbrances Appropriated	1,836,500	1,836,500	1,836,500	0
Fund Balance End of Year	\$28,579,604	\$28,786,113	\$43,691,078	\$14,904,965

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$250,000	\$250,000	\$250,000	\$0
Charges for Services	2,274,550	2,274,550	2,257,551	(16,999)
Rentals	76,000	76,000	78,882	2,882
Miscellaneous	15,050	15,050	14,821	(229)
<i>Total Revenues</i>	<u>2,615,600</u>	<u>2,615,600</u>	<u>2,601,254</u>	<u>(14,346)</u>
Expenditures				
Current:				
Leisure Time Activities:				
Recreation:				
Salaries	1,350,600	1,350,600	1,109,216	241,384
Fringe Benefits	364,035	364,035	290,858	73,177
Contractual Services	999,279	980,868	843,530	137,338
Materials and Supplies	165,787	165,787	136,759	29,028
Capital Outlay	6,659	6,659	6,659	0
Other	140,313	140,313	133,695	6,618
Total Leisure Time Activities	<u>3,026,673</u>	<u>3,008,262</u>	<u>2,520,717</u>	<u>487,545</u>
Debt Service:				
Principal Retirement	3,248	3,248	3,248	0
Interest and Fiscal Charges	509	509	509	0
Total Debt Service	<u>3,757</u>	<u>3,757</u>	<u>3,757</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,030,430</u>	<u>3,012,019</u>	<u>2,524,474</u>	<u>487,545</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(414,830)	(396,419)	76,780	473,199
Other Financing Sources				
Sale of Capital Assets	2,000	2,000	3,073	1,073
<i>Net Change in Fund Balance</i>	(412,830)	(394,419)	79,853	474,272
<i>Fund Balance Beginning of Year</i>	2,315,982	2,315,982	2,315,982	0
Prior Year Encumbrances Appropriated	118,695	118,695	118,695	0
<i>Fund Balance End of Year</i>	<u>\$2,021,847</u>	<u>\$2,040,258</u>	<u>\$2,514,530</u>	<u>\$474,272</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
American Greetings Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$0	\$0	\$22,798	\$22,798
Intergovernmental	10,000	10,000	879,710	869,710
Payments in Lieu of Taxes	5,594,113	5,594,113	883,868	(4,710,245)
Interest	12,000	12,000	10,384	(1,616)
<i>Total Revenues</i>	<u>5,616,113</u>	<u>5,616,113</u>	<u>1,796,760</u>	<u>(3,819,353)</u>
Expenditures				
Capital Outlay:				
American Greetings:				
Contractual Services	133,713	133,713	133,713	0
Capital Outlay	14,342,646	14,342,646	5,732,356	8,610,290
Other	1,386,808	1,386,808	860,795	526,013
Total Capital Outlay	15,863,167	15,863,167	6,726,864	9,136,303
Debt Service:				
Interest and Fiscal Charges	1,980,569	1,980,569	1,980,569	0
<i>Total Expenditures</i>	<u>17,843,736</u>	<u>17,843,736</u>	<u>8,707,433</u>	<u>9,136,303</u>
<i>Excess of Revenues Under Expenditures</i>	(12,227,623)	(12,227,623)	(6,910,673)	5,316,950
Other Financing Sources				
Transfers Out	(343,181)	(343,181)	(343,181)	0
<i>Net Change in Fund Balance</i>	(12,570,804)	(12,570,804)	(7,253,854)	5,316,950
<i>Fund Balance Beginning of Year</i>	12,941,969	12,941,969	12,941,969	0
Prior Year Encumbrances Appropriated	87,804	87,804	87,804	0
<i>Fund Balance End of Year</i>	<u>\$458,969</u>	<u>\$458,969</u>	<u>\$5,775,919</u>	<u>\$5,316,950</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Improvement Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$180,000	\$180,000	\$179,503	(\$497)
Expenditures				
Capital Outlay:				
Issue 2 Improvements:				
Capital Outlay	115,760	115,760	115,760	0
Other	13,411	0	0	0
Total Capital Outlay	129,171	115,760	115,760	0
Debt Service:				
Principal Retirement	155,036	155,036	155,036	0
<i>Total Expenditures</i>	<u>284,207</u>	<u>270,796</u>	<u>270,796</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(104,207)</u>	<u>(90,796)</u>	<u>(91,293)</u>	<u>(497)</u>
Other Financing Sources (Uses)				
OPWC Loan Issued	112,107	112,107	112,107	0
Advances Out	(3,828,900)	(3,828,900)	(3,828,900)	0
Transfers In	172,100	172,100	158,700	(13,400)
<i>Total Other Financing Sources (Uses)</i>	<u>(3,544,693)</u>	<u>(3,544,693)</u>	<u>(3,558,093)</u>	<u>(13,400)</u>
<i>Net Change in Fund Balance</i>	<u>(3,648,900)</u>	<u>(3,635,489)</u>	<u>(3,649,386)</u>	<u>(13,897)</u>
<i>Fund Balance Beginning of Year</i>	3,537,279	3,537,279	3,537,279	0
Prior Year Encumbrances Appropriated	112,107	112,107	112,107	0
<i>Fund Balance End of Year</i>	<u>\$486</u>	<u>\$13,897</u>	<u>\$0</u>	<u>(\$13,897)</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Infrastructure Tax Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$5,716,700	\$5,716,700	\$6,241,363	\$524,663
Interest	13,500	13,500	56,997	43,497
Miscellaneous	1,000	1,000	1,085	85
<i>Total Revenues</i>	<u>5,731,200</u>	<u>5,731,200</u>	<u>6,299,445</u>	<u>568,245</u>
Expenditures				
Capital Outlay:				
Infrastructure Improvements:				
Salaries	160,000	155,000	136,555	18,445
Fringe Benefits	24,100	24,100	21,049	3,051
Contractual Services	220,000	220,000	216,156	3,844
Capital Outlay	10,671,369	11,181,369	9,740,351	1,441,018
Other	440,519	440,519	305,818	134,701
<i>Total Expenditures</i>	<u>11,515,988</u>	<u>12,020,988</u>	<u>10,419,929</u>	<u>1,601,059</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(5,784,788)</u>	<u>(6,289,788)</u>	<u>(4,120,484)</u>	<u>2,169,304</u>
Other Financing Sources (Uses)				
Advances In	3,828,900	3,828,900	3,828,900	0
Advances Out	(2,780,000)	(2,780,000)	(2,780,000)	0
Transfers Out	(175,000)	(175,000)	(175,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>873,900</u>	<u>873,900</u>	<u>873,900</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(4,910,888)</u>	<u>(5,415,888)</u>	<u>(3,246,584)</u>	<u>2,169,304</u>
<i>Fund Balance Beginning of Year</i>	6,558,389	6,558,389	6,558,389	0
Prior Year Encumbrances Appropriated	1,531,765	1,531,765	1,531,765	0
<i>Fund Balance End of Year</i>	<u>\$3,179,266</u>	<u>\$2,674,266</u>	<u>\$4,843,570</u>	<u>\$2,169,304</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Grants Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$3,051,000	\$3,051,000	\$3,722,786	\$671,786
Expenditures				
Capital Outlay:				
Grants:				
Salaries	50,000	90,000	59,093	30,907
Fringe Benefits	13,900	13,900	9,113	4,787
Capital Outlay	2,692,169	5,430,221	5,429,829	392
Other	45,995	45,995	15,902	30,093
<i>Total Expenditures</i>	<u>2,802,064</u>	<u>5,580,116</u>	<u>5,513,937</u>	<u>66,179</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	248,936	(2,529,116)	(1,791,151)	737,965
Other Financing Sources (Uses)				
Advances In	<u>0</u>	<u>0</u>	<u>2,780,000</u>	<u>2,780,000</u>
<i>Net Change in Fund Balance</i>	248,936	(2,529,116)	988,849	3,517,965
<i>Fund Balance Beginning of Year</i>	928,047	928,047	928,047	0
Prior Year Encumbrances Appropriated	<u>2,724,364</u>	<u>2,724,364</u>	<u>2,724,364</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$3,901,347</u>	<u>\$1,123,295</u>	<u>\$4,641,260</u>	<u>\$3,517,965</u>

City of Westlake, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$2,575,000	\$2,575,000	\$2,644,701	\$69,701
Tap-In Fees	12,000	12,000	31,266	19,266
Interest	50,000	50,000	47,039	(2,961)
Sale of Capital Assets	0	0	100	100
<i>Total Revenues</i>	<u>2,637,000</u>	<u>2,637,000</u>	<u>2,723,106</u>	<u>86,106</u>
Expenses				
Personal Services	413,000	413,000	313,258	99,742
Fringe Benefits	164,450	164,450	148,216	16,234
Contractual Services	1,531,638	1,554,609	1,488,595	66,014
Materials and Supplies	44,358	44,358	25,263	19,095
Capital Outlay	593,346	593,346	516,230	77,116
Other	261,178	261,178	261,178	0
<i>Total Expenses</i>	<u>3,007,970</u>	<u>3,030,941</u>	<u>2,752,740</u>	<u>278,201</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(370,970)	(393,941)	(29,634)	364,307
Other Financing Sources (Uses)				
Transfers Out	(26,000)	(26,000)	0	(26,000)
<i>Net Change in Fund Equity</i>	(396,970)	(419,941)	(29,634)	338,307
<i>Fund Equity Beginning of Year</i>	5,903,524	5,903,524	5,903,524	0
Prior Year Encumbrances Appropriated	40,170	40,170	40,170	0
<i>Fund Equity End of Year</i>	<u>\$5,546,724</u>	<u>\$5,523,753</u>	<u>\$5,914,060</u>	<u>\$338,307</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$1,204,000	\$1,204,000	\$1,236,104	\$32,104
Interest	1,100	1,100	8,136	7,036
<i>Total Revenues</i>	<u>1,205,100</u>	<u>1,205,100</u>	<u>1,244,240</u>	<u>39,140</u>
Expenditures				
Current:				
Transportation:				
Street Maintenance and Repair:				
Salaries	251,400	251,400	218,752	32,648
Fringe Benefits	68,700	68,700	57,180	11,520
Contractual Services	78,038	78,038	74,616	3,422
Materials and Supplies	759,123	723,771	669,811	53,960
Other	356,180	356,180	37,107	319,073
<i>Total Expenditures</i>	<u>1,513,441</u>	<u>1,478,089</u>	<u>1,057,466</u>	<u>420,623</u>
<i>Net Change in Fund Balance</i>	(308,341)	(272,989)	186,774	459,763
<i>Fund Balance Beginning of Year</i>	1,015,085	1,015,085	1,015,085	0
Prior Year Encumbrances Appropriated	<u>96,641</u>	<u>96,641</u>	<u>96,641</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$803,385</u></u>	<u><u>\$838,737</u></u>	<u><u>\$1,298,500</u></u>	<u><u>\$459,763</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$99,000	\$99,000	\$100,225	\$1,225
Interest	1,000	1,000	4,025	3,025
<i>Total Revenues</i>	<u>100,000</u>	<u>100,000</u>	<u>104,250</u>	<u>4,250</u>
Expenditures				
Current:				
Transportation:				
State Highway				
Materials and Supplies	46,646	46,646	46,646	0
Other	5,000	5,000	0	5,000
<i>Total Expenditures</i>	<u>51,646</u>	<u>51,646</u>	<u>46,646</u>	<u>5,000</u>
<i>Net Change in Fund Balance</i>	48,354	48,354	57,604	9,250
<i>Fund Balance Beginning of Year</i>	648,095	648,095	648,095	0
Prior Year Encumbrances Appropriated	5,646	5,646	5,646	0
<i>Fund Balance End of Year</i>	<u><u>\$702,095</u></u>	<u><u>\$702,095</u></u>	<u><u>\$711,345</u></u>	<u><u>\$9,250</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Motor Vehicle License Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Permissive Motor Vehicle Taxes	\$240,000	\$240,000	\$238,551	(\$1,449)
Interest	2,500	2,500	2,774	274
<i>Total Revenues</i>	242,500	242,500	241,325	(1,175)
Expenditures				
Current:				
Transportation:				
Permissive Motor Vehicle License:				
Other	3,466	3,000	501	2,499
<i>Net Change in Fund Balance</i>	239,034	239,500	240,824	1,324
<i>Fund Balance Beginning of Year</i>	295,333	295,333	295,333	0
Prior Year Encumbrances Appropriated	466	466	466	0
<i>Fund Balance End of Year</i>	<u>\$534,833</u>	<u>\$535,299</u>	<u>\$536,623</u>	<u>\$1,324</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$370,332	\$370,332	\$378,940	\$8,608
Intergovernmental	43,560	43,560	43,293	(267)
<i>Total Revenues</i>	413,892	413,892	422,233	8,341
Expenditures				
Current:				
Security of Persons and Property:				
Police Pension:				
Fringe Benefits	1,025,000	1,020,000	958,352	61,648
<i>Excess of Revenues Under Expenditures</i>	(611,108)	(606,108)	(536,119)	69,989
Other Financing Sources				
Transfers In	550,000	550,000	450,000	(100,000)
<i>Net Change in Fund Balance</i>	(61,108)	(56,108)	(86,119)	(30,011)
<i>Fund Balance Beginning of Year</i>	151,764	151,764	151,764	0
<i>Fund Balance End of Year</i>	<u>\$90,656</u>	<u>\$95,656</u>	<u>\$65,645</u>	<u>(\$30,011)</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$370,332	\$370,332	\$378,940	\$8,608
Intergovernmental	43,560	43,560	43,293	(267)
<i>Total Revenues</i>	413,892	413,892	422,233	8,341
Expenditures				
Current:				
Security of Persons and Property:				
Fire Pension:				
Fringe Benefits	940,000	940,000	844,449	95,551
<i>Excess of Revenues Under Expenditures</i>	(526,108)	(526,108)	(422,216)	103,892
Other Financing Sources				
Transfers In	450,000	450,000	450,000	0
<i>Net Change in Fund Balance</i>	(76,108)	(76,108)	27,784	103,892
<i>Fund Balance Beginning of Year</i>	173,777	173,777	173,777	0
<i>Fund Balance End of Year</i>	<u>\$97,669</u>	<u>\$97,669</u>	<u>\$201,561</u>	<u>\$103,892</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police and Fire Operating Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$1,111,047	\$1,111,047	\$1,136,790	\$25,743
Intergovernmental	130,629	130,629	129,871	(758)
<i>Total Revenues</i>	<u>1,241,676</u>	<u>1,241,676</u>	<u>1,266,661</u>	<u>24,985</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police and Fire Operating:				
Salaries	1,217,800	1,217,800	1,213,191	4,609
Fringe Benefits	33,000	33,000	32,577	423
<i>Total Expenditures</i>	<u>1,250,800</u>	<u>1,250,800</u>	<u>1,245,768</u>	<u>5,032</u>
<i>Net Change in Fund Balance</i>	(9,124)	(9,124)	20,893	30,017
<i>Fund Balance Beginning of Year</i>	<u>354,343</u>	<u>354,343</u>	<u>354,343</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$345,219</u></u>	<u><u>\$345,219</u></u>	<u><u>\$375,236</u></u>	<u><u>\$30,017</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$30,000	\$30,000	\$51,590	\$21,590
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Capital Outlay	37,658	37,658	7,658	30,000
Other	53,869	53,641	34,555	19,086
<i>Total Expenditures</i>	<u>91,527</u>	<u>91,299</u>	<u>42,213</u>	<u>49,086</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(61,527)	(61,299)	9,377	70,676
Other Financing Sources				
Sale of Capital Assets	0	0	7,091	7,091
<i>Net Change in Fund Balance</i>	(61,527)	(61,299)	16,468	77,767
<i>Fund Balance Beginning of Year</i>	439,379	439,379	439,379	0
Prior Year Encumbrances Appropriated	21,527	21,527	21,527	0
<i>Fund Balance End of Year</i>	<u>\$399,379</u>	<u>\$399,607</u>	<u>\$477,374</u>	<u>\$77,767</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Mandatory Drug Fines Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$5,000	\$5,000	\$3,453	(\$1,547)
Contributions and Donations	0	0	900	900
<i>Total Revenues</i>	5,000	5,000	4,353	(647)
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Other	10,000	32,880	27,235	5,645
<i>Net Change in Fund Balance</i>	(5,000)	(27,880)	(22,882)	4,998
<i>Fund Balance Beginning of Year</i>	89,746	89,746	89,746	0
<i>Fund Balance End of Year</i>	<u>\$84,746</u>	<u>\$61,866</u>	<u>\$66,864</u>	<u>\$4,998</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Alcohol Education Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$15,000	\$15,000	\$9,941	(\$5,059)
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Capital Outlay	1,295	1,295	1,295	0
Other	705	705	675	30
<i>Total Expenditures</i>	<u>2,000</u>	<u>2,000</u>	<u>1,970</u>	<u>30</u>
<i>Net Change in Fund Balance</i>	13,000	13,000	7,971	(5,029)
<i>Fund Balance Beginning of Year</i>	15,287	15,287	15,287	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$28,287</u></u>	<u><u>\$28,287</u></u>	<u><u>\$23,258</u></u>	<u><u>(\$5,029)</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Juvenile Diversion Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$4,800	\$4,800	\$3,200	(\$1,600)
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Salaries	2,950	2,950	995	1,955
Fringe Benefits	450	450	50	400
Other	1,000	1,000	0	1,000
<i>Total Expenditures</i>	<u>4,400</u>	<u>4,400</u>	<u>1,045</u>	<u>3,355</u>
<i>Net Change in Fund Balance</i>	400	400	2,155	1,755
<i>Fund Balance Beginning of Year</i>	<u>6,828</u>	<u>6,828</u>	<u>6,828</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,228</u></u>	<u><u>\$7,228</u></u>	<u><u>\$8,983</u></u>	<u><u>\$1,755</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Equitable Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$1,600	\$1,600	\$25,347	\$23,747
Interest	400	400	546	146
<i>Total Revenues</i>	<u>2,000</u>	<u>2,000</u>	<u>25,893</u>	<u>23,893</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Capital Outlay	34,000	34,000	24,837	9,163
Other	43,000	43,000	41,624	1,376
<i>Total Expenditures</i>	<u>77,000</u>	<u>77,000</u>	<u>66,461</u>	<u>10,539</u>
<i>Net Change in Fund Balance</i>	(75,000)	(75,000)	(40,568)	34,432
<i>Fund Balance Beginning of Year</i>	114,341	114,341	114,341	0
Prior Year Encumbrances Appropriated	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$41,341</u></u>	<u><u>\$41,341</u></u>	<u><u>\$75,773</u></u>	<u><u>\$34,432</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Medical Service Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$900,000	\$900,000	\$944,476	\$44,476
Intergovernmental	0	0	6,000	6,000
<i>Total Revenues</i>	<u>900,000</u>	<u>900,000</u>	<u>950,476</u>	<u>50,476</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire Department:				
Salaries	587,600	622,600	615,896	6,704
Fringe Benefits	15,850	15,850	15,758	92
Contractual Services	100,893	122,762	82,793	39,969
Materials and Supplies	30,314	30,314	23,103	7,211
Capital Outlay	36,530	36,530	35,042	1,488
Other	65,050	65,050	57,067	7,983
<i>Total Expenditures</i>	<u>836,237</u>	<u>893,106</u>	<u>829,659</u>	<u>63,447</u>
<i>Net Change in Fund Balance</i>	63,763	6,894	120,817	113,923
<i>Fund Balance Beginning of Year</i>	543,645	543,645	543,645	0
Prior Year Encumbrances Appropriated	<u>11,037</u>	<u>11,037</u>	<u>11,037</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$618,445</u>	<u>\$561,576</u>	<u>\$675,499</u>	<u>\$113,923</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Investment Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$20,000	\$20,000	\$20,975	\$975
Expenditures				
Current:				
Public Health Services:				
Cemetery Operations:				
Other	23,000	23,000	3,000	20,000
<i>Net Change in Fund Balance</i>	(3,000)	(3,000)	17,975	20,975
<i>Fund Balance Beginning of Year</i>	592,848	592,848	592,848	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$589,848</u>	<u>\$589,848</u>	<u>\$610,823</u>	<u>\$20,975</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Westlake/Bay Ecological Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$95,000	\$95,000	\$99,980	\$4,980
Expenditures				
Current:				
Basic Utility Services:				
Litter Prevention:				
Salaries	57,700	57,700	54,948	2,752
Fringe Benefits	8,950	8,950	8,399	551
Contractual Services	30,000	30,000	28,880	1,120
Capital Outlay	63,057	62,100	15,423	46,677
Other	9,500	9,500	8,164	1,336
<i>Total Expenditures</i>	<u>169,207</u>	<u>168,250</u>	<u>115,814</u>	<u>52,436</u>
<i>Net Change in Fund Balance</i>	(74,207)	(73,250)	(15,834)	57,416
<i>Fund Balance Beginning of Year</i>	85,519	85,519	85,519	0
Prior Year Encumbrances Appropriated	957	957	957	0
<i>Fund Balance End of Year</i>	<u>\$12,269</u>	<u>\$13,226</u>	<u>\$70,642</u>	<u>\$57,416</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
City Donations Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Contributions and Donations	\$32,000	\$32,000	\$39,577	\$7,577
Expenditures				
Current:				
Community Environment:				
Donations:				
Other	65,804	50,415	22,604	27,811
<i>Excess of Revenues Under Expenditures</i>	(33,804)	(18,415)	16,973	35,388
Other Financing Sources				
Advances Out	(18,000)	(18,000)	(18,000)	0
<i>Net Change in Fund Balance</i>	(51,804)	(36,415)	(1,027)	35,388
<i>Fund Balance Beginning of Year</i>	210,207	210,207	210,207	0
Prior Year Encumbrances Appropriated	5,804	5,804	5,804	0
<i>Fund Balance End of Year</i>	<u>\$164,207</u>	<u>\$179,596</u>	<u>\$214,984</u>	<u>\$35,388</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Swimming Pool Operation Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$114,000	\$114,000	\$126,029	\$12,029
Miscellaneous	1,450	1,450	1,865	415
<i>Total Revenues</i>	<u>115,450</u>	<u>115,450</u>	<u>127,894</u>	<u>12,444</u>
Expenditures				
Current:				
Leisure Time Activities:				
Recreation:				
Salaries	130,600	101,900	101,744	156
Fringe Benefits	15,700	15,700	15,571	129
Contractual Services	52,369	34,629	34,248	381
Materials and Supplies	20,655	20,655	16,785	3,870
Other	3,800	3,800	2,897	903
<i>Total Expenditures</i>	<u>223,124</u>	<u>176,684</u>	<u>171,245</u>	<u>5,439</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(107,674)	(61,234)	(43,351)	17,883
Other Financing Sources				
Transfers In	100,000	100,000	45,000	(55,000)
<i>Net Change in Fund Balance</i>	(7,674)	38,766	1,649	(37,117)
<i>Fund Balance Beginning of Year</i>	11,538	11,538	11,538	0
Prior Year Encumbrances Appropriated	9,924	9,924	9,924	0
<i>Fund Balance End of Year</i>	<u>\$13,788</u>	<u>\$60,228</u>	<u>\$23,111</u>	<u>(\$37,117)</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Senior/Community Service Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$127,000	\$127,000	\$86,067	(\$40,933)
Miscellaneous	10,000	10,000	8,895	(1,105)
<i>Total Revenues</i>	<u>137,000</u>	<u>137,000</u>	<u>94,962</u>	<u>(42,038)</u>
Expenditures				
Current:				
Public Health Services:				
Senior/Community Services:				
Contractual Services	7,000	7,000	6,159	841
Materials and Supplies	5,100	5,100	3,299	1,801
Other	141,767	105,668	84,357	21,311
<i>Total Expenditures</i>	<u>153,867</u>	<u>117,768</u>	<u>93,815</u>	<u>23,953</u>
<i>Net Change in Fund Balance</i>	(16,867)	19,232	1,147	(18,085)
<i>Fund Balance Beginning of Year</i>	42,743	42,743	42,743	0
Prior Year Encumbrances Appropriated	<u>2,267</u>	<u>2,267</u>	<u>2,267</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$28,143</u>	<u>\$64,242</u>	<u>\$46,157</u>	<u>(\$18,085)</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Operating Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$25,000	\$25,000	\$23,552	(\$1,448)
Interest	2,000	2,000	3,506	1,506
<i>Total Revenues</i>	<u>27,000</u>	<u>27,000</u>	<u>27,058</u>	<u>58</u>
Expenditures				
Current:				
Public Health Services:				
Cemetery Operations:				
Salaries	60,100	60,100	55,611	4,489
Fringe Benefits	25,400	25,400	24,694	706
Contractual Services	21,856	21,856	14,145	7,711
Materials and Supplies	17,844	17,844	6,839	11,005
Capital Outlay	30,000	30,000	16,073	13,927
Other	57,727	53,650	22,817	30,833
<i>Total Expenditures</i>	<u>212,927</u>	<u>208,850</u>	<u>140,179</u>	<u>68,671</u>
<i>Excess of Revenues Under Expenditures</i>	(185,927)	(181,850)	(113,121)	68,729
Other Financing Sources				
Transfers In	100,000	100,000	100,000	0
<i>Net Change in Fund Balance</i>	(85,927)	(81,850)	(13,121)	68,729
<i>Fund Balance Beginning of Year</i>	81,376	81,376	81,376	0
Prior Year Encumbrances Appropriated	19,677	19,677	19,677	0
<i>Fund Balance End of Year</i>	<u>\$15,126</u>	<u>\$19,203</u>	<u>\$87,932</u>	<u>\$68,729</u>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Reserve for Compensated Absences Fund
For the Year Ended December 31, 2016*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current:				
General Government:				
Compensated Absences:				
Personal Services	600,000	600,000	329,981	270,019
Fringe Benefits	<u>8,700</u>	<u>8,700</u>	<u>3,019</u>	<u>5,681</u>
<i>Total Expenditures</i>	<u>608,700</u>	<u>608,700</u>	<u>333,000</u>	<u>275,700</u>
<i>Net Change in Fund Balance</i>	(608,700)	(608,700)	(333,000)	275,700
<i>Fund Balance Beginning of Year</i>	<u>847,932</u>	<u>847,932</u>	<u>847,932</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$239,232</u></u>	<u><u>\$239,232</u></u>	<u><u>\$514,932</u></u>	<u><u>\$275,700</u></u>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2016*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	<u>\$1,180,800</u>	<u>\$1,180,800</u>	<u>\$1,180,725</u>	<u>(\$75)</u>
Expenditures				
Debt Service:				
Principal Retirement	985,000	985,000	985,000	0
Interest and Fiscal Charges	<u>198,800</u>	<u>198,975</u>	<u>198,975</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,183,800</u>	<u>1,183,975</u>	<u>1,183,975</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(3,000)	(3,175)	(3,250)	(75)
<i>Fund Balance Beginning of Year</i>	<u>3,402</u>	<u>3,402</u>	<u>3,402</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$402</u>	<u>\$227</u>	<u>\$152</u>	<u>(\$75)</u>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2016*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	\$370,000	\$370,000	\$431,761	\$61,761
Expenditures				
Debt Service:				
Principal Retirement	265,000	265,000	265,000	0
Interest and Fiscal Charges	189,550	189,550	187,400	2,150
<i>Total Expenditures</i>	<u>454,550</u>	<u>454,550</u>	<u>452,400</u>	<u>2,150</u>
<i>Net Change in Fund Balance</i>	(84,550)	(84,550)	(20,639)	63,911
<i>Fund Balance Beginning of Year</i>	<u>308,784</u>	<u>308,784</u>	<u>308,784</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$224,234</u>	<u>\$224,234</u>	<u>\$288,145</u>	<u>\$63,911</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
TIF Bond Retirement Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$30,000	\$30,000	\$30,000	\$0
Payment in Lieu of Taxes	325,887	325,887	1,240,457	914,570
<i>Total Revenues</i>	<u>355,887</u>	<u>355,887</u>	<u>1,270,457</u>	<u>914,570</u>
Expenditures				
Current:				
General Government:				
Other	455,000	455,000	455,000	0
Debt Service:				
Principal Retirement	185,407	185,407	185,407	0
Interest and Fiscal Charges	170,480	170,480	170,480	0
<i>Total Expenditures</i>	<u>355,887</u>	<u>355,887</u>	<u>355,887</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	914,570	914,570
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$914,570</u></u>	<u><u>\$914,570</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Bond Retirement Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$825,600	\$825,600	\$825,594	(\$6)
Expenditures				
Debt Service:				
Principal Retirement	675,006	675,000	675,000	0
Interest and Fiscal Charges	150,594	150,594	150,594	0
<i>Total Expenditures</i>	<u>825,600</u>	<u>825,594</u>	<u>825,594</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	6	0	(6)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$6</u>	<u>\$0</u>	<u>(\$6)</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Storm Drainage Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Licenses, Permits and Fees	\$68,000	\$68,000	\$78,688	\$10,688
Interest	4,000	4,000	10,392	6,392
<i>Total Revenues</i>	<u>72,000</u>	<u>72,000</u>	<u>89,080</u>	<u>17,080</u>
Expenditures				
Capital Outlay:				
Storm Drainage:				
Salaries	60,000	60,000	10,581	49,419
Fringe Benefits	9,300	9,300	1,631	7,669
Contractual Services	12,400	12,400	0	12,400
Capital Outlay	1,055,982	385,386	214,051	171,335
Other	157,675	157,675	91,581	66,094
<i>Total Expenditures</i>	<u>1,295,357</u>	<u>624,761</u>	<u>317,844</u>	<u>306,917</u>
<i>Net Change in Fund Balance</i>	(1,223,357)	(552,761)	(228,764)	323,997
<i>Fund Balance Beginning of Year</i>	1,830,756	1,830,756	1,830,756	0
Prior Year Encumbrances Appropriated	32,917	32,917	32,917	0
<i>Fund Balance End of Year</i>	<u>\$640,316</u>	<u>\$1,310,912</u>	<u>\$1,634,909</u>	<u>\$323,997</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Crocker Park Block K Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$2,075,834	\$2,075,834	\$1,941,748	(\$134,086)
Expenditures				
Capital Outlay:				
Crocker Park Block K:				
Capital Outlay	2,075,834	2,075,834	1,941,748	134,086
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Market Square Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$31,300	\$31,300	\$31,300	\$0
Expenditures				
Capital Outlay:				
Market Square Project:				
Capital Outlay	2,644,815	2,644,815	2,250,163	394,652
Other	11,470	11,470	11,386	84
<i>Total Expenditures</i>	<u>2,656,285</u>	<u>2,656,285</u>	<u>2,261,549</u>	<u>394,736</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,624,985)	(2,624,985)	(2,230,249)	394,736
Other Financing Sources				
Transfers - In	2,624,985	2,624,985	2,624,985	0
<i>Net Change in Fund Balance</i>	0	0	394,736	394,736
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$394,736</u></u>	<u><u>\$394,736</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Impact Fees Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Licenses, Permits and Fees	\$50,000	\$50,000	\$111,882	\$61,882
Expenditures				
Capital Outlay:				
Impact Fee:				
Capital Outlay	488,250	488,250	259,034	229,216
Other	7,500	7,500	1,688	5,812
<i>Total Expenditures</i>	<u>495,750</u>	<u>495,750</u>	<u>260,722</u>	<u>235,028</u>
<i>Net Change in Fund Balance</i>	(445,750)	(445,750)	(148,840)	296,910
<i>Fund Balance Beginning of Year</i>	1,351,542	1,351,542	1,351,542	0
Prior Year Encumbrances Appropriated	<u>192,250</u>	<u>192,250</u>	<u>192,250</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,098,042</u>	<u>\$1,098,042</u>	<u>\$1,394,952</u>	<u>\$296,910</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalks Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$40,000	\$40,000	\$20,994	(\$19,006)
Expenditures				
Capital Outlay:				
Sidewalk Improvement:				
Salaries	22,000	22,000	926	21,074
Fringe Benefits	3,300	3,300	133	3,167
Contractual Services	700	700	167	533
Other	20,000	20,000	2,200	17,800
<i>Total Expenditures</i>	<u>46,000</u>	<u>46,000</u>	<u>3,426</u>	<u>42,574</u>
<i>Net Change in Fund Balance</i>	(6,000)	(6,000)	17,568	23,568
<i>Fund Balance Beginning of Year</i>	<u>97,825</u>	<u>97,825</u>	<u>97,825</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$91,825</u></u>	<u><u>\$91,825</u></u>	<u><u>\$115,393</u></u>	<u><u>\$23,568</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Service Center Construction Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay	<u>36,828</u>	<u>36,828</u>	<u>36,828</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(36,828)	(36,828)	(36,828)	0
<i>Fund Balance Beginning of Year</i>	779	779	779	0
Prior Year Encumbrances Appropriated	<u>36,828</u>	<u>36,828</u>	<u>36,828</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$779</u>	<u>\$779</u>	<u>\$779</u>	<u>\$0</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Center Construction Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$743,800	\$743,800	\$913,105	\$169,305
Miscellaneous	0	0	5,500	5,500
<i>Total Revenues</i>	<u>743,800</u>	<u>743,800</u>	<u>918,605</u>	<u>174,805</u>
Expenditures				
Capital Outlay:				
Recreation Center Construction:				
Salaries	0	5,000	0	5,000
Fringe Benefits	800	800	0	800
Contractual Services	75,000	75,000	71,697	3,303
Capital Outlay	7,204,903	1,105,703	657,748	447,955
Other	5,800	5,800	5,755	45
<i>Total Expenditures</i>	<u>7,286,503</u>	<u>1,192,303</u>	<u>735,200</u>	<u>457,103</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(6,542,703)	(448,503)	183,405	631,908
Other Financing Sources				
Transfers In	4,000,000	4,000,000	0	(4,000,000)
<i>Net Change in Fund Balance</i>	(2,542,703)	3,551,497	183,405	(3,368,092)
<i>Fund Balance Beginning of Year</i>	3,911,072	3,911,072	3,911,072	0
Prior Year Encumbrances Appropriated	176,503	176,503	176,503	0
<i>Fund Balance End of Year</i>	<u>\$1,544,872</u>	<u>\$7,639,072</u>	<u>\$4,270,980</u>	<u>(\$3,368,092)</u>

City of Westlake, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Golf Course Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$281,000	\$281,000	\$254,279	(\$26,721)
Rentals	41,100	41,100	40,058	(1,042)
Miscellaneous	6,000	6,000	5,589	(411)
<i>Total Revenues</i>	<u>328,100</u>	<u>328,100</u>	<u>299,926</u>	<u>(28,174)</u>
Expenses				
Personal Services	262,000	262,000	251,343	10,657
Fringe Benefits	50,500	50,500	49,210	1,290
Contractual Services	135,348	101,200	75,778	25,422
Materials and Supplies	66,380	66,380	46,319	20,061
Capital Outlay	26,225	26,225	21,760	4,465
Other	20,031	20,031	10,691	9,340
<i>Total Expenses</i>	<u>560,484</u>	<u>526,336</u>	<u>455,101</u>	<u>71,235</u>
<i>Excess of Revenues Under Expenses Before Sale of Capital Assets and Advances</i>	(232,384)	(198,236)	(155,175)	43,061
Advances In	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	(82,384)	(48,236)	(5,175)	43,061
<i>Fund Equity Beginning of Year</i>	84,076	84,076	84,076	0
Prior Year Encumbrances Appropriated	<u>10,884</u>	<u>10,884</u>	<u>10,884</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$12,576</u>	<u>\$46,724</u>	<u>\$89,785</u>	<u>\$43,061</u>

City of Westlake, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Hospitalization Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$3,557,200	\$3,557,200	\$3,200,395	(\$356,805)
Expenses				
Contractual Services	686,466	686,466	661,466	25,000
Claims	4,444,700	3,424,067	3,136,649	287,418
<i>Total Expenses</i>	<u>5,131,166</u>	<u>4,110,533</u>	<u>3,798,115</u>	<u>312,418</u>
<i>Net Change in Fund Equity</i>	(1,573,966)	(553,333)	(597,720)	(44,387)
<i>Fund Equity Beginning of Year</i>	2,782,706	2,782,706	2,782,706	0
Prior Year Encumbrances Appropriated	<u>1,416,166</u>	<u>1,416,166</u>	<u>1,416,166</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$2,624,906</u>	<u>\$3,645,539</u>	<u>\$3,601,152</u>	<u>(\$44,387)</u>

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Statistical Section

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

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

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

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

	2016	2015 (1)	2014	2013
Governmental Activities				
Net Investment in Capital Assets	\$139,784,700	\$139,414,217	\$126,984,208	\$127,651,517
Restricted	36,112,865	31,672,209	42,096,325	37,706,036
Unrestricted (1)	23,785,685	25,293,630	19,108,390	42,509,763
<i>Total Governmental Activities Net Position</i>	<u>199,683,250</u>	<u>196,380,056</u>	<u>188,188,923</u>	<u>207,867,316</u>
Business-Type Activities				
Net Investment in Capital Assets	25,239,798	25,995,165	26,983,590	28,088,783
Unrestricted (1)	13,683,994	13,072,759	12,822,985	13,197,731
<i>Total Business-Type Activities Net Position</i>	<u>38,923,792</u>	<u>39,067,924</u>	<u>39,806,575</u>	<u>41,286,514</u>
Primary government				
Net Investment in Capital Assets	165,024,498	165,409,382	153,967,798	155,740,300
Restricted	36,112,865	31,672,209	42,096,325	37,706,036
Unrestricted (1)	37,469,679	38,366,389	31,931,375	55,707,494
<i>Total Primary Government Net Position</i>	<u>\$238,607,042</u>	<u>\$235,447,980</u>	<u>\$227,995,498</u>	<u>\$249,153,830</u>

(1) The City reported the impact of GASB Statement No. 68 beginning in 2015.

2012	2011	2010	2009	2008	2007
\$121,260,561	\$120,651,597	\$118,410,063	\$115,906,207	\$116,235,290	\$113,923,769
36,145,785	39,248,472	42,677,403	39,002,639	38,496,737	36,851,590
40,264,326	32,946,087	23,964,324	23,933,018	16,455,779	30,181,068
197,670,672	192,846,156	185,051,790	178,841,864	171,187,806	180,956,427
30,295,832	30,643,725	31,334,659	31,092,605	31,760,772	32,213,389
13,684,924	15,072,756	16,277,091	18,373,841	19,410,303	19,250,408
43,980,756	45,716,481	47,611,750	49,466,446	51,171,075	51,463,797
151,556,393	151,295,322	149,744,722	146,998,812	147,996,062	146,137,158
36,145,785	39,248,472	42,677,403	39,002,639	38,496,737	36,851,590
53,949,250	48,018,843	40,241,415	42,306,859	35,866,082	49,431,476
\$241,651,428	\$238,562,637	\$232,663,540	\$228,308,310	\$222,358,881	\$232,420,224

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

	2016	2015 (1)	2014	2013
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$1,066,656	\$648,223	\$1,013,675	\$760,751
Security of Persons and Property	2,106,341	1,790,833	1,650,934	1,719,144
Public Health Services	247,904	97,200	78,150	86,828
Transportation	581,247	556,556	475,729	581,149
Community Environment	134,533	116,909	81,787	78,126
Basic Utility Services	362,825	129,890	88,531	126,920
Leisure Time Activities	2,599,799	2,600,202	2,311,885	2,481,187
Operating Grants and Contributions	1,608,091	1,634,552	1,785,738	1,525,808
Capital Grants and Contributions	5,251,537	8,820,731	8,243,682	3,321,851
<i>Total Governmental Activities Program Revenues</i>	<u>13,958,933</u>	<u>16,395,096</u>	<u>15,730,111</u>	<u>10,681,764</u>
Business-Type Activities:				
Charges for Services:				
Sewer	2,760,363	2,753,856	2,685,737	2,189,435
Golf Course	294,337	312,266	308,476	309,945
Capital Grants and Contributions	121,829	127,383	0	168,731
<i>Total Business-Type Activities Program Revenues</i>	<u>3,176,529</u>	<u>3,193,505</u>	<u>2,994,213</u>	<u>2,668,111</u>
<i>Total Primary Government Program Revenues</i>	<u>17,135,462</u>	<u>19,588,601</u>	<u>18,724,324</u>	<u>13,349,875</u>
Expenses				
Governmental Activities:				
General Government	8,217,445	7,678,275	8,418,520	6,840,500
Security of Persons and Property	19,656,219	17,282,475	17,487,121	14,405,743
Public Health Services	1,207,241	1,224,487	1,174,508	891,433
Transportation	15,777,495	13,864,015	11,442,820	10,875,198
Community Environment	2,056,592	2,101,651	3,388,227	1,492,557
Basic Utility Services	3,120,425	2,908,847	2,180,366	2,240,089
Leisure Time Activities	4,367,226	4,089,416	4,064,325	3,992,595
Interest and Fiscal Charges	2,755,364	2,822,396	2,117,493	663,122
<i>Total Governmental Activities Expenses</i>	<u>57,158,007</u>	<u>51,971,562</u>	<u>50,273,380</u>	<u>41,401,237</u>
Business-Type Activities:				
Sewer	3,404,204	3,519,865	3,324,980	3,897,755
Golf	461,152	453,454	450,130	452,592
<i>Total Business-Type Activities Expenses</i>	<u>3,865,356</u>	<u>3,973,319</u>	<u>3,775,110</u>	<u>4,350,347</u>
<i>Total Primary Government Expenses</i>	<u>\$61,023,363</u>	<u>\$55,944,881</u>	<u>\$54,048,490</u>	<u>\$45,751,584</u>

2012	2011	2010	2009	2008	2007
\$496,295	\$544,628	\$618,409	\$403,368	\$62,982	\$204,883
1,030,741	1,084,774	1,055,314	1,658,886	1,792,383	1,137,311
144,383	166,906	163,675	179,602	219,131	179,762
415,183	358,448	257,883	224,745	170,479	2,050
378,779	200,992	158,287	179,680	473,546	258,685
182,005	177,435	182,493	226,160	117,076	580,438
2,512,420	2,407,993	2,339,261	2,318,991	2,422,194	2,392,074
2,104,715	2,815,006	1,813,317	1,908,400	1,999,419	2,247,881
1,422,539	1,546,514	2,572,627	198,262	861,837	86,159
8,687,060	9,302,696	9,161,266	7,298,094	8,119,047	7,089,243
1,864,043	1,733,629	1,745,665	1,704,877	2,038,961	1,782,896
331,372	299,480	398,914	429,063	438,473	497,736
47,087	0	0	0	0	0
2,242,502	2,033,109	2,144,579	2,133,940	2,477,434	2,280,632
10,929,562	11,335,805	11,305,845	9,432,034	10,596,481	9,369,875
7,404,615	7,902,687	6,968,302	7,911,956	22,355,014	7,364,070
15,042,478	14,747,275	14,584,694	14,833,854	15,023,844	13,159,961
1,073,921	1,190,286	1,185,741	990,935	1,040,137	962,658
10,977,479	11,927,202	9,085,307	7,754,905	11,143,476	10,093,953
1,475,762	1,721,879	1,685,287	1,461,332	1,436,256	1,305,482
2,058,732	1,801,486	1,917,453	1,843,251	1,925,985	2,184,182
3,762,378	3,788,078	3,979,282	3,963,481	3,990,032	4,312,925
1,253,224	806,303	762,104	775,746	832,754	633,706
43,048,589	43,885,196	40,168,170	39,535,460	57,747,498	40,016,937
3,557,778	3,684,221	3,574,031	3,407,143	3,206,285	3,396,803
478,255	428,838	462,322	499,842	509,423	475,205
4,036,033	4,113,059	4,036,353	3,906,985	3,715,708	3,872,008
\$47,084,622	\$47,998,255	\$44,204,523	\$43,442,445	\$61,463,206	\$43,888,945

(continued)

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

	2016	2015 (1)	2014	2013
Net (Expense)/Revenue				
Governmental Activities	(\$43,199,074)	(\$35,576,466)	(\$34,543,269)	(\$30,719,473)
Business-Type Activities	(688,827)	(779,814)	(780,897)	(1,682,236)
<i>Total Primary Government Net Expense</i>	<u>(43,887,901)</u>	<u>(36,356,280)</u>	<u>(35,324,166)</u>	<u>(32,401,709)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes Levied For:				
General Purposes	10,169,515	9,733,889	9,213,316	9,798,208
Other Purposes	1,902,063	1,825,021	1,723,188	1,832,575
Debt Service	0	0	0	0
Municipal Income Taxes Levied For:				
General Purposes	18,743,101	17,052,217	15,823,044	15,499,256
Recreation	247,088	244,579	245,548	260,674
Debt Service	1,976,025	2,000,167	1,969,449	1,993,639
Capital Outlay	7,268,918	6,486,643	5,839,692	5,709,996
Admissions Tax	312,085	124,078	134,986	186,249
Hotel Taxes	684,544	522,645	489,850	499,878
Grants and Entitlements not Restricted to Specific Programs	1,557,287	1,563,433	2,253,953	2,585,598
Franchise Taxes	650,093	644,240	649,254	492,615
Investment Earnings	487,239	539,348	289,616	290,643
Unrestricted Contributions	0	11,870	13,736	0
Payment in Lieu of Taxes	2,124,325	539,499	0	0
Gain on Sale of Capital Assets	79,748	0	41,425	43,276
Miscellaneous	488,275	2,480,501	2,228,479	676,958
Transfers	(188,038)	(531)	0	1,046,552
<i>Total Governmental Activities</i>	<u>46,502,268</u>	<u>43,767,599</u>	<u>40,915,536</u>	<u>40,916,117</u>
Business-Type Activities:				
Investment Earnings	34,581	34,398	17,152	29,306
Gain on Sale of Capital Assets	0	1,800	6,901	0
Gain in Joint Venture	316,387	0	0	0
Miscellaneous	5,689	4,434	7,697	5,240
Transfers	188,038	531	0	(1,046,552)
<i>Total Business-Type Activities</i>	<u>544,695</u>	<u>41,163</u>	<u>31,750</u>	<u>(1,012,006)</u>
<i>Total Primary Government</i>	<u>47,046,963</u>	<u>43,808,762</u>	<u>40,947,286</u>	<u>39,904,111</u>
Change in Net Position				
Governmental Activities	3,303,194	8,191,133	6,372,267	10,196,644
Business-Type Activities	(144,132)	(738,651)	(749,147)	(2,694,242)
<i>Total Primary Government Change in Net Position</i>	<u>\$3,159,062</u>	<u>\$7,452,482</u>	<u>\$5,623,120</u>	<u>\$7,502,402</u>

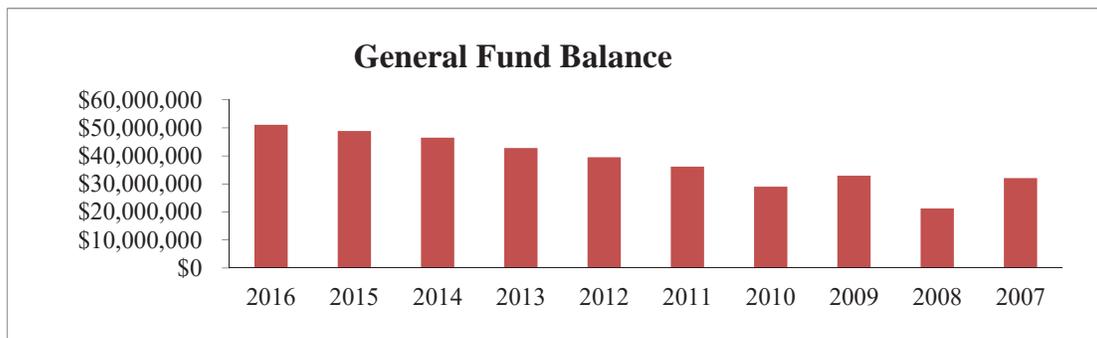
(1) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015.

2012	2011	2010	2009	2008	2007
(\$34,361,529)	(\$34,582,500)	(\$31,006,904)	(\$32,237,366)	(\$49,628,451)	(\$32,927,694)
(1,793,531)	(2,079,950)	(1,891,774)	(1,773,045)	(1,238,274)	(1,591,376)
(36,155,060)	(36,662,450)	(32,898,678)	(34,010,411)	(50,866,725)	(34,519,070)
9,529,928	9,766,663	9,875,483	10,340,850	9,389,659	9,943,421
1,790,295	1,831,250	1,851,654	1,935,405	1,853,221	1,963,131
112,330	122,084	120,758	100,983	857,615	1,043,024
14,861,413	14,091,446	12,617,962	12,306,589	12,462,547	13,895,909
255,530	259,448	53,841	0	250,588	252,860
1,924,449	1,857,968	835,022	975,491	1,002,399	2,178,908
5,401,802	4,995,362	5,506,156	5,176,375	5,110,393	4,539,069
184,553	187,280	178,209	188,867	197,798	211,079
483,446	431,774	406,204	374,953	457,987	492,516
3,248,049	6,057,901	4,460,061	4,653,290	4,282,803	3,569,675
573,198	523,339	479,845	450,860	438,367	0
428,975	615,400	264,472	2,788,286	2,877,142	4,362,251
0	0	0	0	0	0
0	0	0	0	0	0
50,214	5,296	57,300	5,000	0	0
360,487	1,637,665	499,937	702,847	687,619	322,680
(18,624)	(6,010)	9,926	0	(8,308)	133,438
39,186,045	42,376,866	37,216,830	39,999,796	39,859,830	42,907,961
6,464	32,957	46,940	59,969	927,845	77,528
27,000	0	0	0	0	0
0	0	0	0	0	0
5,718	145,714	64	8,447	9,399	8,961
18,624	6,010	(9,926)	0	8,308	(133,438)
57,806	184,681	37,078	68,416	945,552	(46,949)
39,243,851	42,561,547	37,253,908	40,068,212	40,805,382	42,861,012
4,824,516	7,794,366	6,209,926	7,762,430	(9,768,621)	9,980,267
(1,735,725)	(1,895,269)	(1,854,696)	(1,704,629)	(292,722)	(1,638,325)
\$3,088,791	\$5,899,097	\$4,355,230	\$6,057,801	(\$10,061,343)	\$8,341,942

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

	2016	2015	2014	2013
General Fund:				
Reserved	\$0	\$0	\$0	\$0
Unreserved:				
Designated for Capital Acquisitions	0	0	0	0
Unreserved, Undesignated	0	0	0	0
Nonspendable	1,949,742	1,777,482	1,770,774	1,576,133
Committed	0	0	133,197	153,311
Assigned	18,670,970	27,107,303	21,958,577	19,781,129
Unassigned	30,486,799	20,024,683	22,663,318	21,321,693
Total General Fund	51,107,511	48,909,468	46,525,866	42,832,266
All Other Governmental Funds:				
Reserved	0	0	0	0
Unreserved:				
Undesignated, Reported in:				
Special Revenue funds	0	0	0	0
Debt Service funds	0	0	0	0
Capital Projects funds	0	0	0	0
Nonspendable	1,899	2,581	1,824	4,824,603
Restricted	30,827,768	44,057,732	58,261,161	26,126,256
Committed	2,751,481	2,586,755	2,342,690	2,105,124
Assigned	15,607	15,607	37,607	15,607
Unassigned (Deficit)	(3,794,294)	(1,911,316)	(3,480,036)	(3,090,696)
Total All Other Governmental Funds	29,802,461	44,751,359	57,163,246	29,980,894
Total Governmental Funds	\$80,909,972	\$93,660,827	\$103,689,112	\$72,813,160

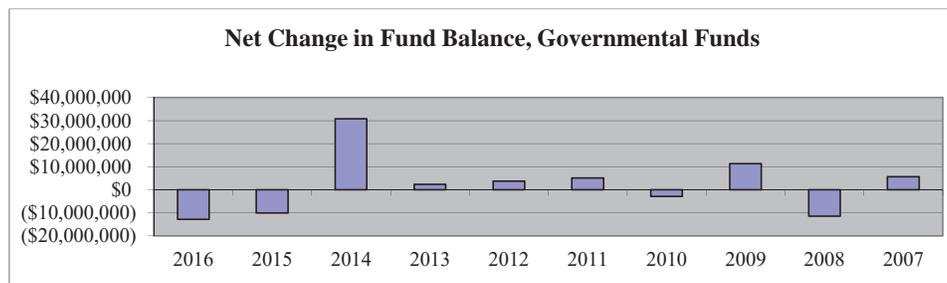
Note: The City implemented GASB 54 in 2009.



2012	2011	2010	2009	2008	2007
\$0	\$0	\$0	\$0	\$0	\$7,796,807
0	0	0	0	0	8,730,585
0	0	0	0	0	15,559,357
1,388,341	1,544,312	2,472,785	7,966,056	2,430,152	0
78,494	0	0	0	0	0
17,151,115	12,590,847	12,135,035	12,627,238	11,950,684	0
20,917,452	22,069,614	14,398,464	12,369,237	6,874,603	0
<u>39,535,402</u>	<u>36,204,773</u>	<u>29,006,284</u>	<u>32,962,531</u>	<u>21,255,439</u>	<u>32,086,749</u>
0	0	0	0	0	2,797,164
0	0	0	0	0	9,530,790
0	0	0	0	0	2,032,234
0	0	0	0	0	17,986,851
3,288	5,416	7,046	3,569	3,741	0
29,608,475	30,542,308	32,741,134	36,378,489	30,223,199	0
1,706,932	1,349,585	1,125,004	1,491,683	1,822,084	0
15,607	15,607	15,607	15,607	114,828	0
(424,244)	(1,414,992)	(1,379,716)	(3,587)	(458,806)	0
<u>30,910,058</u>	<u>30,497,924</u>	<u>32,509,075</u>	<u>37,885,761</u>	<u>31,705,046</u>	<u>32,347,039</u>
<u>\$70,445,460</u>	<u>\$66,702,697</u>	<u>\$61,515,359</u>	<u>\$70,848,292</u>	<u>\$52,960,485</u>	<u>\$64,433,788</u>

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

	2016	2015	2014	2013
Revenues				
Property Taxes	\$12,024,672	\$11,547,143	\$11,671,818	\$11,197,764
Municipal Income Taxes	28,619,626	25,757,758	24,633,001	22,704,304
Admission Taxes	312,085	124,078	134,986	186,249
Hotel Taxes	684,544	522,645	489,850	499,878
Permissive Motor Vehicle Taxes	238,862	238,712	234,314	229,172
Charges for Services	3,633,104	3,828,835	3,762,633	4,050,691
Licenses, Permits and Fees	2,393,218	1,182,052	1,183,422	894,372
Fines and Forfeitures	283,707	347,129	272,467	293,605
Intergovernmental	7,730,618	11,310,791	4,311,716	6,908,585
Special Assessments	431,761	393,347	418,783	466,384
Payments in Lieu of Taxes	2,124,325	539,499	0	0
Interest	487,239	539,348	289,616	290,643
Rentals	271,983	221,886	209,870	225,295
Contributions and Donations	40,477	782,822	6,974,059	23,293
Franchise Taxes	584,752	644,240	649,254	492,615
Miscellaneous	469,382	2,511,211	2,174,483	642,417
<i>Total Revenues</i>	<u>60,330,355</u>	<u>60,491,496</u>	<u>57,410,272</u>	<u>49,105,267</u>
Expenditures				
Current:				
General Government	7,649,406	7,381,581	7,821,827	6,900,546
Security of Persons and Property	16,998,442	16,047,061	15,845,571	14,444,674
Public Health Services	1,047,299	1,129,696	1,041,101	887,612
Transportation	6,549,356	7,970,793	6,987,598	7,211,192
Community Environment	1,728,506	2,106,262	1,669,156	1,541,973
Basic Utility Services	1,185,141	918,388	770,242	900,172
Leisure Time Activities	3,357,696	3,372,995	3,229,032	3,432,454
Capital Outlay	29,800,001	35,901,521	35,240,489	8,701,922
Debt Service:				
Principal Retirement	2,268,691	1,938,751	1,948,842	2,103,842
Interest and Fiscal Charges	2,688,527	2,809,501	1,964,178	671,181
Capital Appreciation Bonds Interest	0	0	0	0
Bond Issuance Costs	0	0	1,584,844	0
<i>Total Expenditures</i>	<u>73,273,065</u>	<u>79,576,549</u>	<u>78,102,880</u>	<u>46,795,568</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(12,942,710)</u>	<u>(19,085,053)</u>	<u>(20,692,608)</u>	<u>2,309,699</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	79,748	77,791	91,045	58,001
General Obligations Notes and Bonds Issued	0	0	0	0
General Obligation Notes and Bonds Premium	0	0	0	0
OPWC Loan Issued	112,107	200,065	2,555,933	0
State Infrastructure Bank Loan Issued	0	8,765,300	0	0
General Obligation Bonds Issued	0	0	0	0
General Obligation Bonds Premium	0	0	0	0
Special Obligation Bonds Issued	0	0	48,330,000	0
Special Obligation Bonds Premium	0	0	591,582	0
Inception of Capital Lease	0	13,612	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	3,683,685	1,294,332	952,757	967,265
Transfers Out	(3,683,685)	(1,294,332)	(952,757)	(967,265)
<i>Total Other Financing Sources (Uses)</i>	<u>191,855</u>	<u>9,056,768</u>	<u>51,568,560</u>	<u>58,001</u>
<i>Net Change in Fund Balances</i>	<u>(\$12,750,855)</u>	<u>(\$10,028,285)</u>	<u>\$30,875,952</u>	<u>\$2,367,700</u>
Debt Service as a Percentage of Noncapital Expenditures	10.0%	10.1%	8.7%	7.5%



2012	2011	2010	2009	2008	2007
\$11,409,771	\$11,669,377	\$11,871,691	\$12,216,342	\$12,325,252	\$12,665,021
21,744,517	20,314,848	19,136,172	18,253,703	19,119,560	20,164,744
184,553	187,280	178,209	188,867	197,798	211,079
483,446	431,774	406,204	374,953	457,987	492,516
226,807	223,842	257,883	224,745	242,258	0
3,350,948	3,478,751	3,454,644	3,327,200	3,987,708	3,608,149
655,053	569,913	472,444	540,779	584,486	761,571
332,873	361,168	359,933	790,128	280,141	227,919
6,104,036	9,857,916	8,702,713	6,651,892	6,822,869	5,876,873
290,000	290,000	285,000	300,000	340,000	320,000
0	0	0	0	0	0
428,975	615,400	264,472	2,761,850	2,850,216	4,330,669
231,985	229,550	164,498	152,158	159,180	157,564
29,900	99,560	36,205	39,373	62,864	39,963
573,198	523,339	479,845	450,860	438,367	0
359,643	1,621,375	499,937	702,847	640,351	322,680
46,405,705	50,474,093	46,569,850	46,975,697	48,509,037	49,178,748
6,970,194	7,504,572	6,835,591	7,603,847	21,996,767	5,983,975
14,314,721	13,899,297	14,184,779	13,916,347	13,994,489	12,507,272
1,060,754	1,017,728	1,078,920	934,217	932,305	832,274
7,028,529	6,607,706	6,987,274	6,503,112	6,694,353	6,112,980
1,468,880	1,700,116	1,680,434	1,482,743	1,399,183	1,282,164
817,980	704,210	763,839	741,720	771,254	753,497
3,097,749	3,042,862	3,316,452	3,249,516	3,275,678	3,488,479
5,210,403	8,585,474	10,406,778	8,400,702	8,267,256	8,264,879
2,008,451	9,077,169	10,625,029	1,286,743	1,463,142	3,101,326
719,472	812,377	785,863	648,827	705,748	1,355,219
0	0	140,730	134,018	387,618	0
0	130,110	35,416	22,878	178,495	0
42,697,133	53,081,621	56,841,105	44,924,670	60,066,288	43,682,065
3,708,572	(2,607,528)	(10,271,255)	2,051,027	(11,557,251)	5,496,683
34,191	73,427	34,382	13,902	12,201	9,998
0	0	7,350,000	9,300,000	9,990,000	0
0	0	53,940	22,878	4,776	0
0	0	0	0	0	0
0	0	0	0	0	0
0	7,350,000	0	0	0	0
0	263,453	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	12,326	0	0	0	0
0	0	0	0	(9,814,657)	0
1,742,430	1,242,799	729,550	889,476	1,966,471	11,961,714
(1,742,430)	(1,242,799)	(729,550)	(889,476)	(1,966,471)	(11,828,276)
34,191	7,699,206	7,438,322	9,336,780	192,320	143,436
\$3,742,763	\$5,091,678	(\$2,832,933)	\$11,387,807	(\$11,364,931)	\$5,640,119
7.3%	21.6%	25.6%	6.1%	4.9%	12.0%

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

	2016	2015	2014	2013
Unvoted Millage				
Operating	\$1.50000	\$1.50000	\$1.50000	\$1.50000
Debt	0.00000	0.00000	0.00000	0.00000
Fire Pension	0.30000	0.30000	0.30000	0.30000
Police Pension	0.30000	0.30000	0.30000	0.30000
<i>Total Unvoted Millage</i>	<u>2.10000</u>	<u>2.10000</u>	<u>2.10000</u>	<u>2.10000</u>
Voted Millage by Levy				
1976 Charter/Current Expense	6.52000	6.52000	6.52000	6.52000
1988 Bond (\$6,000,000)	0.00000	0.00000	0.00000	0.00000
2001 Charter Police and Fire Operating	0.90000	0.90000	0.90000	0.90000
<i>Total Voted Millage by Type of Property</i>	<u>7.42000</u>	<u>7.42000</u>	<u>7.42000</u>	<u>7.42000</u>
<i>Total Millage</i>	<u><u>\$9.52000</u></u>	<u><u>\$9.52000</u></u>	<u><u>\$9.52000</u></u>	<u><u>\$9.52000</u></u>

Overlapping Rates by Taxing District

Westlake City School District

General Business and Public Utility Personal	\$70.20000	\$70.10000	\$70.10000	\$70.10000
Residential/Agricultural Real	36.12103	36.05458	37.31630	37.31100
Commercial/Industrial and Public Utility Real	40.34621	41.04409	40.81830	40.68110

Westlake Porter Library

Operating - continuing				
General Business and Public Utility Personal	2.80000	2.80000	2.80000	2.80000
Residential/Agricultural Real	2.65963	2.66316	2.80000	2.80000
Commercial/Industrial and Public Utility Real	2.72637	2.80000	2.80000	2.80000

Cuyahoga County

General Business and Public Utility Personal	14.05000	14.05000	14.05000	14.05000
Residential/Agricultural Real	13.88020	13.86978	14.05000	14.05000
Commercial/Industrial and Public Utility Real	14.01236	14.05000	14.01950	13.94950

Special Taxing Districts (1)

General Business and Public Utility Personal	6.88000	6.88000	6.88000	5.98000
Residential/Agricultural Real	6.77011	6.76737	6.86430	5.96390
Commercial/Industrial and Public Utility Real	6.83932	6.86755	6.84010	5.88430

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

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

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

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

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

Source: Cuyahoga County Fiscal Officer

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

2012	2011	2010	2009	2008	2007
\$1.50000	\$1.40000	\$1.40000	\$1.40000	\$1.00000	\$1.00000
0.00000	0.10000	0.10000	0.10000	0.50000	0.50000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
2.10000	2.10000	2.10000	2.10000	2.10000	2.10000
6.52000	6.60000	6.60000	6.60000	6.60000	6.60000
0.00000	0.00000	0.00000	0.00000	0.20000	0.30000
0.90000	0.90000	0.90000	0.90000	0.90000	0.90000
7.42000	7.50000	7.50000	7.50000	7.70000	7.80000
\$9.52000	\$9.60000	\$9.60000	\$9.60000	\$9.80000	\$9.90000

\$70.10000	\$70.10000	\$70.10000	\$66.50000	\$66.50000	\$66.50000
37.25843	36.76906	36.66812	31.74549	31.72675	31.72802
39.15236	39.11334	38.60543	35.26262	35.20358	34.98604

2.80000	2.80000	2.80000	2.80000	2.50000	2.50000
2.80000	2.80000	2.79970	2.80000	2.12764	2.12775
2.80000	2.80000	2.77368	2.80000	2.23154	2.21376

13.22000	13.22000	13.32000	13.32000	13.42000	13.42000
13.22000	13.11822	13.18662	12.66073	11.86887	11.86549
12.99676	12.78454	12.84125	12.81530	12.45356	12.49410

5.08000	5.08000	5.08000	4.78000	4.78000	4.78000
5.06349	5.00415	4.98989	4.15975	4.15898	4.15762
4.96214	4.86484	4.84497	4.39124	4.37987	4.39621

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

Collection Year	Real Property Assessed Values		Estimated Actual Value	Tangible Personal Property	
	Residential/ Agricultural	Commercial Industrial		Assessed Values	Public Utility Estimated Actual Value
2016	\$1,019,017,040	\$381,570,250	\$4,001,677,971	\$25,840,090	\$29,363,739
2015	961,244,180	378,786,240	3,828,658,343	25,237,460	28,678,932
2014	954,156,290	376,280,950	3,801,249,257	24,094,940	27,380,614
2013	953,166,540	391,329,590	3,841,417,514	21,853,120	24,833,091
2012	967,001,100	378,135,350	3,843,247,000	19,742,750	22,434,943
2011	968,121,950	383,265,660	3,861,107,457	18,395,760	20,904,273
2010	964,775,720	381,758,880	3,847,241,714	17,904,860	20,346,432
2009	1,013,775,970	368,240,130	3,948,617,429	16,859,840	19,158,909
2008	1,006,382,880	364,490,790	3,916,781,914	15,913,580	18,083,614
2007	991,271,440	375,405,920	3,904,792,457	20,385,360	23,165,182

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

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

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

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

Tangible Personal Property		Total		Ratio	Direct Tax Rate
General Business		Assessed	Estimated		
Assessed Values	Estimated Actual Value	Values	Actual Value		
\$0	\$0	\$1,426,427,380	\$4,031,041,710	35.39 %	\$9.52
0	0	1,365,267,880	3,857,337,275	35.39	9.52
0	0	1,354,532,180	3,828,629,871	35.38	9.52
0	0	1,366,349,250	3,866,250,605	35.34	9.52
0	0	1,364,879,200	3,865,681,943	35.31	9.52
0	0	1,369,783,370	3,882,011,730	35.29	9.60
0	0	1,364,439,460	3,867,588,146	35.28	9.60
12,193,793	195,100,688	1,411,069,733	4,162,877,026	33.90	9.60
21,832,430	349,318,880	1,408,619,680	4,284,184,408	32.88	9.80
57,142,606	457,140,848	1,444,205,326	4,385,098,487	32.93	9.90

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

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)	Percent of Total Tax Collections To Tax Levy
2016	\$13,595,958	\$13,962,327	102.69 %	\$245,598	\$14,207,925	104.50 %
2015	13,023,503	12,597,328	96.73	256,587	12,853,915	98.70
2014	12,927,841	12,465,018	96.42	476,492	12,941,510	100.11
2013	13,042,841	12,144,049	93.11	311,148	12,455,197	95.49
2012	13,263,978	12,477,531	94.07	368,459	12,845,990	96.85
2011	13,201,854	12,628,894	95.66	333,829	12,962,723	98.19
2010	13,117,717	12,686,109	96.71	367,689	13,053,798	99.51
2009	13,464,587	12,989,111	96.47	259,512	13,248,623	98.40
2008	13,598,676	13,035,174	95.86	402,478	13,437,652	98.82
2007	13,661,441	13,187,116	96.53	254,017	13,441,133	98.39

Source: Cuyahoga County Fiscal Officer

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

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

City of Westlake, Ohio

Principal Taxpayers

2016 and 2007

Taxpayer	2016	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Crocker Park Delaware, LLC	\$46,863,810	3.29%
Cleveland Electric Illuminating Company	19,440,800	1.36
Promenade Delaware, LLC	12,313,370	0.86
Crocker Park, LLC	12,272,510	0.86
Hyland Software	8,628,460	0.60
Energizer Battery Manufacturing, Incorporated	7,030,490	0.49
ARC Westlake Village, Incorporated	6,759,310	0.47
Remington Apartments NF, LLC	6,508,500	0.45
BCM Westlake, LLC	6,290,280	0.44
Viillage in the Park	5,755,030	0.40
Total	\$131,862,560	9.24%
Total Assessed Valuation	\$1,426,427,380	

Taxpayer	2007	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Toledo-Lucas County Port Authority (Crocker Park)	\$36,357,890	2.52%
Cleveland Electric Illuminating Company	12,798,290	0.89
Westlake Center Associates, LTD	11,229,580	0.78
Energizer Battery Manufacturing, Incorporated	7,417,280	0.51
University Hospital Health Systems	7,215,120	0.50
Remington Apartments NF, LLC	6,755,010	0.47
Crossings Village Westlake, LLC	5,838,600	0.40
Sturbridge Square Apartments	5,630,070	0.39
Cleveland Retirement	5,600,040	0.39
WXZ Arbors, LLC	5,451,880	0.38
Total	\$104,293,760	7.22%
Total Assessed Valuation	\$1,444,205,326	

Source: Cuyahoga County Fiscal Officer

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

Year	Tax Rate	Total Tax Collected (1)	Taxes From Withholding	Percentage of Taxes From Withholding	Taxes From Net Profits	Percentage of Taxes From Net Profits	Taxes From Individuals	Percentage of Taxes From Individuals
2016	1.50 %	\$28,235,132	\$20,893,998	74 %	\$3,952,918	14 %	\$3,388,216	12 %
2015	1.50	25,783,606	18,564,196	72	4,125,377	16	3,094,033	12
2014	1.50	23,877,733	18,203,055	76	3,012,550	13	2,662,128	11
2013	1.50	23,463,565	17,730,322	76	2,917,615	12	2,815,628	12
2012	1.50	22,443,194	16,832,396	75	2,917,615	13	2,693,183	12
2011	1.50	21,204,224	16,327,252	77	2,332,465	11	2,544,507	12
2010	1.50	19,012,981	14,639,995	77	2,091,428	11	2,281,558	12
2009	1.50	18,458,455	14,397,595	78	1,661,261	9	2,399,599	13
2008	1.50	18,825,927	14,684,223	78	1,506,074	8	2,635,630	14
2007	1.50	20,866,746	16,719,401	80	1,693,789	8	2,453,556	12

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

(1) Based on Accrual Basis

City of Westlake, Ohio
Income Tax Statistics
 2015 (1) and Nine Years Ago

2015				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
0-24,999	3,704	29.53 %	\$35,879,950	2.63 %
25,000-49,999	2,065	16.46	76,919,546	5.65
50,000-74,999	1,749	13.94	107,697,837	7.91
75,000-99,999	1,181	9.41	102,247,024	7.50
Over 100,000	3,846	30.66	1,039,362,060	76.31
Total	<u>12,545</u>		<u>\$1,362,106,417</u>	

2007				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
0-24,999	3,839	32.04 %	\$34,663,275	3.09 %
25,000-49,999	2,208	18.43	82,192,646	7.34
50,000-74,999	1,618	13.51	99,758,992	8.91
75,000-99,999	1,143	9.54	99,192,624	8.86
Over 100,000	3,172	26.48	803,932,139	71.80
Total	<u>11,980</u>		<u>\$1,119,739,676</u>	

(1) 2015 is the latest information available.

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

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

Governmental Activities						
Year	General Obligation Bonds	Special Assessment Bonds	Special Obligation Bonds	Bond Anticipation Notes	SIB Loans	OPWC Loans
2016	\$8,103,778	\$2,984,625	\$48,921,582	\$0	\$8,579,893	\$3,075,873
2015	9,788,444	3,264,943	48,921,582	0	8,765,300	3,118,802
2014	11,453,100	3,534,580	48,921,582	0	0	2,959,049
2013	13,107,009	3,823,935	0	0	0	443,428
2012	14,866,286	4,142,704	0	0	0	504,189
2011	16,544,639	4,446,110	0	0	0	564,950
2010	10,001,023	4,744,001	0	7,376,970	0	625,711
2009	11,090,129	5,040,303	0	9,301,906	0	686,472
2008	12,113,417	5,350,923	0	0	0	747,233
2007	13,272,455	5,699,350	0	0	0	807,993

(1) Computation of percentage of personal income divided by total debt over total personal income.
See page S30 for total personal income data.

(2) Computation of per capita divided by total debt over population.
See page S30 for population data.

Capital Lease	Total Debt	Percentage of Personal Income (1)	Per Capita (2)
\$8,542	\$71,674,293	4.47%	\$2,190
11,790	73,870,861	4.83	2,257
1,617	66,869,928	4.38	2,043
5,147	17,379,519	1.21	531
8,228	19,521,407	1.41	596
10,918	21,566,617	1.61	659
0	22,747,705	1.88	695
0	26,118,810	2.21	817
0	18,211,573	1.54	570
0	19,779,798	1.67	619

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

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt Per Capita
2016	32,729	\$4,031,041,710	\$8,103,778	0.20%	\$248
2015	32,729	3,857,337,275	9,788,444	0.25	299
2014	32,729	3,828,629,871	11,453,100	0.30	350
2013	32,729	3,866,250,605	13,107,009	0.34	400
2012	32,729	3,865,681,943	14,866,286	0.38	454
2011	32,729	3,882,011,730	16,544,639	0.43	506
2010	32,729	3,867,588,146	10,001,023	0.26	306
2009	31,972	4,162,877,026	11,090,129	0.27	347
2008	31,972	4,284,184,408	12,113,417	0.28	379
2007	31,972	4,385,098,487	13,272,455	0.30	415

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

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

City of Westlake, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2016

Jurisdiction	Total Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Westlake
Direct Debt:			
City of Westlake			
General Obligation Bonds	\$8,103,778	100.00%	\$8,103,778
Special Assessment Bonds	2,984,625	100.00	2,984,625
Special Obligation Bonds	48,921,582	100.00	48,921,582
SIB Loans	8,579,893	100.00	8,579,893
Capital Lease	8,542	100.00	8,542
OPWC Loans	3,075,873	100.00	3,075,873
Total Direct Debt	71,674,293		71,674,293
Overlapping Debt:			
Payable from Property Taxes:			
Cuyahoga County General Obligation Bonds	242,795,758	5.34	12,965,293
Regional Transit Authority Bonds	139,107,969	5.34	7,428,366
Westlake City School District Bonds	86,507,155	100.00	86,507,155
Payable from Other Sources:			
Cuyahoga County Revenue Bonds	597,515,568	5.34	31,907,331
Cuyahoga County Certificates of Participation	256,864,058	5.34	13,716,541
Cuyahoga County Capital Leases	378,556,966	5.34	20,214,942
Cuyahoga County Loans	2,404,204	5.34	128,384
Total Overlapping Debt	1,703,751,678		172,868,013
Total	\$1,775,425,971		\$244,542,306

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) Percentages were determined by dividing each overlapping government located within the boundaries of the City by the total assessed valuation of the government. The valuations used were for the 2016 collection year.

City of Westlake, Ohio
Legal Debt Margin
Last Ten Years

	2016	2015	2014	2013
Assessed Property Value	\$1,426,427,380	\$1,365,267,880	\$1,354,532,180	\$1,366,349,250
General Bonded Debt Outstanding:				
General Obligation Bonds	\$7,970,000	\$9,630,000	\$11,270,000	\$12,900,000
Special Obligation Bonds	48,330,000	48,330,000	48,330,000	0
Special Assessment Bonds	2,810,000	3,075,000	3,330,000	3,605,000
Bond Anticipation Notes	0	0	0	0
Total Gross Indebtedness	59,110,000	61,035,000	62,930,000	16,505,000
Less Exempt:				
Special Obligation Bonds	(48,330,000)	(48,330,000)	(48,330,000)	0
Special Assessment Bonds	(2,810,000)	(3,075,000)	(3,330,000)	(3,605,000)
General Obligation Bond Retirement Fund Balance	(212,206)	(218,092)	(220,716)	(297,891)
Issue II Bond Retirement Fund Balance	(151,900)	(150,110)	(148,758)	(147,964)
Total Net Debt Applicable to Debt Limit	7,605,894	9,261,798	10,900,526	12,454,145
Overall Legal Debt Limit				
10 1/2% of Assessed Valuation	149,774,875	143,353,127	142,225,879	143,466,671
Legal Debt Margin Within 10 1/2% Limitations	\$142,168,981	\$134,091,329	\$131,325,353	\$131,012,526
Legal Debt Margin as a Percentage of the Debt Limit	94.92%	93.54%	92.34%	91.32%
Unvoted Debt Limitation				
5 1/2% of Assessed Valuation	\$78,453,506	\$75,089,733	\$74,499,270	\$75,149,209
Total Gross Indebtedness	59,110,000	61,035,000	62,930,000	16,505,000
Less:				
Special Obligation Bonds	(48,330,000)	(48,330,000)	(48,330,000)	0
Special Assessment Bonds	(2,810,000)	(3,075,000)	(3,330,000)	(3,605,000)
General Obligation Bond Retirement Fund Balance	(212,206)	(218,092)	(220,716)	(297,891)
Issue II Bond Retirement Fund Balance	(151,900)	(150,110)	(148,758)	(147,964)
Net Debt Within 5 1/2% Limitations	7,605,894	9,261,798	10,900,526	12,454,145
Unvoted Legal Debt Margin Within 5 1/2% Limitations	\$70,847,612	\$65,827,935	\$63,598,744	\$62,695,064
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	90.31%	87.67%	85.37%	83.43%

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

2012	2011	2010	2009	2008	2007
\$1,364,879,200	\$1,369,783,370	\$1,364,439,460	\$1,411,069,733	\$1,408,619,680	\$1,444,205,326
\$14,635,000	\$16,290,000	\$10,315,000	\$11,294,268	\$12,220,250	\$12,792,630
0	0	0	0	0	0
3,910,000	4,200,000	4,490,000	4,775,000	5,075,000	5,415,000
0	0	9,300,000	9,300,000	0	0
18,545,000	20,490,000	24,105,000	25,369,268	17,295,250	18,207,630
0	0	0	0	0	0
(3,910,000)	(4,200,000)	(4,490,000)	(4,775,000)	(5,075,000)	(5,415,000)
(553,220)	(723,548)	(854,116)	(1,352,542)	(1,710,602)	(1,628,522)
(151,190)	(148,505)	(35,000)	(35,000)	(35,000)	(35,000)
13,930,590	15,417,947	18,725,884	19,206,726	10,474,648	11,129,108
143,312,316	143,827,254	143,266,143	148,162,322	147,905,066	151,641,559
\$129,381,726	\$128,409,307	\$124,540,259	\$128,955,596	\$137,430,418	\$140,512,451
90.28%	89.28%	86.93%	87.04%	92.92%	92.66%
\$75,068,356	\$75,338,085	\$75,044,170	\$77,608,835	\$77,474,082	\$79,431,293
18,545,000	20,490,000	24,105,000	25,369,268	17,295,250	18,207,630
0	0	0	0	0	0
(3,910,000)	(4,200,000)	(4,490,000)	(4,775,000)	(5,075,000)	(5,415,000)
(553,220)	(723,548)	(854,116)	(1,352,542)	(1,710,602)	(1,628,522)
(151,190)	(148,505)	(35,000)	(35,000)	(35,000)	(35,000)
13,930,590	15,417,947	18,725,884	19,206,726	10,474,648	11,129,108
\$61,137,766	\$59,920,138	\$56,318,286	\$58,402,109	\$66,999,434	\$68,302,185
81.44%	79.53%	75.05%	75.25%	86.48%	85.99%

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

Year	American Greetings Fund	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2016	\$1,084,549	\$0	\$1,980,569	\$1,980,569	0.55
2015	539,499	0	1,980,569	1,980,569	0.27
2014	0	0	1,347,887	1,347,887	0.00

(1) The Tax Incremental Financing bonds were issued in 2014. The special obligation bonds will be paid from tax incremental financing (TIF) revenue. Collections began in 2015 and are not expected to cover debt service requirements until 2017.

City of Westlake, Ohio

Principal Employers

2016 and 2007

2016		
Employer	Employees	Percentage of Total City Employment
Hyland Software	1,712	6.63 %
St. John Medical Center	1,526	5.92
Westlake City School District	533	2.07
TA Operating, LLC	484	1.88
Lutheran Home for the Aged	438	1.70
City of Westlake	437	1.69
Equity Administrative Services	362	1.40
Premier Physicians Centers, Incorporated	260	1.01
Energizer Manufacturing, Incorporated	240	0.93
The Cleveland Clinic Foundation	198	0.76
Total	6,190	23.99 %
Total City Employment	25,798	

2007		
Employer	Employees	Percentage of Total City Employment
St. John Medical Center	1,210	4.64 %
Westlake City School District	565	2.17
Hyland Software	550	2.11
Energizer Manufacturing, Incorporated	450	1.72
City of Westlake	419	1.61
Lutheran Home for the Aged	400	1.53
USG Interior/American Metals	300	1.15
Harborside Healthcare	300	1.15
Lake Erie Electric, Incorporated	275	1.05
Travel Centers of America	260	0.99
Total	4,729	18.12 %
Total City Employment	26,093	

Source: City of Westlake, Ohio, Department of Planning of Economic amounts are estimates. Total City employment based upon estimate from the Regional Development - Regional Income Tax Authority 2016 withholding information.

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

Year	Population (1a)	Total Personal Income	Per Capita Personal Income (5) (1a)	Median Household Income (1a)	Median Age (1a)	Educational Attainment: Bachelor's Degree or higher (1a)
2016	32,729	\$1,604,015,561	\$49,009	\$76,449	46.2	53.4 %
2015	32,729	1,527,920,636	46,684	76,358	45.3	52.4
2014	32,729	1,527,920,636	46,684	76,358	45.1	52.4
2013	32,729	1,435,723,043	43,867	74,008	45.0	51.2
2012	32,729	1,387,447,768	42,392	71,974	45.0	50.1
2011	32,729	1,336,259,612	40,828	68,282	45.0	46.2
2010	32,729	1,212,413,076	37,044	65,106	46.0	45.2
2009	31,972	1,184,370,768	37,044	65,106	46.0	45.2
2008	31,972	1,184,370,768	37,044	65,106	44.4	45.2
2007	31,972	1,184,370,768	37,044	65,106	42.0	45.2

(1) Source: U. S. Census, Census of population

(a) 2010 - 2016: 2010 Federal Census

(a) 2007 - 2009: 2000 Federal Census

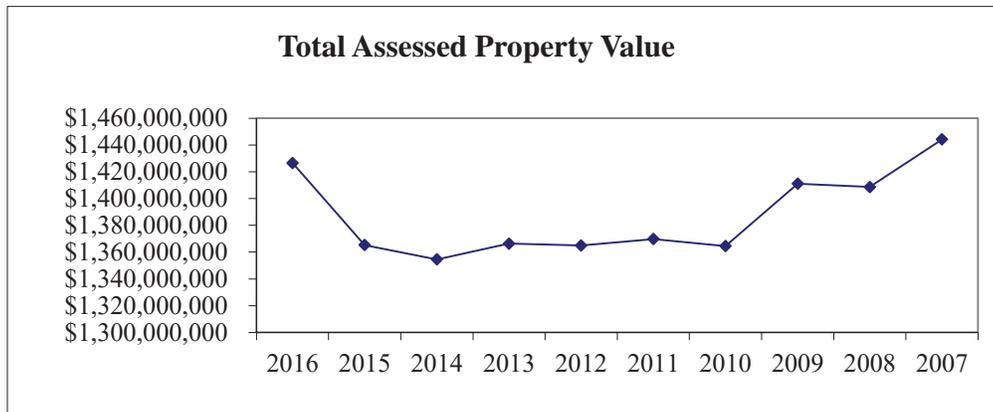
(2) Source: Westlake City School District Financial Audit

(3) Source: Ohio Dept. of Jobs and Family Services Civilian Labor Force Estimate

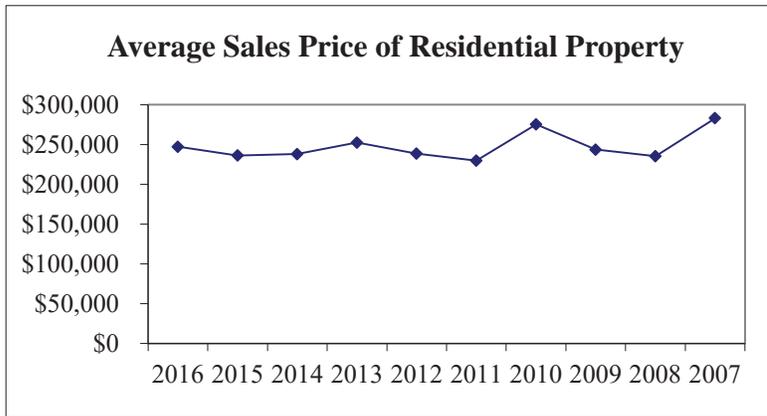
(b) Ohio Labor Market Information

(4) Source: Cuyahoga County Fiscal Officer

(5) Computation of per capita personal income divided by population



School Enrollment (2)	City's Unemployment Rate (3b)	Average Sales Price of Residential Property (3)	Total Assessed Property Value (4)
3,646	4.1 %	\$247,137	\$1,426,427,380
4,059	3.1	236,174	1,365,267,880
3,934	4.4	237,891	1,354,532,180
3,988	5.7	252,411	1,366,349,250
4,065	4.8	238,598	1,364,879,200
4,043	5.5	229,714	1,369,783,370
4,016	7.0	275,057	1,364,439,460
4,041	7.4	243,455	1,411,069,733
4,121	5.2	235,186	1,408,619,680
4,110	5.7	282,950	1,444,205,326



City of Westlake, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Years

<u>Function/program</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Government:				
Council	4.5	4.5	4.5	4.5
Mayor	2.0	2.0	2.5	2.0
Finance	6.0	6.0	6.0	6.0
Information Technology	2.0	1.0	2.5	2.5
Law	5.0	5.0	5.0	5.0
Purchasing/Adm. Services	2.0	2.0	2.0	1.5
Communication	0.5	0.0	0.0	1.0
Human Resources	2.0	2.0	2.0	1.0
Planning	4.25	4.0	4.5	4.0
Safety Town	1.5	1.5	1.5	2.0
Central Dispatch	12.5	12.0	11.5	12.5
Police/Fire Operating Levy	14.0	14.0	14.0	14.0
Engineering	10.5	9.5	10.0	12.0
Inspection	10.5	10.5	10.0	10.0
Security of Persons and Property:				
Police	84.6	81.5	82.5	84.5
Fire	39.0	38.5	40.0	39.5
Recreation:				
Administration	4.5	3.5	3.0	3.0
Swimming Pool	42.0	43.5	43.5	43.5
Recreation Center	91.5	92.0	85.0	92.5
Golf Course	14.0	13.0	11.5	14.5
Senior/Community Services	15.1	15.0	15.0	14.0
Service:				
Administration	2.25	2.0	2.0	2.0
Building Maintenance	0.8	1.0	1.5	1.5
City Services	45.0	46.0	46.5	49.0
Sanitary/Storm Drainage	9.0	9.0	9.0	7.0
Rubbish/Recycling	0.0	0.0	0.0	0.0
Parks	3.0	3.0	3.0	2.0
Forester	3.0	3.0	3.0	4.0
Street Maintenance	3.0	3.0	4.0	3.0
Cemetery	1.0	1.0	1.0	1.0
Miscellaneous	2.0	2.0	2.0	1.5
Totals:	<u>437.0</u>	<u>431.0</u>	<u>428.5</u>	<u>440.5</u>

Source: City of Westlake, Ohio 2007-2016 Annual Budgets

Method: Using 1.0 for each full-time employee, and 0.50 for each part-time and seasonal employee.

Count taken at December 31.

2012	2011	2010	2009	2008	2007
4.5	4.5	4.5	4.5	4.5	5.0
2.0	2.0	1.0	2.0	2.0	2.0
5.8	5.8	5.8	6.0	6.5	6.5
2.5	3.0	2.0	2.0	3.0	2.5
6.5	6.5	6.5	6.5	6.5	6.5
3.5	3.5	4.0	3.0	3.0	3.0
1.0	1.0	2.0	2.0	2.0	1.0
0.0	0.0	0.0	0.0	1.0	0.0
4.5	5.0	4.5	5.5	6.0	4.5
2.0	1.5	1.5	1.5	1.5	1.5
13.0	11.5	12.5	12.5	12.5	12.5
16.0	18.0	20.0	20.0	20.0	20.0
12.5	12.5	13.0	11.5	12.5	12.5
10.0	9.5	9.5	9.5	9.5	9.5
79.0	76.0	80.5	85.0	87.0	85.5
40.0	35.0	37.5	38.0	40.0	39.0
3.0	4.5	5.0	4.5	4.5	4.0
44.5	46.0	44.0	46.5	50.0	51.5
94.0	100.0	70.0	67.0	62.5	62.5
10.5	14.0	10.5	12.0	12.0	13.0
15.5	15.5	14.5	14.0	13.5	11.5
2.0	2.0	2.0	2.0	2.0	2.5
1.5	1.5	1.5	1.0	1.0	1.0
47.0	41.5	40.0	37.5	40.5	36.5
6.8	8.8	8.8	9.0	8.0	7.0
0.0	0.0	0.0	0.0	0.0	0.0
4.0	4.5	4.5	5.0	6.0	6.0
5.0	4.0	4.0	5.0	5.0	5.0
2.0	3.0	4.0	4.0	5.5	7.5
1.0	1.0	1.0	2.0	2.5	2.5
1.0	1.0	1.0	1.0	1.0	3.0
440.6	442.6	415.6	420.0	431.5	425.0

City of Westlake, Ohio
Operating Indicators by Function/Program
Last Ten Years

Function/program	2016	2015	2014	2013
General Government				
Construction Permits Issued (2)	1,260	1,385	2,508	1,433
Estimated Value of Construction (2)	\$74,456,760	\$114,400,073	\$210,550,179	\$95,473,407
Economic Development Projects approved (square feet) (3)	189,858	54,474	435,421	63,718
Number of Planning Commission docket items (3)	103	106	89	93
Sewer Bills mailed (1)	38,551	38,233	37,868	37,287
Purchase Orders Issued (4)	2,379	2,429	2,549	2,659
Number of new litigations filed (5)	8	5	3	4
Number of pending litigations (5)	8	8	12	10
Police (6)				
Total Arrests	5,156	4,798	4,620	4,827
Part 1 Offenses (major offenses such as murder and theft)	460	521	503	509
DUI Arrests	166	195	165	176
Prisoners	1,026	897	879	53
Motor Vehicle Accidents	822	774	721	729
Calls for Service	36,352	33,751	31,721	31,331
Fire (7)				
Emergency responses	5,159	4,957	4,513	4,301
Fire Safety Inspections/Re-Inspections	1,191	123	362	317
Fire Protection Systems Inspected	962	627	786	818
Building/Fire Protection Plan Review	280	358	259	279
Number of Community Programs	37	41	99	74
Public Service (8)				
Road Maintenance (man hours)*	4,697	3,149	4,893	5,399
Asphalt (hot/cold) used in road maintenance (tons)	270	299	349	234
Concrete used in road maintenance (yards)	280	322	196	262
Number of Trees Removed	333	299	241	258
Number of Trees Planted	128	118	154	229
Truckloads of leaves picked-up	1,373	1,257	1,387	1,457
Cubic Yards of leaf humus delivered/sold	7,522	5,349	5,602	6,908
Cubic Yards of wood chips delivered/sold	2,289	4,036	3,193	3,277
Tons of snow melting salt purchased	5,586	7,026	7,287	4,822
Cemetery Internments	47	53	50	52
Grave purchases/Internment payments	\$44,527	\$61,050	\$40,955	\$58,925
Recreation (9)				
Recreation Center attendance**	601,178	583,299	566,189	595,200
No. of Peterson Pool Memberships	569	424	474	568
Learn to Swim enrollment (Peterson Pool only)	577	680	686	893
Average daily golf revenue (June, July, & August)	\$1,220	\$1,177	\$1,328	\$1,861
Senior/Community Services (10)				
Number of Activities/Programs	120	155	165	194
Activity Trips	37	43	41	45
Number of Volunteers	134	84	108	141
Newsletters	9,930	7,967	7,735	7,304
Transports	8,838	7,339	7,747	4,867
Miles Transported	58,830	57,324	51,572	47,163
Donations, Center/Assistance/Prescriptions	\$38,472	\$26,147	\$30,995	\$29,489

Sources:

- (1) City of Westlake Finance Department
- (2) City of Westlake Building Department
- (3) City of Westlake Department of Planning and Economic Development
- (4) City of Westlake Purchasing Department
- (5) City of Westlake Law Department

- (6) City of Westlake Police Department
- (7) City of Westlake Fire Department
- (8) City of Westlake Department of Public Service
- (9) City of Westlake Recreation Department
- (10) City of Westlake Department of Senior and Community Services

*Amounts are estimated

**Attendance based upon calendar year

2012	2011	2010	2009	2008	2007
1,471	1,247	1,247	1,172	1,262	1,452
\$144,334,087	\$61,334,146	\$29,719,620	\$37,905,420	\$51,180,020	\$70,874,423
937,338	451,454	20,096	160,308	108,103	118,321
96	87	82	82	117	113
36,811	36,196	35,752	35,477	38,687	43,236
2,618	2,776	2,777	2,879	3,391	3,327
5	5	8	8	7	4
9	9	16	11	11	2
5,806	5,906	6,424	6,227	6,253	6,163
507	594	598	585	486	614
246	185	215	232	246	301
1,273	1,203	1,294	1,471	1,259	1,296
755	733	750	687	761	810
33,606	34,268	33,914	34,626	33,040	32,042
4,267	4,364	4,318	4,134	4,320	4,250
576	916	1,066	2,351	1,627	1,304
926	928	805	638	521	963
272	289	240	278	412	375
78	64	41	45	84	79
2,813	3,324	3,416	3,429	8,947	9,679
280	660	396	313	770	380
349	301	280	330	344	386
417	262	274	360	305	209
186	224	162	217	245	273
1,387	1,200	1,450	1,538	1,229	1,303
8,213	7,744	5,443	6,622	7,180	8,472
3,576	3,554	2,827	4,432	4,404	4,152
4,713	4,877	6,342	4,262	6,842	7,665
32	44	35	49	46	55
\$34,425	\$52,050	\$28,110	\$46,440	\$51,330	\$56,505
587,182	524,081	504,222	512,754	517,171	378,003
591	611	548	537	828	831
901	826	784	832	943	1,061
\$2,047	\$2,031	\$2,363	\$2,689	\$2,968	\$3,108
143	122	122	138	102	96
39	49	51	36	47	47
387	108	175	200	145	177
7,579	9,600	10,400	9,600	10,400	9,600
5,211	6,419	6,434	6,431	6,194	7,884
49,834	54,612	50,162	46,648	54,319	58,860
\$33,966	\$29,125	\$27,385	\$27,172	\$51,298	\$33,282

City of Westlake, Ohio
Capital Asset Statistics by Function/Program
Last Ten Years

Function/program	2016	2015	2014	2013
General Government				
Square Footage Occupied (1)	40,000	40,000	40,000	40,000
Engineering Vehicles (2)	12	11	12	13
Inspection Vehicles (2)	7	7	7	7
Other Departmental Vehicles (2)	6	6	8	7
Police				
Stations	1	1	1	1
Square Footage of Building (3)	25,000	25,000	25,000	25,000
Vehicles (2)	41	43	38	44
Fire				
Stations	2	2	2	2
Vehicles (2)	18	16	18	18
Other public works				
Streets (miles)	139	137	137	137
Number of Streetlights (per light bill)	3,322	3,316	3,307	3,313
Public Service Vehicles (5)	66	68	64	67
Recreation				
Number of Parks	5	5	5	5
Recreation Centers	1	1	1	1
Recreation Center Square Footage	102,100	102,000	102,000	102,000
Vehicles (2)	7	7	7	9
Senior/Community Services				
Vehicles (4)	6	6	6	6
Wastewater				
Sanitary sewers (miles)	124	123	123	123

Sources:

- (1) City of Westlake Department of Engineering
- (2) City of Westlake Finance Department
- (3) City of Westlake Police Department
- (4) City of Westlake Department of Senior and Community Services
- (5) City of Westlake Department of Public Service

2012	2011	2010	2009	2008	2007
40,000	40,000	40,000	40,000	40,000	40,000
11	10	12	12	12	14
8	8	8	8	8	8
7	7	7	4	4	4
1	1	1	1	1	1
25,000	25,000	25,000	25,000	25,000	25,000
47	47	39	41	43	39
2	2	2	2	2	2
18	18	18	18	19	18
136	136	136	136	136	136
3,298	3,297	3,297	15,074	15,068	15,057
72	67	70	65	65	64
5	5	5	5	5	5
1	1	1	1	1	1
102,000	102,000	102,000	102,000	102,000	102,000
7	7	7	7	6	7
7	6	6	6	6	6
122	122	122	122	122	122

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City of Westlake, Ohio

**Single Audit Reports
For the Year Ended December 31, 2016**

City of Westlake, Ohio

For the Year Ended December 31, 2016

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Members of the City Council
City of Westlake, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westlake, Ohio (the "City"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be a material weakness (Finding No. 2016-001).

Members of the City Council
City of Westlake, Ohio

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Westlake, Ohio's Response to the Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ciuni + Panichi, Inc.

Cleveland, Ohio
June 30, 2017

**Independent Auditor’s Report on Compliance for Each Major Program;
Internal Control over Compliance; and Report on the Schedule of
Expenditures of Federal Awards Required by the Uniform Guidance**

Members of the City Council
City of Westlake, Ohio

Report on Compliance for Each Major Federal Program

We have audited the City of Westlake, Ohio’s (the “City”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City’s major federal program for the year ended December 31, 2016. The City’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for the City’s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City’s compliance.

Members of the City Council
City of Westlake, Ohio

Opinion on Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2016.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated, June 30, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by the

Members of the City Council
City of Westlake, Ohio

Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Ciuni + Panichi, Inc.

Cleveland, Ohio
June 30, 2017

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City of Westlake, Ohio

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2016

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Grant or Pass-Through Number</u>	<u>Catalog of Federal Domestic Assistance No.</u>	<u>Federal Cash Disbursements</u>
U.S Department of Transportation:			
Passed through the Ohio Department of Transportation:			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	PID 88665	20.205	\$ 105,966
Highway Planning and Construction	PID 89037	20.205	1,371,220
Highway Planning and Construction	PID 95891	20.205	<u>1,499,275</u>
Subtotal Highway Planning and Construction			<u>2,976,461</u>
Total Highway Planning and Construction Cluster			<u>2,976,461</u>
Total Expenditures of Federal Awards			\$ <u>2,976,461</u>

The accompanying notes are an integral part of this schedule

City of Westlake, Ohio

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2016

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Westlake, Ohio, and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2: Indirect Cost Rate

The City did not use the 10% de minimis indirect cost rate and did not charge indirect costs to the Highway Planning and Construction program.

City of Westlake, Ohio

Schedule of Findings and Questioned Costs 2 CFR Section 200.515

For the Year Ended December 31, 2016

1. Summary of Auditor's Results

(d)(I)(i)	Type of Financial Statement Opinion	Unmodified
(d)(I)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
(d)(I)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material noncompliance reported at the financial statement level (GAGAS)?	No
(d)(I)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(I)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(I)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(I)(vi)	Are there any reportable findings under Section .510(a)?	No
(d)(I)(vii)	Major Programs	Highway Planning and Construction Cluster: CFDA # 20.205, Highway Planning and Construction
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: All Others
(d)(I)(ix)	Low Risk Auditee?	No

2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

2016-001 - Material Weakness in Internal Control:

Condition:

The City operates on the cash basis throughout the year. For financial reporting purposes, the City contracts with a third-party to assist with converting the cash basis activity to the accrual basis (modified or full) per accounting principles generally accepted in the United States of America (GAAP). As part of this conversion, proper cut-off was not achieved.

In receivables, classification between revenue and deferred inflows on the modified accrual basis of accounting is determined based on when the proceeds are received. Amounts received within the measurement period were improperly recorded as deferred inflows for \$73,606 and amounts received after the measurement period were improperly recorded as revenue for \$65,341.

City of Westlake, Ohio

Schedule of Findings and Questioned Costs (continued)

2 CFR Section 200.515

For the Year Ended December 31, 2016

2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS (continued)

2016-001 - Material Weakness in Internal Control (continued):

Condition (continued):

Goods or services that are received or rendered by December 31, 2016 should be recorded as liabilities in the financial statements. During the audit, items were identified that were improperly excluded from accounts payable or retainage payable for \$179,649.

The City has trustee accounts for funds restricted to a specific project. The trustee balance per the City's system was not agreeing to the balance per the trustee bank statements. The difference was the result of a transaction repaying the City for costs being recorded as revenue but the related expense was not recorded. The City identified this difference as part of their reconciliation process; however, it was not properly adjusted for financial reporting. This resulted in an audit adjustment to reduce cash in the in a specific fund by recording an expense for \$889,709 for the payment to reimburse the City for costs incurred for the project.

Criteria:

The internal control structure and processes to convert the information from the cash-basis to the GAAP-basis should provide for the accurate reporting of balances and transactions. The City should adopt policies and control procedures over the recording of year-end financial transactions and over financial reporting to help ensure the information accurately reflects the activity of the City and thereby increasing the reliability of the financial data at year-end.

Cause:

The City contracts with a third-party to assist with preparing the financial statements but the City accepts responsibility for the information used to prepare the financial statements as well as the financial statements themselves. The City did not have sufficient monitoring controls in place to timely identify and correct the errors noted.

Effect:

Weaknesses in controls over the financial statement preparation process can result in inaccurate data being reported and relied upon to make financial decisions by the users of the financial statements.

Recommendation:

Monitoring controls should be enhanced such that there should be a detailed review of the individual sections prepared by the third-party conversion team to ensure the information and the resultant GAAP basis financial statements are complete and accurate.

3. Findings for Federal Awards

None.

City of Westlake, Ohio

Schedule of Prior Audit Findings and Questioned Costs

For the Year Ended December 31, 2016

No prior year findings or questioned costs.



FINANCE DEPARTMENT

27700 Hilliard Blvd. Phone 440.871.3300
Westlake, OH 44145 Fax 440.617.4284

City of Westlake
Corrective Action Plan
June 30, 2017

Finding 2016-001: Material Weakness in Internal Control

Contact Person: Prashant Shah, Director of Finance

Corrective Action: The Finance Department will implement a more thorough verification and review process for the Adjusting Entries initiated and recorded by the third party retained by the City for the preparation of the financial statements at year end.

Completion Date: December 31, 2017



Dave Yost • Auditor of State

CITY OF WESTLAKE

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 28, 2017