



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year
Ending 2018

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CITY OF BEAVERCREEK, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

Prepared By:
DEPARTMENT OF FINANCE

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INTRODUCTORY **S**ECION





June 7, 2019

Honorable Mayor Stone, Vice Mayor Garcia, Members of City Council and Citizens of Beavercreek, Ohio:

The Comprehensive Annual Financial Report (CAFR) of the City of Beavercreek, Ohio, for the year ended December 31, 2018, is hereby submitted. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management of the City.

This CAFR incorporates GASB Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Statement No. 34 was developed to ensure that annual financial reports of State and local governments were easier to understand and more useful to those involved in decisions using governmental financial information. This report represents and reflects upon the City's financial operations and condition to City's residents, its elected officials, management personnel, financial institutions, City bondholders, rating agencies and all other parties interested in the financial affairs of the City.

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

This report includes all funds of the City. Reflected in this report is the range of services provided by the City of Beavercreek. These include police protection, street construction and maintenance, traffic control, storm drainage improvements and maintenance, park improvements and maintenance, cemetery maintenance, recreational activities, senior center activities, cultural events, land use development regulation, government access cable channel, golf course facilities and operations, and general administration services. At present, the City has no service responsibilities for fire suppression (furnished independently by Beavercreek Township), public water distribution or sanitary sewerage (furnished independently by the Greene County Sanitary Engineering Department), or solid waste collection (furnished entirely by private firms without governmental involvement).

ECONOMIC CONDITION AND OUTLOOK

For the second year in a row, the City of Beavercreek experienced a significant increase in commercial development as compared to 2015 and 2016. In 2018, commercial building permit valuations totaled \$121.5m (million dollars) and in 2017, it was over \$100m as compared to \$36m in 2016 and \$71m in 2015. Excluding Wright Patterson Air Force Base (WPAFB), commercial valuations totaled \$220m for the entire county, meaning Beavercreek accounted for over 55-percent of all activity countywide. All indications point to 2019 continuing the trends of 2017 and 2018.

New residential development continues to grow at a much slower pace as compared to the early 2000s. This can be attributed to the shortage of land available for single-family housing development in the City of Beavercreek. However, the residential market for existing homes is incredibly strong. Homes are reselling at above market prices and are on the market for a short period of time. The majority of the residential development is occurring in Beavercreek Township, just outside the City's eastern jurisdictional boundary. Although the residential growth is not located within the City's jurisdiction, the substantial growth on the border continues to attract new commercial development to the City. Beavercreek Township recorded \$65.9m in residential construction valuations as compared to the City's \$12.2m in that same category.

As has been mentioned in previous annual reports, there was a concern with the demise of the traditional "big box" retailers. Similar to other communities, the City experienced the closure of the Elder-Beerman and Sears anchor stores at the Mall at Fairfield Commons as well as other big box retailers around the mall. Unlike other communities, the repurposing of these spaces has happened at a rapid rate. With the impending closing of the Sears store, the owners of the mall bought out the lease and immediately brought in Room Place for the top floor and Round One for the bottom floor. Other vacated spaces like, HH Gregg, Old Navy, and Golfsmith, have been filled by other, new retail businesses in a short period of time. In addition to these vacant spaces being back-filled, three new multi-tenant retail buildings have been constructed and are fully leased around the mall.

The commercial growth is not limited to retail and restaurant. In 2014, the estimated economic impact of WPAFB and other federal installations in the area was estimated to be \$4.3 billion

dollars. The Dayton Development Coalition hired a group to update that study and it was determined that the 2018 economic impact on the local economy, of WPAFB alone, had reached \$15.54 billion dollars. Defense contractors Radiance Technologies and Perduco Group, just to highlight a few, have significantly expanded their footprint within the City of Beavercreek. Radiance Technologies relocated from a 19,000 square foot office in Beavercreek to a newly constructed 56,000 square foot facility across the street. The relocation, within the City, retains 242 jobs and will likely create 221 new positions at an average salary of \$95,000 per year. The Perduco Group moved from an 8,500 square foot office to a newly constructed 30,000 square foot building in the same vicinity as Radiance Technologies. The company has grown from 50 employees in 2016 to 140 employees in 2018. The expansion is expected to create 30 new positions in 2018-2019. Greene County awarded grants, totaling \$150,000, to these companies to help in the retention and expansion efforts.

All sectors of commercial development in Beavercreek are thriving. There are three hotels under construction that are expected to be open in 2019 and Soin Hospital is currently constructing a 170,000 square foot expansion, nearly doubling the size of the existing facility. That project alone is anticipated to be a \$70m expansion project. Beavercreek continues to grow because of new construction and the recent trend to redevelop properties within the City of Beavercreek.

MAJOR INITIATIVES AND OUTLOOK

The City of Beavercreek is focusing on initiatives to maintain a strong and sustainable economy in the years to come. Economic development has become a major focus of the elected officials that established the priorities and policies for the City and help guide the implementation strategies to accomplish these goals with the staff. The focus is on redevelopment and implementing economic development tools to encourage the market to look at ways to develop the highest and best use on some of the more challenging properties that would have not been considered otherwise.

Establishing economic development tools, previously not available in the City, was a priority in 2018. The City began the process of implementing a Community Reinvestment Area (CRA) incentive in 2018. All the legislation was passed in 2018 and it is anticipated that the incentive will be fully available in 2019. Staff worked with City Council to selectively identify areas of the City that have been underutilized in the past. The CRA will act as a catalyst to get potential developers to look at the areas that have proven to be more challenging than other locations in the City.

The City has also been working to establish a citywide Energy Special Improvement District (ESID) that will enable new and remodeled commercial developments to assess the cost of energy efficient improvements over an extended amount of time using Property Assessed Clean Energy (PACE) financing. The city wide district will be established in conjunction with the construction of the Home2 Suites hotel near the mall. This tool is a separate low interest loan assessed to the property, over an established period of time that spares the developer from paying for all the eligible energy efficiency improvements upfront.

The Planning and Development Department is in the process of reviewing the City's Land Use Plan. The Land Use Plan is intended to communicate to residents and developers the type of development that the City envisions for any land area within the City. This process is critical in ensuring that the City's vision for the future is practical and in line with current market trends while keeping the integrity and desires of the community intact. An update to the City's Thoroughfare Plan will subsequently take place in response to any changes in the Land Use Plan. The movement of people, goods, and services to and from residential and commercial centers needs to be adjusted based on the anticipated development that will occur according to the Land Use Plan. The City is working with the Engineering Department to take a proactive, as opposed to a reactive, position on the future growth of the City of Beavercreek.

The City, through the economic development initiatives mentioned above, focuses on creating a vibrant and sustainable community for the residents and businesses who choose, or will choose, to be a part of the City's success story. Diligently working to stand out in a competitive market remains a priority. Keeping the community a distinctive and highly desirable location relies on continual efforts to evolve and grow through the evaluation of all existing and potential plans and initiatives that continue to support the healthy growth of the City.

RELEVANT FINANCIAL POLICIES

In June of 2006, the State legislature passed House Bill 66. House Bill 66 phases out the tax on tangible personal property of general business, telephone and telecommunications companies, and railroads. The tax on general business and railroad property began being phased out in 2007 and were eliminated by the end of 2009. The tax on telephone and telecommunication property began being phased out in 2009 and legislated to be eliminated in 2018. The tax is being phased out by reducing the assessment rate on the property each year. Initially, during the first five years, the City was to be reimbursed fully for the lost revenue; in the following seven years, the reimbursements were to be phased out. However, during the 2011 bi-annual state budgeting process, the state accelerated or eliminated these taxes. In addition, the state also accelerated and eliminated the utilities deregulation tax.

The City, as other surrounding municipalities, has been impacted by the reductions in State funding. The State reduced Local Government funding by 50% from 2011 levels. In addition, the State initiated accelerated reduction in personal property taxes, and utility deregulation funds. Furthermore, the State's estate tax, which sends 80% of the taxes collected to municipalities, was eliminated at the end of the 2012 fiscal year. These reductions had negative impacts on the City in all three of the major funds. Estate taxes were relied upon to provide operating revenue to the General Fund. The City has re-organized and reduced personnel through attrition, and implemented other cost control measures to help offset these reductions. In addition, the City has prioritized capital improvements to maintain the levels of service and fund balances. However, alternative revenue sources have been pursued and supported by our residents to maintain and expand services and the City's capital improvement program while replacing the revenue that was lost through State budget reductions.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgments by management.

Financial Stability

In 2017, residents approved the renewal of the one (1) mill Street levy for a continuing period. This one mill continuous levy was the part of the City's financial strategy to establish funding on a long term basis versus the previous strategy of having levies with five year fixed terms. Following this strategy, in November 2018, residents approved the renewal of the four and five tenths (4.5) mill Police levy for a continuing period of time. This levy provides over 62% of the police department's revenue that is used for operations and will provide long term stability to the police department's budget. Both of these renewal levies preserved the State of Ohio's 12.5% rollback eligibility thereby preserving this credit for residents.

In addition, in 2014, residents approved a new five year two (2) mill Street Capital Improvement levy, and a new five year nine tenths (.9) mill Parks and Senior Center levy, which has provided stability, expanded services and accelerated capital improvement programs that the residents desire. The end of their levy life cycle will be completed in 2019, and the City with the new permanent levy strategy placed these two levies on the May 2019 ballot. Both levies were approved by the residents confirming their desire to stabilize the City's revenue sources while making these two levies permanent. The Street Levy was a renewal, while the Park Levy was increased three tenths (.3) of a mill to one and two tenths (1.2) mills to continue the City's commitment to improving Parks, Recreation and Cultural throughout the City.

The two (2) mill Street Capital Improvement levy was designed to expand the City's efforts in constructing and expanding existing streets, doubling the City's resurfacing efforts and to ensure proper repair and maintenance of roads, bridges, curbs, etc. In addition, funds from this levy are utilized as local matching funds for the City's aggressive approach to obtaining grant funding for major street capital improvement projects.

The Parks and Senior Center levy was designed to dedicate specific funding for the operations, maintenance and repair of City parks and the Senior Center. This funding also established a much needed recreational equipment replacement program throughout the City's community parks and to fund the expansion of the Senior Center, which was completed in 2017.

This strategy to solidify the City's long term levy funding sources is set to continue with the remaining five year three and four tenths (3.4) mill Street levy, which is set to expire in 2021. This major levy generates 77% of the department's street revenue and was developed to

maintain street operations and maintain critical equipment replacement programs to keep the street operations operating efficiently.

Financial Assistance

The City of Beavercreek receives federal, state, and county financial assistance. The City is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the City.

Budgeting Controls

The City maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. Activities of all funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the personal services and other expenditures level within each office, department and division within a fund. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances with remaining balances may be carried over to the following year.

Independent Audit

The State of Ohio requires an annual audit by either the Auditor of State or by an independent accounting firm. The basic financial statements of the City of Beavercreek, Ohio for the year ended December 31, 2018 have been audited by the Plattenburg & Associates, Inc. Their unmodified opinion has been included in this report.

Certificate of Achievement and Other Awards

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 Beavercreek, Ohio for its CAFR for the fiscal year ended December 31, 2017. This was the twenty sixth year that the City of Beavercreek has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to conform to the Certificate of Achievement program requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate for the fiscal year ended December 31, 2018.

Over the course of the last eight years the City has also been awarded the Ohio Auditor of State Award eight times and the Ohio Auditor of State Award with Distinction seven times. Only five percent of the over 5,800 entities state wide that are eligible actually receive the award with

distinction. The Auditor of State expressed that this award is presented for exemplary financial reporting in accordance with Generally Accepted Accounting Principles (GAAP), which is a prestigious achievement. Agencies receiving the award with distinction must have a clean report, with no significant deficiencies or findings, no material citations or weaknesses, no single audit findings (grant reporting), and no questionable costs.

Acknowledgments

The preparation of the Comprehensive Annual Financial Report was made possible by the efficient and dedicated services of staff members Theresa Hathaway, Fiscal Officer and Diane Gould, Executive Assistant to the City Manager. Special thanks to Plattenburg & Associates, Inc. Jeff McGrath, Planning and Development Director and Jeff Moorman, City Engineer for consistently providing the Finance Department with the capital improvements projects and grant information required to complete the audit.

We also acknowledge and thank the members of City Council for their continued guidance and support in planning the financial operations of the City of Beavercreek in a responsible and progressive manner.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bill Kucera".

Bill Kucera
Financial Administrative Services Director

CITY OF BEAVERCREEK

2018 ELECTED OFFICIALS

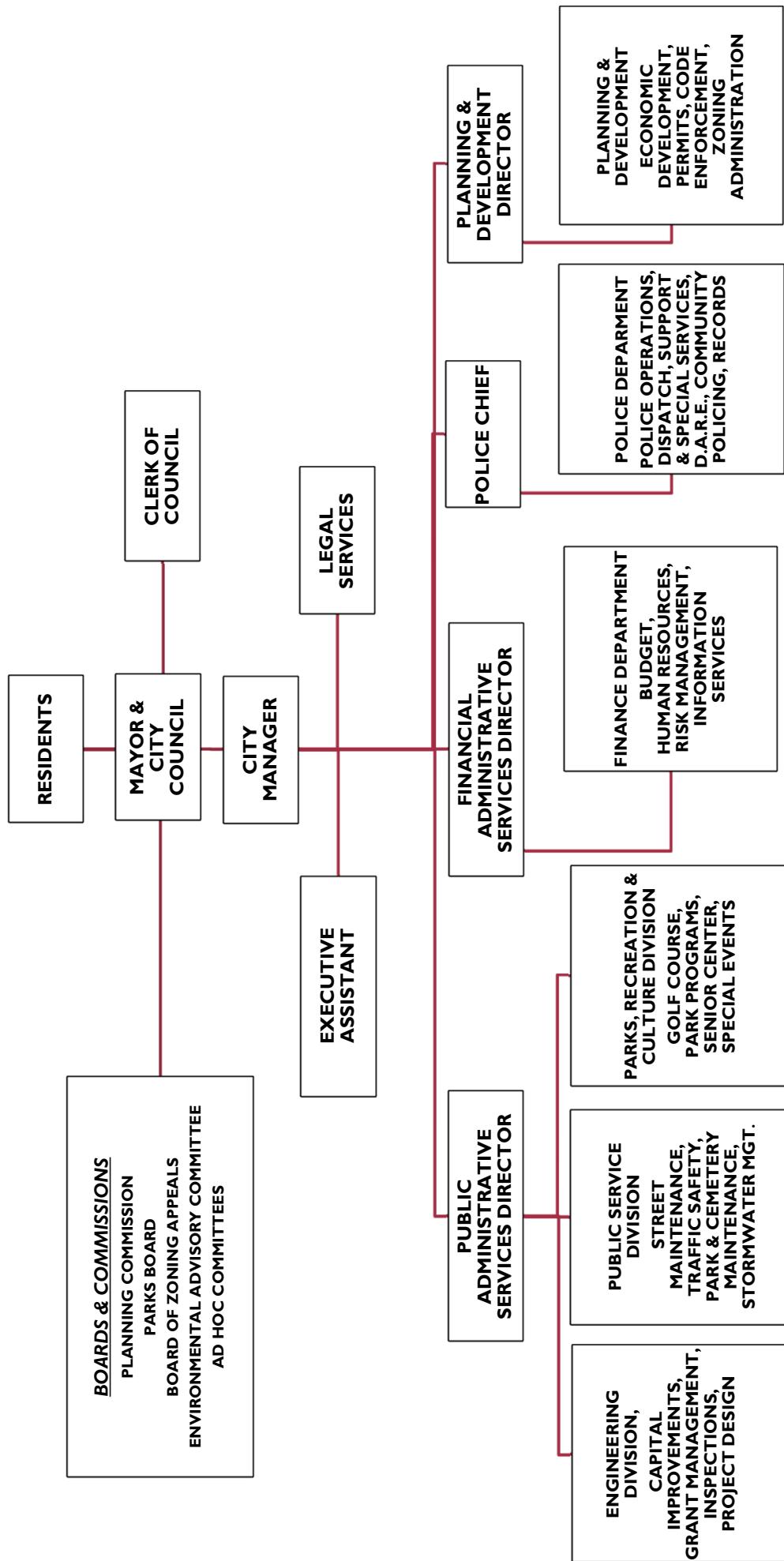
Elected Officials

Bob Stone	Mayor
Joanna Garcia	Vice Mayor
Charles Curran	Council member
Melissa Litteral	Council member
Ryan Rushing	Council member
Zach Upton	Council member
Julie Vann	Council member

Appointed Officials

Pete E. Landrum	City Manager
Dianne Miscisin	Clerk of Council

CITY OF BEAVERCREEK - ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Beavercreek
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, City Council and City Manager
City of Beavercreek

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 Beavercreek (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 19 to the financial statements, during the year ended December 31, 2018, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2019, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Dayton, Ohio
June 7, 2019

City of Beavercreek, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2018
(Unaudited)

The City of Beavercreek's discussion and analysis of the annual financial reports provides an overview of the City's financial performance for the fiscal year ending December 31, 2018. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's performance.

Financial Highlights

- The City's total net position as of December 31, 2018 was \$196,032,323. Government activities net position represents 98.4% of the City's total net position. The City's net position for government activities decreased \$2,183,673 or 1.1%, while the net position of business-type activities increased \$1,334,981 or 75% resulting in a 0.4% decrease in the City's total net position.
- Unrestricted government activities net position decreased 11% to (\$24.9) million.
- The General Fund reported a net decrease in fund balance of \$577,372 or 26%.
- Golf course operations reflected an operating loss of (\$854,316).

Overview of the Financial Statements

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City's financial situation as a whole and also give a detailed view of the City's fiscal condition.

The Statement of Net Position and Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. 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 the amount of funds available for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Government-wide Financial Statements

The analysis of the City as a whole begins with the Government-wide Financial Statements. These reports provide information that will help the reader to determine if the City is financially better off or worse off as a result of the year's activities. These statements include all assets and deferred outflows of resources, and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Activities report the City's net position and changes to those assets. These changes inform the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements needs to take into account non-financial factors that also impact the City's financial well-being. Some of these factors include the City's tax base and the condition of capital assets.

City of Beavercreek, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2018
(Unaudited)

In the Government-wide Financial Statements, the City is divided into two kinds of activities.

- **Governmental Activities** - Most of the City's services are reported here including police, street maintenance, parks and recreation, and general government activities. Property taxes, intergovernmental revenue, charges for services, and special assessments represent the majority of these activities.
- **Business-Type Activities** - This service consists of a golf course. Service fees for this operation are charged based upon the amount of usage or a usage fee. The intent is that the fees charged recoup operational costs.

Fund Financial Statements

Information about the City's major funds is presented in the Fund Financial Statements. Fund financial statements provide detailed information about the City's major funds not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the City, with approval of council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for use of grants. The City's major funds are General, Police Levy, Street Levy, Street Maintenance, Street Improvement Levy, and Golf Course.

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

Proprietary Funds - When the City charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Fiduciary Funds - The City is the fiscal agent for five agency funds. All of the City's fiduciary activities are reported in a separate Statement of Changes in Assets and Liabilities. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The City as a Whole

As stated previously, the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2018 compared to 2017.

City of Beavercreek, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2018
(Unaudited)

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017 - Restated	2018	2017 - Restated	2018	2017 - Restated
Assets:						
Current and Other Assets	\$39,855,902	\$40,016,683	(\$2,104)	(\$896,105)	39,853,798	\$39,120,578
Capital Assets	207,944,308	209,286,865	9,147,580	9,068,920	217,091,888	\$218,355,785
Total Assets	247,800,210	249,303,548	9,145,476	8,172,815	256,945,686	257,476,363
Deferred Outflows of Resources:						
Deferred Charge on Refunding	57,624	72,030	0	0	57,624	72,030
OPEB	1,475,931	78,240	37,222	7,301	1,513,153	85,541
Pension	3,303,437	5,352,617	181,327	406,349	3,484,764	5,758,966
Total Deferred Outflows of Resources	4,836,992	5,502,887	218,549	413,650	5,055,541	5,916,537
Liabilities:						
Long-Term Liabilities	37,033,956	38,239,176	5,949,429	6,744,665	42,983,385	44,983,841
Other Liabilities	1,387,127	2,285,102	84,164	50,753	1,471,291	2,335,855
Total Liabilities	38,421,083	40,524,278	6,033,593	6,795,418	44,454,676	47,319,696
Deferred Inflows of Resources:						
Property Taxes	18,781,575	18,677,755	0	0	18,781,575	18,677,755
OPEB	428,111	0	39,724	0	467,835	0
Pension	2,087,922	502,218	176,896	12,216	2,264,818	514,434
Total Deferred Inflows of Resources	21,297,608	19,179,973	216,620	12,216	21,514,228	19,192,189
Net Position:						
Net Investment In Capital Assets	202,845,589	203,430,523	7,861,743	7,475,034	210,707,332	210,905,557
Restricted	14,990,747	14,109,601	0	0	14,990,747	14,109,601
Unrestricted	(24,917,825)	(22,437,940)	(4,747,931)	(5,696,203)	(29,665,756)	(28,134,143)
Total Net Position	\$192,918,511	\$195,102,184	\$3,113,812	\$1,778,831	\$196,032,323	\$196,881,015

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). 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 OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

City of Beavercreek, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2018
(Unaudited)

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

City of Beavercreek, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2018
(Unaudited)

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from \$209,165,185 to \$196,881,015.

Over time, net position can serve as a useful indicator of a government's financial position. Total net position of the City as a whole decreased \$848,692.

Net position of the City's governmental activities decreased \$2,183,673. Capital Assets decreased mainly due to current year depreciation expense being more than current year additions. Long-Term Liabilities decreased due to a decrease in net pension liability.

The net position of the City's business-type activities increased \$1,334,981 from 2017. The City saw a decrease in the amount of long-term liabilities from 2017 due to a decrease in net pension liability.

Table 2 shows the changes in net position for the year ended December 31, 2018 as compared to the year ended December 31, 2017.

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City of Beavercreek, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2018
(Unaudited)

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Program Revenues:						
Charges for Services	\$2,148,419	\$1,758,036	\$1,288,445	\$1,290,691	\$3,436,864	\$3,048,727
Operating Grants and Contributions	6,620,375	7,881,596	0	0	\$6,620,375	7,881,596
Capital Grants and Contributions	447,465	137,939	0	0	\$447,465	137,939
Total Program Revenues	9,216,259	9,777,571	1,288,445	1,290,691	10,504,704	11,068,262
General Revenues:						
Property Taxes	19,969,226	19,515,602	0	0	19,969,226	19,515,602
Grants and Entitlements	1,160,186	1,036,457	0	0	1,160,186	1,036,457
Investment Earnings	300,789	139,785	0	0	300,789	139,785
Other Revenues	1,193,348	1,115,265	142,190	19,303	1,335,538	1,134,568
Total General Revenues	22,623,549	21,807,109	142,190	19,303	22,765,739	21,826,412
Total Revenues	31,839,808	31,584,680	1,430,635	1,309,994	33,270,443	32,894,674
Program Expenses:						
General Government	1,594,920	1,153,297	0	0	1,594,920	1,153,297
Public Safety	11,117,888	10,703,438	0	0	11,117,888	10,703,438
Community Development	655,442	681,284	0	0	655,442	681,284
Leisure Time	2,277,737	1,890,578	0	0	2,277,737	1,890,578
Transportation and Street Repair	15,176,353	8,123,349	0	0	15,176,353	8,123,349
Basic Utility	82,097	85,838	0	0	82,097	85,838
Public Health and Welfare	193,799	158,189	0	0	193,799	158,189
Interest and Other Charges	421,167	543,659	0	0	421,167	543,659
Golf Course	0	0	2,536,068	2,075,163	2,536,068	2,075,163
Other	63,664	74,165			63,664	74,165
Total Program Expenses	31,583,067	23,413,797	2,536,068	2,075,163	34,119,135	25,488,960
Increase (Decrease) in Net Position before Transfers	256,741	8,170,883	(1,105,433)	(765,169)	(848,692)	7,405,714
Transfers - Internal Activities	(2,440,414)	(1,372,951)	2,440,414	1,372,951	0	0
Change in Net Position	(2,183,673)	6,797,932	1,334,981	607,782	(848,692)	7,405,714
Net Position - Beginning of Year, Restated	195,102,184	N/A	1,778,831	N/A	196,881,015	N/A
Net Position - End of Year	\$192,918,511	\$195,102,184	\$3,113,812	\$1,778,831	\$196,032,323	\$196,881,015

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$85,541 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$1,184,458. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

City of Beavercreek, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2018
(Unaudited)

	Governmental Activities	Business-type Activities	Total
Total 2018 operating expenses under GASB 75	\$31,583,067	\$2,536,068	\$34,119,135
OPEB expense under GASB 75	(1,142,328)	(42,130)	(1,184,458)
2018 contractually required contribution	22,463	0	22,463
Adjusted 2018 operating expenses	30,463,202	2,493,938	32,957,140
Total 2017 operating expenses under GASB 45	<u>23,413,797</u>	<u>2,075,163</u>	<u>25,488,960</u>
Change in operating expenses not related to OPEB	<u>\$7,049,405</u>	<u>\$418,775</u>	<u>\$7,468,180</u>

Governmental Activities

The City of Beavercreek has continued attracting new business to the City, thereby injecting the local economy with jobs and increasing the City's commercial tax base. Property taxes are the largest source of revenue for the City. Revenues generated by property taxes represent approximately 88% of the City's governmental activities general revenues.

General Government includes the major operations of the City. Transportation and street repair and public safety represent approximately 83% of governmental activities.

Operating Grants decreased in 2018 as compared to 2017 mainly due to the timing of grant eligibility in 2018.

Business Type Activities

Business-type activities consist of a golf course. The golf course had revenues of \$1,430,635 and expenses of \$2,536,068 for fiscal year 2018. Business activities receive no support from tax revenues. The business activities net position at the end of the year was \$3,113,812 which increased \$1,334,981 from 2017. The increase in business activities net position is due to a transfer to cover operating losses and budgeted capital improvements.

The Beavercreek Golf Club includes an 18-hole golf course, a restaurant and full-service bar, banquet facilities, and pro shop. Revenue is earned through green fees, cart fees, memberships, golf lessons, restaurant, pro shop, and banquet facilities.

The City's Funds

The City has five major governmental funds: the General Fund, Police Levy Fund, Street Levy Fund, Street Maintenance Fund, and the Street Improvement Levy Fund. Assets of these funds comprised \$33,273,928 (83%) of the total \$39,855,902 Governmental Funds assets.

General Fund: Fund balance at December 31, 2018 was \$1,641,415, a decrease in fund balance of \$577,372 from 2017. The decrease in fund balance was largely due to a large transfer to the Golf Course Fund.

City of Beavercreek, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2018
(Unaudited)

Police Levy Fund: Fund balance at December 31, 2018 was \$4,389,956 an increase in fund balance of \$323,287 (including change in nonspendable for inventory) from 2017. The increase in fund balance was largely due to revenues exceeding expenditures.

Street Levy Fund: Fund balance at December 31, 2018 was \$3,690,219 an increase in fund balance of \$306,640 (including change in nonspendable for inventory) from 2017. The increase in fund balance was largely due to a decrease in capital outlay.

Street Maintenance Fund: Fund balance at December 31, 2018 was \$987,744, a decrease in fund balance of \$322,227 (including change in nonspendable for inventory) from 2017. The decrease in fund balance was largely due to an increase in capital outlay in 2018.

Street Improvement Levy: Fund balance at December 31, 2018 was \$1,424,441, an increase in fund balance of \$235,847 from 2017. The increase in fund balance was largely due to revenues exceeding expenditures in 2018.

General Fund Budgeting Highlights

The City's General Fund budget is formally adopted at the fund level. Financial reports, which compare actual performance with the budget at the personal and other expenditures level within each department or division by fund, are prepared monthly and presented to Department Directors and Division Supervisors. The community and Council are able to review the financial status and measure the effectiveness of budgetary controls by reviewing the reports on the City's website. In addition, Council is presented financial reports for approval on a quarterly basis.

As the City completed the year, its General Fund balance reported an actual fund balance of \$320,836, on a Non-GAAP Budgetary Basis.

For the General Fund, final budgeted revenue was \$3,597,904 and original budgeted revenue was \$3,597,904.

Actual expenditures were less than final appropriations due to the City's constant monitoring of expenditures during the year along with exercising fiscal restraint.

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City of Beavercreek, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2018
(Unaudited)

Capital Assets and Debt Administration

Capital Assets

At year end, the City had \$217,091,888 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2018 balances compared to 2017:

Table 3
Net Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$13,407,951	\$13,260,159	\$7,833,601	\$7,833,601	\$21,241,552	\$21,093,760
Construction in Progress	9,658,572	8,697,183	0	0	9,658,572	8,697,183
Buildings and Improvements	16,664,384	16,424,586	2,611,792	2,611,792	19,276,176	19,036,378
Equipment	10,310,936	9,746,529	822,358	904,755	11,133,294	10,651,284
Infrastructure	292,925,884	289,158,156	0	0	292,925,884	289,158,156
Accumulated Depreciation	(135,023,419)	(127,999,748)	(2,120,171)	(2,281,228)	(137,143,590)	(130,280,976)
 Total Net Capital Assets	 \$207,944,308	 \$209,286,865	 \$9,147,580	 \$9,068,920	 \$217,091,888	 \$218,355,785

The decrease in net capital assets is primarily due to current year depreciation expense exceeding additions.

See Note 6 to the basic financial statements for further details on the City's capital assets.

Debt

At December 31, 2018, the City's governmental activities had \$3,600,240 in general obligation, \$1,405,000 in special assessment bonds, and \$93,479 in capital lease obligations outstanding.

At December 31, 2018, the City's business-type activity had \$4,401,942 in general obligation bonds and \$260,658 in capital lease obligations outstanding.

See Notes 9 and 10 in the notes to the basic financial statements for further details on the City's long-term debt.

Contacting the City's Financial Department

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Department of Finance, City of Beavercreek, 1368 Research Park Drive, Beavercreek, Ohio 45432, or via phone at (937) 427-5511, or e-mail at kucera@beavercreekohio.gov.

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City of Beavercreek, Ohio
 Statement of Net Position
 December 31, 2018

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$13,895,925	\$865,434	\$14,761,359
Receivables (Net):			
Taxes	19,013,957	0	19,013,957
Accounts	567,682	13,344	581,026
Interest	12,593	0	12,593
Intergovernmental	2,810,679	0	2,810,679
Special Assessments	1,580,100	0	1,580,100
Internal Balances	993,548	(993,548)	0
Inventory	829,053	101,416	930,469
Prepaid Items	152,365	11,250	163,615
Nondepreciable Capital Assets	23,066,523	7,833,601	30,900,124
Depreciable Capital Assets, Net	<u>184,877,785</u>	<u>1,313,979</u>	<u>186,191,764</u>
Total Assets	247,800,210	9,145,476	256,945,686
Deferred Outflows of Resources:			
Deferred Charge on Refunding	57,624	0	57,624
Pension	3,303,437	181,327	3,484,764
OPEB	<u>1,475,931</u>	<u>37,222</u>	<u>1,513,153</u>
Total Deferred Outflows of Resources	4,836,992	218,549	5,055,541
Liabilities:			
Accounts Payable	390,351	21,423	411,774
Accrued Wages and Benefits	409,274	22,800	432,074
Contracts Payable	571,910	0	571,910
Accrued Interest Payable	15,592	2,061	17,653
Deposit Liability	0	37,880	37,880
Long-Term Liabilities:			
Due Within One Year	1,215,501	1,031,879	2,247,380
Due In More Than One Year			
Net Pension Liability	16,565,655	728,378	17,294,033
Net OPEB Liability	13,985,681	505,803	14,491,484
Other Amounts	<u>5,267,119</u>	<u>3,683,369</u>	<u>8,950,488</u>
Total Liabilities	38,421,083	6,033,593	44,454,676
Deferred Inflows of Resources:			
Property Taxes	18,781,575	0	18,781,575
OPEB	428,111	39,724	467,835
Pension	<u>2,087,922</u>	<u>176,896</u>	<u>2,264,818</u>
Total Deferred Inflows of Resources	21,297,608	216,620	21,514,228
Net Position:			
Net Investment in Capital Assets	202,845,589	7,861,743	210,707,332
Restricted for:			
Debt Service	1,541,244	0	1,541,244
Capital Projects	574,698	0	574,698
Street Improvements	7,624,785	0	7,624,785
Public Safety	4,183,157	0	4,183,157
Park Improvements	725,728	0	725,728
Federal Forfeiture	148,314	0	148,314
Permanent - Expendable	175,331	0	175,331
Permanent - Nonexpendable	15,201	0	15,201
Other Purposes	2,289	0	2,289
Unrestricted	<u>(24,917,825)</u>	<u>(4,747,931)</u>	<u>(29,665,756)</u>
Total Net Position	\$192,918,511	\$3,113,812	\$196,032,323

See accompanying notes to the basic financial statements.

City of Beavercreek, Ohio
 Statement of Activities
 For the Fiscal Year Ended December 31, 2018

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$1,594,920	\$110,339	\$125,982	\$0
Public Safety	11,117,888	403,210	987,180	1,688
Community Development	655,442	169,877	4,276	0
Leisure Time Activities	2,277,737	353,396	254,511	0
Transportation and Street Repair	15,176,353	979,807	5,248,426	445,777
Basic Utility Service	82,097	131,790	0	0
Public Health and Welfare	193,799	0	0	0
Other	63,664	0	0	0
Interest and Other Charges	421,167	0	0	0
Total Governmental Activities	31,583,067	2,148,419	6,620,375	447,465
Business-Type Activities:				
Golf Course	2,536,068	1,288,445	0	0
Total Business-Type Activities	2,536,068	1,288,445	0	0
Totals	\$34,119,135	\$3,436,864	\$6,620,375	\$447,465

General Revenues:

Property Taxes Levied for:
 General Purposes
 Police Operations
 Street Purposes
 Park Purposes
 Debt Service Purposes
 Grants and Entitlements, Not Restricted
 Investment Earnings
 Other Revenues
 Transfers-Internal Activities

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year, Restated

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
(\$1,358,599)	\$0	(\$1,358,599)
(9,725,810)	0	(9,725,810)
(481,289)	0	(481,289)
(1,669,830)	0	(1,669,830)
(8,502,343)	0	(8,502,343)
49,693	0	49,693
(193,799)	0	(193,799)
(63,664)	0	(63,664)
(421,167)	0	(421,167)
(22,366,808)	0	(22,366,808)
0	(1,247,623)	(1,247,623)
0	(1,247,623)	(1,247,623)
(22,366,808)	(1,247,623)	(23,614,431)
1,939,798	0	1,939,798
8,336,471	0	8,336,471
8,131,685	0	8,131,685
1,196,531	0	1,196,531
364,741	0	364,741
1,160,186	0	1,160,186
300,789	0	300,789
1,193,348	142,190	1,335,538
(2,440,414)	2,440,414	0
20,183,135	2,582,604	22,765,739
(2,183,673)	1,334,981	(848,692)
195,102,184	1,778,831	196,881,015
\$192,918,511	\$3,113,812	\$196,032,323

City of Beavercreek, Ohio

Balance Sheet

Governmental Funds

December 31, 2018

	General	Police Levy	Street Levy	Street Maintenance
Assets:				
Equity in Pooled Cash and Investments	\$252,336	\$4,305,359	\$3,778,832	\$280,586
Receivables (Net):				
Taxes	1,451,831	8,271,687	5,411,230	0
Accounts	496,271	58,064	1,266	7,940
Interest	12,113	0	0	277
Intergovernmental	294,975	438,595	308,273	1,094,418
Special Assessments	169,330	0	0	0
Interfund	993,548	0	0	0
Inventory	0	272,094	142,147	404,414
Prepaid Items	20,796	86,982	33,739	0
Total Assets	3,691,200	13,432,781	9,675,487	1,787,635
Liabilities:				
Accounts Payable	186,813	76,050	87,963	17,885
Accrued Wages and Benefits	46,297	261,554	77,243	0
Contracts Payable	0	0	101,618	31,529
Total Liabilities	233,110	337,604	266,824	49,414
Deferred Inflows of Resources:				
Property Taxes	1,425,312	8,271,687	5,411,230	0
Grants and Other Taxes	216,674	433,534	307,214	750,354
Special Assessments	169,330	0	0	0
Investment Earnings	5,359	0	0	123
Total Deferred Inflows of Resources	1,816,675	8,705,221	5,718,444	750,477
Fund Balances:				
Nonspendable	20,796	359,076	175,886	404,414
Restricted	0	4,030,880	3,514,333	583,330
Committed	0	0	0	0
Unassigned	1,620,619	0	0	0
Total Fund Balances	1,641,415	4,389,956	3,690,219	987,744
Total Liabilities, Deferred Inflows and Fund Balances	\$3,691,200	\$13,432,781	\$9,675,487	\$1,787,635

See accompanying notes to the basic financial statements.

Street Improvement Levy	Other Governmental Funds	Total Governmental Funds
\$1,850,021	\$3,428,791	\$13,895,925
2,415,605	1,463,604	19,013,957
0	4,141	567,682
0	203	12,593
421,199	253,219	2,810,679
0	1,410,770	1,580,100
0	0	993,548
0	10,398	829,053
0	10,848	152,365
<u>4,686,825</u>	<u>6,581,974</u>	<u>39,855,902</u>
0	21,640	390,351
0	24,180	409,274
425,580	13,183	571,910
<u>425,580</u>	<u>59,003</u>	<u>1,371,535</u>
2,415,605	1,463,604	18,987,438
421,199	181,769	2,310,744
0	1,410,770	1,580,100
0	89	5,571
<u>2,836,804</u>	<u>3,056,232</u>	<u>22,883,853</u>
0	36,447	996,619
1,424,441	2,049,715	11,602,699
0	1,380,577	1,380,577
0	0	1,620,619
<u>1,424,441</u>	<u>3,466,739</u>	<u>15,600,514</u>
<u>\$4,686,825</u>	<u>\$6,581,974</u>	<u>\$39,855,902</u>

City of Beavercreek, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 December 31, 2018

Total Governmental Fund Balance	\$15,600,514
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets used in the operation of Governmental Funds	207,944,308
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Delinquent Property Taxes	205,863
Interest	5,571
Intergovernmental	2,310,744
Other Receivables	<u>1,580,100</u>
	4,102,278
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.	(15,592)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.	
Compensated Absences	(1,383,901)
Deferred outflow of resources associated with long-term liabilities are not reported in the funds.	57,624
Deferred outflows and inflows or resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pensions	3,303,437
Deferred inflows of resources related to pensions	(2,087,922)
Deferred outflows of resources related to OPEB	1,475,931
Deferred inflows of resources related to OPEB	<u>(428,111)</u>
	2,263,335
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Net Pension Liability	(16,565,655)
Net OPEB Liability	(13,985,681)
Other Amounts	<u>(5,098,719)</u>
	<u>(35,650,055)</u>
Net Position of Governmental Activities	<u>\$192,918,511</u>

See accompanying notes to the basic financial statements.

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City of Beavercreek, Ohio
 Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Governmental Funds
 For the Fiscal Year Ended December 31, 2018

	General	Police Levy	Street Levy	Street Maintenance
Revenues:				
Property and Other Taxes	\$1,944,168	\$8,365,094	\$5,489,125	\$0
Charges for Services	100,490	291,676	0	125,746
Investment Earnings	287,433	0	0	7,295
Intergovernmental	733,905	967,133	1,694,284	3,050,153
Special Assessments	131,790	0	0	0
Fines, Licenses & Permits	697,772	91,600	24,273	0
Other Revenues	61,680	207,506	63,095	25,148
Total Revenues	3,957,238	9,923,009	7,270,777	3,208,342
Expenditures:				
Current:				
General Government	835,849	102,590	283,453	0
Public Safety	47,912	9,554,443	0	0
Community Development	585,304	0	0	0
Leisure Time Activities	0	0	0	0
Transportation and Street Repair	0	0	4,519,641	1,562,918
Basic Utility Service	82,097	0	0	0
Public Health and Welfare	193,998	0	0	0
Other	63,495	0	0	0
Capital Outlay	0	0	2,178,965	2,039,351
Debt Service:				
Principal	0	0	42,070	0
Interest and Other Charges	0	0	1,850	0
Total Expenditures	1,808,655	9,657,033	7,025,979	3,602,269
Excess of Revenues Over (Under) Expenditures	2,148,583	265,976	244,798	(393,927)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	1,282	9,170	36,985	0
Issuance of Long-Term Capital-Related Debt	0	0	0	0
Transfers In	0	0	0	0
Transfers (Out)	(2,727,237)	0	0	0
Total Other Financing Sources (Uses)	(2,725,955)	9,170	36,985	0
Net Change in Fund Balance	(577,372)	275,146	281,783	(393,927)
Fund Balance - Beginning of Year	2,218,787	4,066,669	3,383,579	1,309,971
Change in Reserve for Inventory	0	48,141	24,857	71,700
Fund Balance - End of Year	\$1,641,415	\$4,389,956	\$3,690,219	\$987,744

See accompanying notes to the basic financial statements.

Street Improvement Levy	Other Governmental Funds	Total Governmental Funds
\$2,666,416	\$1,565,741	\$20,030,544
0	317,710	835,622
0	4,621	299,349
412,562	851,360	7,709,397
0	403,910	535,700
0	533,333	1,346,978
0	239,201	596,630
<u>3,078,978</u>	<u>3,915,876</u>	<u>31,354,220</u>
0	0	1,221,892
0	65,621	9,667,976
0	0	585,304
0	1,969,309	1,969,309
1,124,340	134,384	7,341,283
0	0	82,097
0	0	193,998
0	169	63,664
1,718,791	897,427	6,834,534
0	595,000	637,070
0	<u>432,537</u>	<u>434,387</u>
<u>2,843,131</u>	<u>4,094,447</u>	<u>29,031,514</u>
<u>235,847</u>	<u>(178,571)</u>	<u>2,322,706</u>
0	9,014	56,451
0	230,000	230,000
0	445,791	445,791
0	(158,968)	(2,886,205)
0	525,837	(2,153,963)
235,847	347,266	168,743
1,188,594	3,109,075	15,276,675
0	10,398	155,096
<u>\$1,424,441</u>	<u>\$3,466,739</u>	<u>\$15,600,514</u>

City of Beavercreek, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended December 31, 2018

Net Change in Fund Balance - Total Governmental Funds \$168,743

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

Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.

Capital assets used in governmental activities	5,841,599
Depreciation Expense	<u>(7,154,541)</u>
	(1,312,942)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss. (29,615)

Governmental funds report City pension/OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension/OPEB benefits earned net of employee contributions is reported as pension/OPEB expense.

Pension Contributions	1,581,390
Pension Expense	<u>(2,525,616)</u>
OPEB Contributions	22,463
OPEB Expense	<u>(1,142,329)</u>
	(2,064,092)

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

Delinquent Property Taxes	(61,317)
Interest	1,441
Intergovernmental	439,852
Other	<u>78,776</u>
	458,752

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 637,070

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 2,073

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

Compensated Absences	20,095
Amortization of Bond Premium	25,553
Amortization of Deferred Charge on Refunding	<u>(14,406)</u>
Change in Inventory	<u>155,096</u>
	186,338

Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net position. (230,000)

Change in Net Position of Governmental Activities (\$2,183,673)

See accompanying notes to the basic financial statements.

City of Beavercreek, Ohio
 Statement of Net Position
 Proprietary Fund
December 31, 2018

	Golf Course
Current Assets:	
Equity in Pooled Cash and Investments	\$865,434
Receivables (Net):	
Accounts	13,344
Inventory	101,416
Prepaid Items	<u>11,250</u>
Total Current Assets	<u>991,444</u>
Noncurrent Assets:	
Capital Assets:	
Nondepreciable Capital Assets	7,833,601
Depreciable Capital Assets, Net	<u>1,313,979</u>
Total Noncurrent Assets	<u>9,147,580</u>
Total Assets	<u>10,139,024</u>
Deferred Outflows of Resources:	
Pension	181,327
OPEB	<u>37,222</u>
Total Deferred Outflows of Resources	<u>218,549</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	21,423
Accrued Wages and Benefits	22,800
Compensated Absences	44,020
Accrued Interest Payable	2,061
Interfund Payable	993,548
Deposit Liability	37,880
Long-Term Liabilities Due Within One Year	<u>987,859</u>
Total Current Liabilities	<u>2,109,591</u>
Long-Term Liabilities:	
Compensated Absences	8,628
Bonds, Notes & Loans Payable	3,501,942
Capital Leases Payable	172,799
Net Pension Liability	728,378
Net OPEB Liability	<u>505,803</u>
Total Noncurrent Liabilities	<u>4,917,550</u>
Total Liabilities	<u>7,027,141</u>
Deferred Inflows of Resources:	
OPEB	39,724
Pension	<u>176,896</u>
Total Deferred Inflows of Resources	<u>216,620</u>
Net Position:	
Net Investment in Capital Assets	7,861,743
Unrestricted	<u>(4,747,931)</u>
Total Net Position	<u>\$3,113,812</u>

See accompanying notes to the basic financial statements.

City of Beavercreek, Ohio
 Statement of Revenues, Expenses
 and Changes in Fund Net Position
 Proprietary Fund
 For the Fiscal Year Ended December 31, 2018

	Golf Course
Operating Revenues:	
Charges for Services	\$1,288,445
Other Revenues	<u>142,190</u>
Total Operating Revenues	<u>1,430,635</u>
Operating Expenses:	
Personal Services	1,145,281
Contractual Services	576,958
Materials and Supplies	467,431
Depreciation	<u>95,281</u>
Total Operating Expenses	<u>2,284,951</u>
Operating Income (Loss)	<u>(854,316)</u>
Non-Operating Revenues (Expenses):	
Interest and Fiscal Charges	(559,061)
Gain on Disposal of Capital Assets	<u>307,944</u>
Total Non-Operating Revenues (Expenses)	<u>(251,117)</u>
Income (Loss) Before Contributions and Transfers	(1,105,433)
Transfers In	<u>2,440,414</u>
Change in Net Position	1,334,981
Net Position - Beginning of Year, Restated	<u>1,778,831</u>
Net Position - End of Year	<u>\$3,113,812</u>

See accompanying notes to the basic financial statements.

City of Beavercreek, Ohio
 Statement of Cash Flows
 Proprietary Fund
 For the Fiscal Year Ended December 31, 2018

	Golf Course
Cash Flows from Operating Activities:	
Cash Received from Customers	\$1,553,664
Cash Payments to Employees	(1,142,386)
Cash Payments to Suppliers	<u>(1,074,932)</u>
Net Cash Provided (Used) by Operating Activities	<u>(663,654)</u>
Cash Flows from Noncapital Financing Activities:	
Payments from Other Funds	<u>2,456,171</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>2,456,171</u>
Cash Flows from Capital and Related Financing Activities:	
Payments for Capital Acquisitions	(173,941)
Debt Proceeds	307,944
Debt Principal Payments	(493,682)
Debt Interest Payments	<u>(567,404)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(927,083)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	865,434
Cash and Cash Equivalents - Beginning of Year	0
Cash and Cash Equivalents - End of Year	<u>865,434</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(854,316)
Adjustments:	
Depreciation	95,281
Changes in Assets & Liabilities:	
(Increase) Decrease in Receivables	(8,950)
(Increase) Decrease in Inventory	(37,529)
(Increase) Decrease in Prepaid Items	(11,250)
(Increase) Decrease in Deferred Outflows of Resources	195,101
Increase (Decrease) in Net OPEB Liability	32,327
Increase (Decrease) in Deposit Liabilities	18,261
Increase (Decrease) in Payables	6,986
Increase (Decrease) in Accrued Liabilities	11,872
Increase (Decrease) in Deferred Inflows of Resources	204,404
Increase (Decrease) in Net Pension Liability	<u>(315,841)</u>
Net Cash Provided (Used) by Operating Activities	<u>(\$663,654)</u>

See accompanying notes to the basic financial statements.

City of Beavercreek, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2018

	Agency
Assets:	
Equity in Pooled Cash and Investments	<u>\$523,999</u>
Total Assets	<u>523,999</u>
Liabilities:	
Accounts Payable	10,586
Undistributed Monies	<u>513,413</u>
Total Liabilities	<u>\$523,999</u>

See accompanying notes to the basic financial statements.

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Note 1 – Description of the City and Reporting Entity

The City of Beavercreek (The "City") was incorporated on January 11, 1980 and since 1981 has operated as a home rule municipal corporation operating under its own charter. The Council/Manager form of government, whereby the City Manager is the Chief Administrative Officer, provides the following services: public safety (police), highways and streets, drainage, parks and recreation, public improvements, community development, planning and zoning, public health and welfare, cemetery, general administrative services, and golf course recreation.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, and activities that are not legally separate from the City. They comprise the City's legal entity which provides various services including police, planning and zoning, street construction, maintenance and repair, administrative services, and the golf course services. Council and the City Manager have direct responsibility for these activities.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; 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 that are fiscally dependent on the City in that the City approves the organization's budget, the issuance of its debt or the levying of its taxes. The City has no component units.

The City participates in the Miami Valley Regional Planning Commission, Regional Emergency Response Team (RERT) and the Greene County Agencies for Combined Enforcement (ACE Task Force) which are defined as jointly governed organizations. A jointly governed organization is governed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility on the part of the participating governments. The City is also associated with the Miami Valley Risk Management Association, Inc. (MVRMA) which is defined as a risk sharing insurance pool. The City is also a member of the Ohio Benefits Cooperative (OBC) which is defined as a health insurance sharing insurance pool. The City is also a member of the City of Beavercreek (Greene County), Ohio Energy Special Improvement District (PACE) which is defined as a Special Improvement Energy District.

Note 2 – Summary of Significant Accounting Policies

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

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

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 the fiduciary funds. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities.

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

Fund Financial Statements

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

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 utilized by the City: governmental, proprietary, and fiduciary.

Governmental Funds

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

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

which they will be paid. The difference between governmental fund assets and deferred outflows, and liabilities and deferred inflows is reported as fund balance. 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 general laws of Ohio and the Charter of the City.

Police Levy Fund – The Police Levy Fund is used to account for and report revenues received from a City-wide voted property tax levy and fines and forfeitures that are restricted to expenditures for the operation of the police department, including the payment of the employer portion of police pension fund contributions.

Street Levy Fund – The Street Levy Fund is used to account for and report property tax receipts that are restricted for construction, maintenance and repair of streets within the City.

Street Maintenance – The Street Maintenance Fund is used to account for and report that portion of the State gasoline tax and motor vehicle license registration fees restricted for maintenance and repair of streets within the City.

Street Improvement Levy Fund – The Street Capital Improvement Levy Fund is used to account for and report tax receipts that are restricted for constructing, reconstructing, resurfacing and repairing streets, roads and bridges within the City.

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

Proprietary Funds

Proprietary funds focus on the determination of operating income, changes in net positions, financial position, and cash flows. The City has one proprietary fund.

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

Golf Course Fund – The Golf Course Fund is used to account for and report revenue received from user charges for the operation of the golf course.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The three types of trust funds are to be used to report resources held and administered by the City when it is acting in a fiduciary capacity for individuals, private organizations, or other governments. These funds are distinguished by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held. Trust funds are used to account for assets held by the City under a trust

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has six agency funds. The Greene Town Center TIF and Greene Town Center Special Assessment Agency Funds are used to account for custodial transactions related to the Greene Town Center project. The Miscellaneous Agency Fund is used to account for donor custodial transactions. The City's Regional Emergency Response Team (RERT) Agency Fund is used to account for custodial transactions related to RERT. The Cash Bonds Agency Fund is used to account for custodial transactions related to cash deposits held in lieu of performance bonds from bidders, contractors or developers. The PACE Agency Fund is used to account for special assessments.

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

Like the government-wide statements, enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Fund Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its enterprise fund 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 are prepared using the accrual basis of accounting; the enterprise and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measurable” means the amount of the transaction can be determined and “available” means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within 60 days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, and entitlements. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from non-exchange 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: intergovernmental revenues (including motor vehicle license tax, gasoline tax, and local government assistance) fines and forfeitures, interest, and grants.

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 represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferred charge on refunding, OPEB and pension reported in the government-wide statement of net position. 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 and OPEB are explained in Notes 7 and 8 for more information.

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 as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, intergovernmental grants, special assessments, investment earnings, OPEB and pension. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance 2019 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. Accounts for intergovernmental grants, special assessments, and investment earnings are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position (see Notes 7 and 8 for more information).

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Expenses/Expenditures

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

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

Equity in Pooled Cash and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements.

During 2018, investments were limited to the Federal Home Loan Bank Bonds, Federal National Mortgage Association Bonds, Federal Home Loan Mortgage, Certificate of Deposits, and StarOhio.

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

The City Council has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during 2018 amounted to \$287,433, \$7,295 was credited to the Street Maintenance Fund, and \$4,621 was credited to other governmental funds.

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

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

As a general rule, the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

Inventory

On government-wide financial statements, inventories are presented at cost on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are stated at cost. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the proprietary funds are expensed when used.

Capital Assets

General capital assets are capital assets that are associated with and generally rise from governmental activities. They usually result from expenditures in governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the year. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The City maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

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

Description	Estimated Lives
Buildings and Improvements	25-50 years
Equipment	5-20 years
Infrastructure	40-60 years

The City's infrastructure system consists of streets, curbs, gutters, sidewalks, culverts and storm sewer lines.

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Contributions of Capital

Contributions of capital arise from outside contributions of capital assets and grants, or outside contributions of resources restricted to capital acquisition and construction.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the enterprise funds are reported on the 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 that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long-term bonds and capital leases are recognized as liabilities on the governmental fund financial statements when due.

Pensions/Other Postemployment Benefits (OPEB)

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

Compensated Absences

Vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation and compensatory 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. The amount is based on accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated unused sick leave for all employees after 20 years of service with the City.

The entire compensated absences liability is reported on the government-wide financial statements. On governmental fund financial statements, compensated absences are reported as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations or retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the funds from which the employees are paid. In the proprietary funds, the entire amount of compensated absences is reported as a fund liability.

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Bond Premiums

On the government-wide financial statements (and in the enterprise fund), bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line (bonds outstanding) method, which approximates the effective interest method. Bond premiums/discounts are presented as additions/reductions to the face amount of bonds payable.

On the governmental fund financial statements, bond premiums and discounts are recognized in the period when the debt is issued.

Deferred Charge 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 the 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 outflow of resources on the statement of net position.

Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in the 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 its use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Of the City's \$14,990,747 in restricted net position, none were restricted by enabling legislation.

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

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 governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because it is not in spendable form, or is legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. Nonspendable fund balance for the City includes materials and supplies inventory and principal portion of cemetery bequest.

Restricted – The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. 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).

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

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 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.

Assigned – If applicable, 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 City Council. In the General Fund, assigned amounts represent intended uses established by Council or a City official delegated that authority by City charter or ordinance. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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 balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which 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.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the City, these revenues are charges for services for the golf course. Operating expenses are the necessary costs incurred to provide the services that are the primary activities of the Golf Course Fund. Revenues and expenses that do not meet these definitions are reported as non-operating.

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Estimates

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

Note 3 – Equity in Pooled Cash and Investments

Cash resources of several individual funds are combined to form a pool of cash and investments. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments."

State statute requires the classification of monies held by the City into three categories:

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the City. Such monies must by law be maintained either as cash in the City treasury, in depository accounts payable or withdrawable on demand.

Inactive Monies – Those monies not required for use within the current two year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

Interim Monies – 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. Ohio law permits interim monies to be invested or deposited in the following securities:

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institution's participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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 treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City may not be able to recover deposits or collateral securities that are in the possession of an outside party. As of December 31, 2018, \$3,190,194 of the City's bank balance of \$5,962,849 was exposed to custodial credit risk because it was uninsured and collateralized.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 50% of the deposits being secured or a rate set by the Treasurer of State.

Investments

As of December 31, 2018, the City had the following investments:

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City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Investment Type	Fair Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Federal Home Loan Bank	\$992,082	Level 2	2.78
Federal Home Loan Mortgage	1,159,264	Level 2	2.23
Federal National Mortgage Association	989,505	Level 2	1.06
Negotiable CDs	1,235,614	Level 2	1.11
STAROhio	5,606,681	N/A	0.00
Total Fair Value	\$9,983,146		
Portfolio Weighted Average Maturity			0.78

The City categorizes its fair value measurements with 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. Inputs to the valuation techniques used in fair the measurement for Level 2 include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 inputs are significant unobservable inputs. The above table identifies the City's recurring fair value measurements as of December 31, 2018. STAR Ohio is reported at its share price (Net Asset value per share).

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 the investment portfolio remain sufficiently liquid to enable the City to meet all operating requirements by investing in an adequate amount of short-term investments in the portfolio 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. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and that an investment must be purchased with the expectation that it will be held to maturity. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least two percent and be marked to market daily.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no policy for custodial credit risk beyond the requirements of State statute.

Credit Risk - The City's investment policy limits investments to those authorized by State statute. State statute only addresses credit risk by limiting the investments that may be purchased to those offered by specifically identified issuers. The City's investments in Federal Home Loan Bank, Federal Home Loan Mortgage, and Federal National Mortgage Association were rated AA+ by Standard and Poor's and Fitch ratings and Aaa by Moody's Investors Service. Investments in StarOhio were rated AAAm by Standard & Poor. Investments in Certificates of Deposit are not rated.

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Concentration of Credit Risk – The City's investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 9.9% in Federal Home Loan Bank, 9.9% in Federal National Mortgage Association, 11.6% in Federal Home Loan Mortgage, 12.4% in Certificates of Deposit, and 56.2% in StarOhio.

Note 4 – Property Taxes

Property taxes include amounts levied against all real and public utility located in the City. Property tax revenue received during 2018 for real and public utility property taxes represents collections of 2017 taxes.

2018 real property taxes are levied after October 1, 2018 on the assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2018 real property taxes are collected in and intended to finance 2019.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate 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. 2018 public utility property taxes became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2018 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2018, was \$18.58 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2018 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$1,430,660,590
Public Utility Personal	26,410,930
Totals	\$1,457,071,520

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2018, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2018 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Note 5 – Receivables

Receivables at December 31, 2018, consisted of property taxes, interfund, accounts, special assessments, interest and amounts due from other governments arising from grants, entitlements and shared revenues. All receivables are considered fully collectible and will be received within one year with the exception of property taxes and special assessments.

Note 6 – Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$13,260,159	\$147,792	\$0	\$13,407,951
Construction in Progress	8,697,183	6,214,207	5,252,818	9,658,572
Capital Assets Being Depreciated:				
Buildings and Improvements	16,424,586	239,798	0	16,664,384
Equipment	9,746,529	724,892	160,485	10,310,936
Infrastructure	289,158,156	3,767,728	0	292,925,884
Totals at Historical Cost	337,286,613	11,094,417	5,413,303	342,967,727
Less Accumulated Depreciation:				
Buildings and Improvements	7,456,087	446,611	0	7,902,698
Equipment	6,522,015	817,311	130,870	7,208,456
Infrastructure	114,021,646	5,890,619	0	119,912,265
Total Accumulated Depreciation	127,999,748	7,154,541	130,870	135,023,419
Governmental Activities Capital Assets, Net	\$209,286,865	\$3,939,876	\$5,282,433	\$207,944,308

Depreciation expense was charged to governmental programs as follows:

General Government	\$222,028
Public Safety	206,405
Leisure Time Activities	149,500
Transportation	6,576,608
Total Depreciation Expense	\$7,154,541

Capital assets activity of the business-type activities for the year ended December 31, 2018, was as follows:

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$7,833,601	\$0	\$0	\$7,833,601
Capital Assets Being Depreciated:				
Building and Improvements	2,611,792	0	0	2,611,792
Equipment	904,755	173,941	256,338	822,358
Totals at Historical Cost	<u>11,350,148</u>	<u>173,941</u>	<u>256,338</u>	<u>11,267,751</u>
Less Accumulated Depreciation:				
Building and Improvements	1,529,056	66,181	0	1,595,237
Equipment	752,172	29,100	256,338	524,934
Total Accumulated Depreciation	<u>2,281,228</u>	<u>95,281</u>	<u>256,338</u>	<u>2,120,171</u>
Business-Type Activities Capital Assets, Net	<u><u>\$9,068,920</u></u>	<u><u>\$78,660</u></u>	<u><u>\$0</u></u>	<u><u>\$9,147,580</u></u>

Note 7 – Defined Benefit Pension Plans

Net Pension Liability/Net Other Postemployment Benefits (OPEB) Liability

Pensions and OPEB 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 net pension liability and the net OPEB liability represent the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting 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/OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The remainder of this note includes the pension disclosures. See Note 8 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the tradition and combined plans 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 and combined plans as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

<u>Group A</u>	<u>Group B</u>	<u>Group C</u>
<u>State and Local</u>	<u>State and Local</u>	<u>State and Local</u>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
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
Traditional Plan 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	Traditional Plan 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	Traditional Plan 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.

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When a traditional plan 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. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** This rate is determined by OPERS' Board and has no maximum rate established by ORC.

*** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

**** These pension and employer health care rates are for the traditional and combined plans.

The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. For 2018, The City's contractually required contribution was \$820,562 for the traditional plan. Of this amount \$112,277 is reported as accrued wages and benefits.

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

Plan Description – City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State

City of Beavercreek, Ohio
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Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before 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 (see OPF CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits):

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

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	<u>Safety Officers</u>
2018 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
2018 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	<u>0.50</u>
Total Employer	<u>19.50 %</u>
Employee	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$853,595 for 2018. Of this amount \$64,302 is reported as accrued wages and benefits.

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

The net pension liability for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017 to December 31, 2017. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share of the City's defined benefit pension plans:

	OPERS	OPF	Total
Proportionate Share of the:			
Net Pension Liability	\$6,442,773	\$10,851,260	\$17,294,033
Proportion of the Net Pension Liability:			
Current Measurement Date	0.04106800%	0.17680400%	0.21787200%
Prior Measurement Date	<u>0.04132100%</u>	<u>0.17236200%</u>	<u>0.21368300%</u>
Change in Proportionate Share	<u>-0.00025300%</u>	<u>0.00444200%</u>	<u>0.00418900%</u>
Pension Expense	(\$456,282)	\$3,148,526	\$2,692,244

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

City of Beavercreek, Ohio
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	OPERS	OPF	Total
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$6,580	\$164,675	\$171,255
Changes in assumptions	769,954	472,847	1,242,801
Changes in employer proportionate share of net pension liability	6,806	389,745	396,551
Contributions subsequent to the measurement date	820,562	853,595	1,674,157
Total Deferred Outflows of Resources	\$1,603,902	\$1,880,862	\$3,484,764
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$126,966	\$19,630	\$146,596
Net difference between projected and actual earnings on pension plan investments	1,383,179	375,370	1,758,549
Changes in employer proportionate share of net pension liability	54,564	305,109	359,673
Total Deferred Inflows of Resources	\$1,564,709	\$700,109	\$2,264,818

\$1,674,157 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OPF	Total
2019	\$544,492	\$294,589	\$839,081
2020	(148,415)	195,901	47,486
2021	(609,078)	(192,893)	(801,971)
2022	(568,368)	(163,907)	(732,275)
2023	0	154,594	154,594
Thereafter	0	38,874	38,874
Total	(\$781,369)	\$327,158	(\$454,211)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

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Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2017, are presented below.

OPERS Traditional Plan

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018 then 2.15 percent, simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

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

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

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

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

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

Asset Class	Target Allocation	Weighted Average
		Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.20%
Domestic Equities	19.00%	6.37%
Real Estate	10.00%	5.26%
Private Equity	10.00%	8.97%
International Equities	20.00%	7.88%
Other investments	18.00%	5.26%
Total	100.00%	5.66%

Discount Rate The discount rate used to measure the total pension liability was 7.5 percent for the traditional plan and the combined plan. 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 City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 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 (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	Current		
	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability:			
OPERS	\$10,208,683	\$6,442,773	\$2,275,989

Changes between Measurement Date and Report Date In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net pension liability is not known.

City of Beavercreek, Ohio
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Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2017, compared with January 1, 2016, are presented below.

	January 1, 2017	January 1, 2016
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increased based on the lesser of the increase in CPI and 3 percent

For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

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

For the January 1, 2016 valuation, rates of death were based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

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

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

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

Note: Assumptions are geometric

* levered 2x

OPF's Board of Trustees has incorporated the risk parity concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing

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return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2016 was 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 8.00 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 8.00 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 (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	Current		
	1% Decrease	Discount Rate	1% Increase
	(7.00%)	(8.00%)	(9.00%)
City's proportionate share of the net pension liability:			
OPF	\$15,042,691	\$10,851,260	\$7,432,764

Changes between Measurement Date and Report Date There have been no pension plan amendments adopted or changes in assumptions that have impacted the actuarial valuation studies for the pension plan for the measurement date.

Note 8 – Defined Benefit Other Postemployment Benefits Plans

Net Other Postemployment Benefits (OPEB) Liability

For 2018, Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" was effective. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net OPEB liability represents the City's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living

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adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

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

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

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

OPF 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 OPF meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF 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.

OPF 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 OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

City of Beavercreek, Ohio
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Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF 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, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, 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 OPF Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

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

The City's contractually required contribution to OPF was \$22,463 for 2018.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

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	OPERS	OPF	Total
Proportionate Share of the:			
Net OPEB Liability	\$4,474,017	\$10,017,467	\$14,491,484
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.04120000%	0.17680400%	0.21800400%
Prior Measurement Date	<u>0.04146469%</u>	<u>0.17236200%</u>	<u>0.21382669%</u>
Change in Proportionate Share	<u>-0.00026469%</u>	<u>0.00444200%</u>	<u>0.00417731%</u>
OPEB Expense	\$372,651	\$811,807	\$1,184,458

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

	OPERS	OPF	Total
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$3,485	\$0	\$3,485
Changes in assumptions	325,756	977,492	1,303,248
Changes in employer proportionate share of net OPEB liability	0	183,957	183,957
Contributions subsequent to the measurement date	0	22,463	22,463
Total Deferred Outflows of Resources	<u>\$329,241</u>	<u>\$1,183,912</u>	<u>\$1,513,153</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$0	\$50,524	\$50,524
Net difference between projected and actual earnings on OPEB plan investments	333,285	65,939	399,224
Changes in employer proportionate share of net OPEB liability	18,087	0	18,087
Total Deferred Inflows of Resources	<u>\$351,372</u>	<u>\$116,463</u>	<u>\$467,835</u>

\$22,463 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 OPEB liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OPF	Total
2019	\$65,443	\$145,931	\$211,374
2020	65,443	145,931	211,374
2021	(69,694)	145,931	76,237
2022	(83,323)	145,931	62,608
2023	0	162,416	162,416
Thereafter	0	298,846	298,846
Total	<u>(\$22,131)</u>	<u>\$1,044,986</u>	<u>\$1,022,855</u>

**City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018**

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

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

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

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

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

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

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

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

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

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

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	Current	1% Decrease (2.85%)	Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability:				
OPERS	\$5,943,924	\$4,474,017	\$3,284,876	

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

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

	Current Health Care Cost Trend Rate	1% Decrease Assumption	1% Increase
City's proportionate share of the net OPEB liability			
OPERS	\$4,280,680	\$4,474,017	\$4,673,728

Changes between Measurement Date and Report Date In October, 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net OPEB liability is not known.

Actuarial Assumptions – OPF

OPF's total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OPF's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate:	
Current measurement date	3.24 percent
Prior measurement date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

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

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

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

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

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

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

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

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

Note: Assumptions are geometric

* levered 2x

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

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Discount Rate The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OPF's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

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

	Current		
	1% Decrease (2.24%)	Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the Net OPEB Liability			
OPF	\$12,521,955	\$10,017,467	\$8,090,374

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

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

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

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

	<u>1% Decrease</u>	<u>Current Rates</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability			
OPF	\$7,781,748	\$10,017,467	\$13,030,459

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

Note 9 – Capital Leases – Lessee Disclosure

In 2018, the City entered into lease agreements for golf carts. In prior years, the City entered into lease agreements for a salt truck and a street sweeper and equipment. In 2016, the City entered into a lease agreement for golf course maintenance equipment and road maintenance equipment.

The City's lease obligations meet the criteria of a capital lease and have been recorded on the government-wide statements. The leased assets have been capitalized for the amount of the present value of the minimum lease payments at the inception of the lease. Capital lease payments will be made from the Street Levy fund, and the Golf Course fund.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of fiscal year end.

Fiscal Year	
<u>Ending December 31,</u>	<u>Long-Term Debt</u>
2019	\$138,952
2020	138,925
2021	<u>91,458</u>
Total Lease Payments	369,335
Interest	(15,198)
Present Value Payments	<u><u>\$354,137</u></u>

Capital assets acquired under capital leases have been capitalized in the Statement of Net Position as follows:

Governmental Activities	\$294,460
Business-Type Activities	300,648

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Note 10 – Long-Term Obligations

Changes in long-term obligations during 2018 were as follows:

	Restated Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
2004-2018 Senior Center Bonds \$500,000	\$45,000	\$0	(\$45,000)	\$0	\$0
2017-2037 GO Bonds \$1,750,000	1,740,000	0	(60,000)	1,680,000	60,000
Premium on 2017 Refunding Issues	320,081	0	(1,410)	318,671	0
2011 Refunding Bond Issue 2	1,840,000	0	(335,000)	1,505,000	350,000
Premium on Issue 2 - Matures 12/2022	120,712	0	(24,143)	96,569	0
Total General Obligation Bonds	4,065,793	0	(465,553)	3,600,240	410,000
Special Assessment Bonds					
2017-2023 Refunding of 2003 SA Bonds \$550,000	475,000	0	(75,000)	400,000	75,000
2017-2029 Refunding of 2009 SA Bonds \$655,000	645,000	0	0	645,000	0
1999-2019 Various Purpose Street Improvement Bonds \$180,000	20,000	0	(10,000)	10,000	10,000
2001-2021 Various Purpose Street Improvement Bonds \$495,000	90,000	0	(20,000)	70,000	20,000
2003-2023 Kontagionnis Hills Street Development Bonds \$1,290,000	0	0	0	0	0
2009-2029 Mission Pointe/Balleymead Street Improvement Bonds \$1,120,000	100,000	0	(50,000)	50,000	50,000
2018 Traditions Bond \$250,000	0	230,000	0	230,000	5,000
Total Special Assessment Bonds	1,330,000	230,000	(155,000)	1,405,000	160,000
Capital Leases:					
2016 Line Stripper Spary Rig	135,549	0	(42,070)	93,479	42,745
Total Capital Leases	135,549	0	(42,070)	93,479	42,745
Net Pension Liability:					
OPERS	8,339,077	0	(2,624,682)	5,714,395	0
OPF	10,917,236	0	(65,976)	10,851,260	0
Total Net Pension Liability	19,256,313	0	(2,690,658)	16,565,655	0
Net OPEB Liability:					
OPERS	3,714,598	253,616	0	3,968,214	0
OPF	8,181,637	1,835,830	0	10,017,467	0
Total Net OPEB Liability	11,896,235	2,089,446	0	13,985,681	0
Compensated Absences	1,555,286	559,178	(730,563)	1,383,901	602,756
Total Governmental Activities Long Term Debt	\$38,239,176	\$2,878,624	(\$4,083,844)	\$37,033,956	\$1,215,501

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

	Restated Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<u>Business-Type Activities</u>					
<u>General Obligation Bonds</u>					
2017-2028 Refunding of GC Judgement Bonds - \$575,000	\$570,000	\$0	\$0	\$570,000	\$0
Premium on 2017 Refunding issues	77,369	0	(353)	77,016	0
1999-2023 Capital Appreciation Bonds - \$4,158,455	1,553,414	0	(295,488)	1,257,926	280,422
Accretion of Interest	2,773,494	218,018	(549,512)	2,442,000	564,578
2009-2028 Judgement Bonds \$1,070,000	105,000	0	(50,000)	55,000	55,000
Total General Obligation Bonds	5,079,277	218,018	(895,353)	4,401,942	900,000
<u>Capital Lease:</u>					
2018 Golf Carts Lease - \$307,944	0	307,944	(75,197)	232,747	75,107
2013 Golf Carts Lease - \$358,648	60,436	0	(60,436)	0	0
2016 Line Stripper/Spray Rig - \$274,000	40,472	0	(12,561)	27,911	12,752
Total Capital Leases	100,908	307,944	(148,194)	260,658	87,859
<u>Net Pension Liability</u>					
Golf Course	1,044,219	0	(315,841)	728,378	0
Total Net Pension Liability	1,044,219	0	(315,841)	728,378	0
<u>Net OPEB Liability</u>					
Golf Course	473,476	32,327	0	505,803	0
Total Net OPEB Liability	473,476	32,327	0	505,803	0
Compensated Absences	46,785	46,293	(40,430)	52,648	44,020
Total Business-Type Activities	\$6,744,665	\$604,582	(\$1,399,818)	\$5,949,429	\$1,031,879

The City's bonds will be paid from the Debt Service fund and the Golf Course fund. The City's capital leases will be paid out of the Street Levy fund, and the Golf Course fund. Compensated Absences will be paid by the fund from which the employee is paid. In prior years those governmental funds have been the General Fund, Street Levy Fund, Police Fund, State Highway Fund, and the Park Levy Fund. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefitting from their service.

During 2017, the City issued \$3,530,000 in Current Interest Bonds with an interest rate between 2.00% and 4.00% which was used to refund \$1,780,000 of the outstanding 2009 Golf Course Judgement Bonds with an interest rate between 2.00% and 4.20%, 2003 special assessment bonds with an interest rate of 3.92%, and 2009 special assessment bonds with an interest rate between 2.00% and 4.50%. The issuance included \$1,750,000 in G.O. Bonds to replace existing BAN and provide additional project funds in the Park Levy fund. The net proceeds of \$1,939,736 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide all future debt service payments on the bond issues. As a result, \$1,780,000 of the 2009 Golf Course Judgement Bonds, 2003 special assessment bonds, and 2009 special assessment bonds are considered to be defeased and the related liability for those bonds have been removed from the Statement of Net Position. As of December 31, 2018, \$1,315,755 remained in the escrow account to retire the 2009 Golf Course Judgement Bonds and 2009 special assessment bonds outstanding balance in the amount of \$1,260,000.

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2018, are as follows:

Governmental Activities

December 31,	General Obligation Bonds		Special Assessment Bonds		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$410,000	\$141,200	\$160,000	\$56,375	\$570,000	\$197,575
2020	430,000	121,900	165,000	48,388	595,000	170,288
2021	450,000	101,700	170,000	42,311	620,000	144,011
2022	470,000	79,850	155,000	35,110	625,000	114,960
2023	70,000	57,000	155,000	28,890	225,000	85,890
2024-2028	400,000	239,600	390,000	91,650	790,000	331,250
2029-2033	495,000	152,400	120,000	23,160	615,000	175,560
2034-2037	460,000	46,600	75,000	12,600	535,000	59,200
2038	0	0	15,000	630	15,000	630
Total	<u>\$3,185,000</u>	<u>\$940,250</u>	<u>\$1,405,000</u>	<u>\$339,114</u>	<u>\$4,590,000</u>	<u>\$1,279,364</u>

Business-Type Activities

December 31,	Judgment Bonds		Capital Appreciation Bonds		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$55,000	\$24,106	\$280,422	\$564,578	\$335,422	\$588,684
2020	55,000	22,250	266,133	578,867	321,133	601,117
2021	60,000	20,600	249,748	595,252	309,748	615,852
2022	60,000	18,200	236,904	608,096	296,904	626,296
2023	65,000	15,800	224,719	620,282	289,719	636,082
2024-2028	330,000	40,600	0	0	330,000	40,600
Total	<u>\$625,000</u>	<u>\$141,556</u>	<u>\$1,257,926</u>	<u>\$2,967,075</u>	<u>\$1,882,926</u>	<u>\$3,108,631</u>

Note 11 – Special Assessment Bonds

In 2018, the City issued \$230,000 in Special Assessment Bonds with an interest rate of 4.2% which was used towards road improvements. Bond payments will be made from the Debt Service Fund.

Note 12 – Notes Payable

A summary of the note transactions for the current year end are as follows:

Governmental Activities	Rate	Beginning	Additions	Deletions	Ending
		Balance			Balance
Minor Special Assessment District Project Fund:					
2017 - Road Improvement SA BANS	2.40%	\$325,000	\$0	\$325,000	\$0
Total Governmental Activities		<u>\$325,000</u>	<u>\$0</u>	<u>\$325,000</u>	<u>\$0</u>

All of the notes are bond anticipation notes, are backed by the full faith and credit of the City, and mature within one year.

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

The Road Improvement Note was issued at an interest rate of 2.40% to make road improvements in the City.

Note 13 – Interfund Activity

Interfund receivable, interfund payable and transfers in and transfers out for the current year are as follows:

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$993,548	\$0	\$0	\$2,727,237
Golf Course	0	993,548	2,440,414	0
Other Governmental Funds	0	0	445,791	158,968
Total All funds	<u>\$993,548</u>	<u>\$993,548</u>	<u>\$2,886,205</u>	<u>\$2,886,205</u>

The transfers from the General Fund and Other Governmental Funds to the Other Governmental Funds are for the repayment of outstanding debt. The General Fund also provided transfers to the Golf Course fund to assist in covering debt service, capital improvements, and operating costs.

The interfund receivable of \$993,548 to the General Fund from the Golf Course Enterprise fund is due to the General Fund covering the cash deficit in this fund due to operating losses.

Note 14 – Risk Management

The City is one of twenty members of a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA), with the cities of Englewood, Bellbrook and Centerville added in 2004. The pool has been operational since December 1, 1988, and was formed according to Section 2744.081 of the Ohio Revised Code. This joint venture covers all property, crime, liability, boiler and machinery, and public official liability up to the limits stated below. It is intended to provide broad-based coverage up to the various limits with increased emphasis on safety and loss prevention.

MVRMA is a corporation governed by a twenty member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. The board is responsible for its own financial matters and the corporation maintains its own book of accounts. Budget and financing of MVRMA is subject to the approval of the board.

Excess insurance coverage will cover additional claims up to the limits listed below:

Liability:

- Personal Injury Liability
- Property Damage Liability
- Public Officials Errors and Omissions
- Employment Practices Liability
- Employee Benefits Liability

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Limits: \$12,000,000 per occurrence. \$12,000,000 annual aggregate per member for Employment Practices Liability; Public Officials Errors and Omissions and Employee benefits Liability combined; and Products/Completed Operations.

MVRMA self-insured \$500,000 per occurrence and obtained reinsurance from Government Entities Mutual Inc. (GEM) for \$4.5 million excess of \$500,000, and from Genesis for \$7 million excess of \$5 million.

Property:

\$1,000,000,000/occurrence

MVRMA Self-Insured Retention (SIR): \$250,000/occurrence

Coverage excess of SIR provided by Alliant Property Insurance Program. List of carriers underwriting the coverage provided upon request.

Flood – included in Property Policy

\$25 million/occurrence and annual aggregate

Sublimit: Flood zone A & V - \$5 million/occurrence and annual aggregate

MVRMA SIR: \$250,000/occurrence All Flood Zones

Earthquake – included in Property Policy

\$25 million/occurrence and annual aggregate

MVRMA SIR: \$100,000/occurrence

Boiler & Machinery – included in Property Policy

\$100,000,000/occurrence

MVRMA SIR: \$10,000-\$350,000/occurrence

Cyber Liability – included in Property Policy

MVRMA SIR: \$100,000/occurrence

Coverage excess of SIR provided by Lloyd's of London – Beazley Syndicate

First Party Loss:

\$2 million/occurrence and annual aggregate per member for Business Interruption, Cyber Extortion and Data Recovery, but sub-limited to \$250,000 for Business Interruption resulting from System Failure, \$750,000 for Dependent Security Breach

Liability:

\$2 million/occurrence and annual aggregate per member for Data/Network Liability, Regulatory Defense & Penalties, Payment Card Liability, Media Liability but sub-limited to \$1,000,000/occurrence and annual aggregate for Privacy Notification Costs

E-Crime:

\$50,000/occurrence and annual aggregate for Fraudulent Instruction, Funds Transfer Fraud, Telephone Fraud

Pollution Liability – Claims made and Reported Policy

Retroactive Date: Policy inception

Coverage excess SIR provided by ACE – Illinois Union Insurance Co.

\$1 million/pollution condition or Indoor Environmental Condition and aggregate

MVRMA SIR: \$100,000/pollution condition;

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

\$250,000 Mold or Sewage Backups;
\$750,000 underground storage tanks specific

Member Deductible/occurrence - \$2,500

The Financial Audit for 2018 has not been completed. Figures from the audited 2017 financial Audit are as follows:

Current Assets	\$1,163,987
Total Assets	\$18,902,013
Current Liabilities	\$5,742,796
Long-Term Liabilities	\$3,062,563
Net Position	\$10,277,805

Liability limits were increased in 2016 by \$2mm to \$12mm per occurrence and in aggregation per member to provide additional liability coverage. Settled claims have not exceeded this commercial coverage in any of the past three years.

Note 15 – Contingent Liabilities

Federal and State Grants

For the period January 1, 2018, to December 31, 2018, the City received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Litigation

The City is party to legal proceedings. The case stems from the shooting death of John Crawford in the Beavercreek Walmart in August of 2014. The City, the Chief of Police and two police officers are named defendants in this case. The City's position is that the officers acted properly and in accordance with their training during this incident. There are many facets to this case and the City's potential exposure is unknown at this time.

Natural Disaster

On May 27, 2019, the City sustained an EF-3 tornado that destroyed homes and disrupted business throughout the City. The City, along with the state, has declared a State of Emergency for the affected areas. This City initiated public safety efforts immediately after the event. Clean up efforts began after neighborhoods were secured. Based on the extent of the damage, clean-up is expected to continue for many months. The State has requested federal assistance for residents along with reimbursement to the City for public safety efforts and damage clean-up.

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Note 16 – Fund Balance

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

Fund Balances	General	Police Levy	Street Levy	Street Maintenance	Street Improvement Levy	Other Governmental Funds	Total
<u>Nonspendable:</u>							
Prepads	\$20,796	\$86,982	\$33,739	\$0	\$0	\$10,848	\$152,365
Inventory	0	272,094	142,147	404,414	0	10,398	829,053
Cemetery Bequest	0	0	0	0	0	15,201	15,201
Total Nonspendable	20,796	359,076	175,886	404,414	0	36,447	996,619
<u>Restricted for:</u>							
Police Levy	0	4,030,880	0	0	0	0	4,030,880
Street Levy	0	0	3,514,333	0	0	0	3,514,333
Street Improvement Levy	0	0	0	0	1,424,441	0	1,424,441
Street Maintenance	0	0	0	583,330	0	0	583,330
State Highway	0	0	0	0	0	133,202	133,202
Law Enforcement	0	0	0	0	0	173,673	173,673
Drug Law Enforcement	0	0	0	0	0	22,476	22,476
DUI Enforcement and Education	0	0	0	0	0	20,687	20,687
Drug Offenses Forfeiture	0	0	0	0	0	7,604	7,604
Federal Forfeiture	0	0	0	0	0	148,314	148,314
Youth Activities	0	0	0	0	0	2,289	2,289
Crime Prevention	0	0	0	0	0	410	410
Park Levy	0	0	0	0	0	750,360	750,360
Debt Service	0	0	0	0	0	127,216	127,216
Street Capital Improvement	0	0	0	0	0	216,708	216,708
Minor Special Assessment District Projects	0	0	0	0	0	271,499	271,499
Cemetery Operations	0	0	0	0	0	175,277	175,277
Total Restricted	0	4,030,880	3,514,333	583,330	1,424,441	2,049,715	11,602,699
<u>Committed to:</u>							
Park Levy	0	0	0	0	0	209,716	209,716
Committed Park	0	0	0	0	0	496,589	496,589
District One Traffic Impact Aid	0	0	0	0	0	674,272	674,272
Total Committed	0	0	0	0	0	1,380,577	1,380,577
Unassigned	1,620,619	0	0	0	0	0	1,620,619
Total Fund Balances	\$1,641,415	\$4,389,956	\$3,690,219	\$987,744	\$1,424,441	\$3,466,739	\$15,600,514

Note 17 – Risk Sharing Pool and Jointly Governed Organizations

Miami Valley Regional Planning Commission

The Miami Valley Regional Planning Commission (the “Commission”) is a jointly governed organization between Preble, Clark, Clinton, Darke, Greene, Miami and Montgomery Counties, along with the cities of Clayton, Huber Heights, Riverside, New Carlisle, Dayton, and Beavercreek. The Commission prepares plans, including studies, maps, recommendations, and reports concerning the physical, environmental,

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

social, economic, and governmental characteristics, functions, and services of the region. These reports show recommendations for systems of transportation, highways, parks and recreational facilities, water supply, sewage disposal, garbage disposal, civic centers, and other public improvements and land uses which affect the development of the region.

The degree of control exercised by any participating government is limited to its representation on the Board. Members of the Board are as follows: the officers of the Commission (elected by member representatives), the immediate past Chair of the Commission, the Commission member representing the City of Dayton, the Commission member representing each of the respective member counties, the representatives selected by each county caucus, a nongovernmental member, and two at-large representatives. Payments to the Commission are made from the General Fund. The City contributed \$20,789 for the operation of the Commission during 2018. Financial information may be obtained by writing to Brian O'Martin, Executive Director, One South Main Street, Suite 260, Dayton, Ohio 45402.

Regional Emergency Response Team (RERT)

The Regional Emergency Response Team (RERT) is a jointly governed organization between the following cities: Huber Heights, Vandalia, Fairborn, and Beavercreek. The organization was created through an agreement by the cities to establish a regional council of governments for the RERT. The regional council of governments collects and expends resources to assist the RERT in fighting crime and for other related activities. The purpose of the RERT is to foster cooperation among municipalities through sharing of equipment/facilities/collective team expenses, team consultant expenses and grant sharing costs, for their common benefit. This includes the mutual interchange and sharing of police equipment, as well as police equipment to be jointly acquired and owned, to be utilized by all participating members. The Board of the RERT is made up of one representative from each municipality. Payments to the RERT are made from Law Enforcement Fund. The City contributed \$7,500 for the operation of the RERT for 2018. Financial information can be obtained from the fiscal agent by writing to the RERT, c/o The City of Beavercreek, Bill Kucera, Financial Administrative Services Director, at 1368 Research Park Drive, Beavercreek, Ohio 45432.

Greene County Agencies for Combined Enforcement (ACE Task Force)

The Greene County Agencies for Combined Enforcement (ACE Task Force) is a jointly governed organization comprised of the Greene County Sheriff's Office; the Beavercreek, Fairborn, Xenia, Yellow Springs and Sugarcreek Township Police Departments; and the Greene County Prosecutor's Office. The ACE Task Force is a multi-jurisdictional, multi-disciplinary partnership that share information and resources in order to target the flow of illegal drugs and organized criminal activity into Ohio communities, ensuring the safety and security of Ohio's citizens. Payments to the Task Force are made from the Law Enforcement Fund. The City contributed \$15,000 during 2018. Financial information can be obtained from Greene County Agencies for Combined Enforcement (ACE Task Force), Commander Bruce L. May, 1388 Research Park Drive, Beavercreek, OH 45432.

Miami Valley Risk Management Association, Inc. (MVRMA)

The Miami Valley Risk Management Association, Inc. (MVRMA) is an insurance pool established for the purpose of enabling the subscribing political subdivisions to obtain liability insurance to provide a formalized, jointly administered self-insurance fund for its members. The members formed a not-for-profit corporation known as Miami Valley Risk Management Association, Inc. for the purpose of

City of Beavercreek, Ohio

Notes to the Basic Financial Statements

For The Year Ended December 31, 2018

administering the pool. The subscribing members of the self-insurance pool include the Cities of Beavercreek, Bellbrook, Blue Ash, Centerville, Englewood, Kettering, Madeira, Mason, Miamisburg, Montgomery, Piqua, Sidney, Springdale, Tipp City, Troy, Vandalia, West Carrollton, Wilmington and Wyoming and the City of Indian Hill. The City has no ongoing financial responsibility for MVRMA.

The City makes an annual contribution to MVRMA for the coverage it is provided, based on rates established by MVRMA. Financial information may be obtained by writing to the Miami Valley Risk Management Association, Inc., 4625 Presidential Way, Kettering, Ohio, 45429.

Ohio Benefits Cooperative (OBC)

The City is a member of the OBC, a consortium of political subdivisions in the greater Miami Valley area. The purpose of the OBC is to pool risk and collectively purchase health insurance. OBC entered into an administrative agreement on September 1, 2015 with the Jefferson Health Plan (JHP) for stop loss insurance, pooling, administration and other benefit services to provide medical benefits to City employees. The Jefferson Health Plan is a self-insurance plan.

The employee health benefit plan provides basic health coverage through Anthem, the third party administrator (TPA) of the program, which reviews and processes or disallows the claims. Jefferson Health Plan (JHP) releases the claims payments to the providers as a consortium outside Anthem. JHP is a jointly governed organization established as a joint insurance pool. The City is a member of the Ohio Benefits Cooperative (OBC) which is a member of JHP. A specific excess loss coverage (stop loss) insurance policy covers claims in excess of \$200,000 per employee per year. For the plan year effective September 1, 2018 through August 31, 2019, the monthly single and family premiums for the PPO plan were \$705.22, and \$1,901.33 respectfully. The City also offers a High Deductible Health Plan combined with a Health Savings Account (HSA). The monthly premiums for HDHP/HSA is \$527.12 for single coverage and \$1,421.16 for family coverage. The City currently contributes the employer premium difference of the PPO and HDHP/HSA plan into the employee's HSA. The City pays 82.5% of the premiums for all employees, except police officers of which the City pays 83% of the premium. The TPA charges the City an administration fee of \$48.08 per employee per month (pepm) of the PPO plan and \$52.68 for the HDHP/HSA plan.

City of Beavercreek (Greene County), Ohio Energy Special Improvement District (PACE)

The City is a member of the PACE, a cooperative agreement between the City, Greene County Port Authority, MFC Beavercreek, LLC. The mission of the PACE will be to enhance the value of properties within the PACE and improve the environment through the development and implementation of special energy improvement projects initially being energy efficiency improvements in accordance with the Act and the Plan.

The operations and fiscal affairs of the PACE are managed and administered by the Board of Directors (the "Board") of the PACE, an Ohio not-for-profit corporation formed for such purpose.

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City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Note 18 – Construction and Other Commitments

As of December 31, 2018, the City had the following material commitments with respect to capital projects:

Project	Open PO Amount as of 12/31/2018
North Fairfield Resurfacing	\$1,365,000
National Road @ Grange Hall	\$1,143,836
National Road @ Colonel Glenn	300,000
Dayton-Xenia Road Widening	577,068
Lillian Lane Extension	249,200
Shakertown Road Widening	363,954
Indian Ripple Road Improvements	503,476
Shakertown Road Widening	19,560
Shakertown @ North Fairfield	200,000
Colonel Glenn Streetscape	121,734
Kemp Road Widening	40,463
 Total Contractual Commitments	 <u><u>\$4,884,291</u></u>

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

Fund	Amount
General	\$64,913
Police Levy	204,470
Street Levy	2,102,221
Street Maintenance	244,299
Street Improvement Levy	2,930,944
Park Levy	104,748
Nonmajor Funds	577,428
 Total	 <u><u>\$6,229,023</u></u>

City of Beavercreek, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Note 19 – Implementation of New Accounting Principles

For fiscal year 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, GASB Statement No. 85, *Omnibus 2017*, and GASB Statement No. 86, *Certain Debt Extinguishments*.

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pension (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 affected the City's postemployment benefit plan disclosures, as presented in Note 8 to the basic financial statements, and added required supplementary information which can be found following these notes to the basic financial statements.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the City.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the City.

A net position restatement is required in order to implement GASB Statement No. 75. The governmental activities and business-type activities at January 1, 2018 have been restated as follows:

	Governmental Activities	Business Type Activities	Golf Course Fund
Net position as previously reported	\$206,920,179	\$2,245,006	\$2,245,006
Adjustments:			
Net OPEB Liability	(11,896,235)	(473,476)	(473,476)
Deferred Outflow			
Payments Subsequent to Measurement Date	78,240	7,301	7,301
Restated Net Position January 1, 2018	<u>\$195,102,184</u>	<u>\$1,778,831</u>	<u>\$1,778,831</u>

REQUIRED **S**UPPLEMENTARY **I**NFORMATION

City of Beavercreek, Ohio

Required Supplementary Information

Schedule of the City's Proportionate Share
of the Net Pension Liability

Ohio Public Employees Retirement System - Traditional Plan

Last Five Fiscal Years (1)

	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.04106800%	0.04132100%	0.04195600%	0.04084800%	0.04084800%
City's Proportionate Share of the Net Pension Liability	\$6,442,773	\$9,383,296	\$7,267,308	\$4,926,725	\$4,815,447
City's Covered Payroll	\$5,427,146	\$5,341,608	\$6,092,208	\$5,024,558	\$5,671,715
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	118.71%	175.66%	119.29%	98.05%	84.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

City of Beavercreek, Ohio

Required Supplementary Information

Schedule of the City's Proportionate Share
of the Net Pension Liability

Ohio Police and Fire Pension Fund

Last Five Fiscal Years (1)

	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.17680400%	0.17236200%	0.18076200%	0.17404640%	0.17404640%
City's Proportionate Share of the Net Pension Liability	\$10,851,260	\$10,917,236	\$11,628,546	\$9,016,329	\$8,476,606
City's Covered Payroll	\$4,271,832	\$4,129,889	\$4,197,785	\$3,577,471	\$3,807,477
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	254.02%	264.35%	277.02%	252.03%	222.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	72.20%	73.00%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

City of Beavercreek, Ohio

Required Supplementary Information

Schedule of City Contributions
for Net Pension Liability

Ohio Public Employees Retirement System- Traditional Plan

Last Five Fiscal Years (1)

	2018	2017	2016	2015	2014
Contractually Required Contribution	\$820,562	\$705,529	\$640,993	\$731,065	\$602,947
Contributions in Relation to the Contractually Required Contribution	(820,562)	(705,529)	(640,993)	(731,065)	(602,947)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$5,861,157	\$5,427,146	\$5,341,608	\$6,092,208	\$5,024,558
Contributions as a Percentage of Covered Payroll	14.00%	13.00%	12.00%	12.00%	12.00%

(1) - Information prior to 2014 is not available.

See accompanying notes to the required supplementary information.

City of Beavercreek, Ohio
 Required Supplementary Information
 Schedule of City Contributions
 for Net Pension Liability
 Ohio Police and Fire Pension Fund
Last Five Fiscal Years (1)

	2018	2017	2016	2015	2014
Contractually Required Contribution	\$853,595	\$811,648	\$784,679	\$843,335	\$728,373
Contributions in Relation to the Contractually Required Contribution	(853,595)	(811,648)	(784,679)	(843,335)	(728,373)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$4,492,605	\$4,271,832	\$4,129,889	\$4,197,785	\$3,577,471
Contributions as a Percentage of Covered Payroll	19.00%	19.00%	19.00%	20.09%	20.36%

(1) - Information prior to 2014 is not available.

See accompanying notes to the required supplementary information.

City of Beavercreek, Ohio

Required Supplementary Information

Schedule of the City's Proportionate Share

of the Net Postemployment Benefits Other Than Pension (OPEB) Liability

Ohio Public Employees Retirement System - Traditional Plan

Last Two Fiscal Years (1)

	2018	2017
City's Proportion of the Net OPEB Liability	0.04120000%	0.04146469%
City's Proportionate Share of the Net OPEB Liability	\$4,474,017	\$4,188,075
City's Covered Payroll	\$5,427,146	\$5,341,608
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	82.44%	78.40%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.04%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

City of Beavercreek, Ohio

Required Supplementary Information

Schedule of the City's Proportionate Share
of the Net Postemployment Benefits Other Than Pension (OPEB) Liability

Ohio Police and Fire Pension Fund

Last Two Fiscal Years (1)

	2018	2017
City's Proportion of the Net OPEB Liability	0.17680400%	0.17236200%
City's Proportionate Share of the Net OPEB Liability	\$10,017,467	\$8,181,637
City's Covered Payroll	\$4,271,832	\$4,129,889
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	234.50%	198.11%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.13%	15.96%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

City of Beavercreek, Ohio

Required Supplementary Information

Schedule of City Contributions to

Postemployment Benefits Other Than Pension (OPEB)

Ohio Public Employees Retirement System - Traditional Plan

Last Three Fiscal Years (1)

	2018	2017	2016
Contractually Required Contribution to OPEB	\$0	\$0	\$0
Contributions to OPEB in Relation to the Contractually Required Contribution	0	0	0
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$5,861,157	\$5,427,146	\$5,341,608
Contributions to OPEB as a Percentage of Covered Payroll	0.00%	0.00%	0.00%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

City of Beavercreek, Ohio

Required Supplementary Information

Schedule of City Contributions to

Postemployment Benefits Other Than Pension (OPEB)

Ohio Police and Fire Pension Fund

Last Three Fiscal Years (1)

	2018	2017	2016
Contractually Required Contribution to OPEB (2)	\$22,463	\$20,962	\$40,266
Contributions to OPEB in Relation to the Contractually Required Contribution	(22,463)	(20,962)	(40,266)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$4,492,605	\$4,271,832	\$4,129,889
Contributions to OPEB as a Percentage of Covered Payroll	0.50%	0.49%	0.97%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

(2) - Includes Surcharge.

See accompanying notes to the required supplementary information.

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	General Fund		
	Original Budget	Final Budget	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$1,310,718	\$1,310,718	\$126,605
Charges for Services	91,638	91,638	8,852
Investment Earnings	251,894	251,894	24,331
Intergovernmental	1,130,660	1,130,660	109,212
Special Assessments	120,181	120,181	11,609
Fines, Licenses & Permits	640,050	640,050	61,824
Other Revenues	52,763	52,763	5,097
Total Revenues	3,597,904	3,597,904	347,530
Expenditures:			
Current:			
<u>General Government</u>			
Council:			
Personal Services	40,701	49,758	47,912
Other Expenditures	53,940	65,943	63,496
Total Council	94,641	115,701	4,293
Clerk:			
Personal Services	60,246	73,652	70,919
Other Expenditures	16,846	20,594	19,830
Total Clerk	77,092	94,246	3,497
City Manager:			
Personal Services	216,971	265,253	255,411
Other Expenditures	12,373	15,126	14,565
Total City Manager	229,344	280,379	10,403
HR/Risk Management:			
Personal Services	77,065	94,214	90,718
Other Expenditures	5,201	6,358	6,122
Total HR/Risk Management	82,266	100,572	3,732
Finance:			
Personal Services	345,349	422,198	406,533
Other Expenditures	16,517	20,192	19,443
Total Finance	361,866	442,390	16,414
Information Systems:			
Personal Services	72,374	88,479	85,196
Other Expenditures	52,474	64,150	61,770
Total Information Systems	124,848	152,629	5,663
Contractual Services:			
Other Expenditures	300,677	367,586	353,947
Total Contractual Services	300,677	367,586	13,639

Continued

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Building Facilities Maintenance:				
Personal Services	63,003	77,023	74,165	2,858
Other Expenditures	<u>42,505</u>	<u>51,963</u>	<u>50,035</u>	<u>1,928</u>
Total Building Facilities Maintenance	<u>105,508</u>	<u>128,986</u>	<u>124,200</u>	<u>4,786</u>
Total General Government	<u>1,376,242</u>	<u>1,682,489</u>	<u>1,620,062</u>	<u>62,427</u>
<u>Community Development</u>				
Planning and Zoning Boards:				
Other Expenditures	9,325	11,400	10,977	423
Total Planning and Zoning Boards	<u>9,325</u>	<u>11,400</u>	<u>10,977</u>	<u>423</u>
Planning and Zoning Administration:				
Personal Services	495,115	605,290	582,832	22,458
Other Expenditures	<u>55,513</u>	<u>67,866</u>	<u>65,348</u>	<u>2,518</u>
Total Planning and Zoning Administration	<u>550,628</u>	<u>673,156</u>	<u>648,180</u>	<u>24,976</u>
Total Community Environment	<u>559,953</u>	<u>684,556</u>	<u>659,157</u>	<u>25,399</u>
<u>Basic Utility Service</u>				
District Lighting:				
Other Expenditures	69,278	84,694	81,552	3,142
Total Basic Utility Service	<u>69,278</u>	<u>84,694</u>	<u>81,552</u>	<u>3,142</u>
<u>Public Health and Welfare</u>				
Cemetery Maintenance:				
Personal Services	110,839	135,504	130,476	5,028
Other Expenditures	<u>58,807</u>	<u>71,893</u>	<u>69,226</u>	<u>2,667</u>
Total Public Health and Welfare	<u>169,646</u>	<u>207,397</u>	<u>199,702</u>	<u>7,695</u>
Total Expenditures	<u>2,175,119</u>	<u>2,659,136</u>	<u>2,560,473</u>	<u>98,663</u>
Excess of Revenues Over (Under) Expenditures	<u>1,422,785</u>	<u>938,768</u>	<u>1,384,961</u>	<u>446,193</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	1,169	1,169	1,282	113
Transfers In	<u>637,810</u>	<u>637,810</u>	<u>699,417</u>	<u>61,607</u>
Transfers (Out)	<u>(2,318,483)</u>	<u>(2,834,403)</u>	<u>(2,729,237)</u>	<u>105,166</u>
Total Other Financing Sources (Uses)	<u>(1,679,504)</u>	<u>(2,195,424)</u>	<u>(2,028,538)</u>	<u>166,886</u>
Net Change in Fund Balance	<u>(256,719)</u>	<u>(1,256,656)</u>	<u>(643,577)</u>	<u>613,079</u>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>964,413</u>	<u>964,413</u>	<u>964,413</u>	<u>0</u>
Fund Balance End of Year	<u>\$707,694</u>	<u>(\$292,243)</u>	<u>\$320,836</u>	<u>\$613,079</u>

See accompanying notes to the required supplementary information.

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	Police Levy Fund		
	Original Budget	Final Budget	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$8,277,352	\$8,277,352	\$8,365,094
Charges for Services	308,420	308,420	311,689
Intergovernmental	955,959	955,959	966,092
Fines, Licenses & Permits	82,723	82,723	83,600
Other Revenues	166,049	166,049	167,809
Total Revenues	9,790,503	9,790,503	9,894,284
Expenditures:			
Current:			
<u>General Government</u>			
Building Facilities Maintenance:			
Personal Services	29,978	29,978	28,046
Other Expenditures	98,453	98,453	92,108
Total General Government	128,431	128,431	120,154
<u>Public Safety</u>			
Police Administration:			
Personal Services	243,149	243,149	227,478
Other Expenditures	3,755	3,755	3,513
Total Police Administration	246,904	246,904	230,991
Support Services:			
Personal Services	1,727,198	1,727,198	1,615,878
Other Expenditures	9,248	9,248	8,652
Total Support Services	1,736,446	1,736,446	1,624,530
Emergency Dispatch:			
Other Expenditures	55,420	55,420	51,848
Total Emergency Dispatch	55,420	55,420	51,848
Corrections:			
Other Expenditures	237,686	237,686	222,367
Total Corrections	237,686	237,686	222,367
Allocable Support:			
Other Expenditures	996,757	996,757	932,515
Total Allocable Support	996,757	996,757	932,515

Continued

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	Police Levy Fund		
	Original Budget	Final Budget	Variance from Final Budget
Investigations:			
Personal Services	1,298,197	1,298,197	1,214,527
Total Investigations	1,298,197	1,298,197	1,214,527
			83,670
Police Operations:			
Personal Services	4,977,330	4,977,330	4,656,536
Other Expenditures	556,621	556,621	520,746
Total Police Operations	5,533,951	5,533,951	5,177,282
			356,669
Off Duty Trust Account			
Personal Services	63,324	63,324	59,243
Total Off Duty Trust Account	63,324	63,324	59,243
			4,081
COP Program			
Other Expenditures	470	470	440
Total COP Program	470	470	440
			30
Total Public Safety	10,169,155	10,169,155	9,513,743
			655,412
Total Expenditures	10,297,586	10,297,586	9,633,897
			663,689
Excess of Revenues Over (Under) Expenditures	(507,083)	(507,083)	260,387
			767,470
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	9,074	9,074	9,170
Transfers (Out)	(404,955)	(404,955)	(378,855)
			26,100
Total Other Financing Sources (Uses)	(395,881)	(395,881)	(369,685)
			26,196
Net Change in Fund Balance	(902,964)	(902,964)	(109,298)
			793,666
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,210,183	4,210,183	4,210,183
			0
Fund Balance End of Year	\$3,307,219	\$3,307,219	\$4,100,885
			\$793,666

See accompanying notes to the required supplementary information.

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	Street Levy Fund		
	Original Budget	Final Budget	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$4,827,075	\$4,828,798	\$5,489,125
Intergovernmental	2,338,789	2,339,624	2,659,562
Fines, Licenses & Permits	21,345	21,353	24,273
Other Revenues	61,347	61,369	69,761
Total Revenues	7,248,556	7,251,144	8,242,721
Expenditures:			
Current:			
<u>General Government</u>			
Building Facilities Maintenance:			
Personal Services	143,131	144,170	127,255
Other Expenditures	235,095	236,802	209,019
Total Building Facilities Maintenance	378,226	380,972	336,274
Total General Government	378,226	380,972	336,274
<u>Transportation and Street Repair</u>			
Engineering and General Inspection:			
Personal Services	186,927	188,284	166,193
Other Expenditures	13,592	13,690	12,084
Total Engineering and General Inspection	200,519	201,974	178,277
Street Inspection:			
Personal Services	558,079	562,130	496,178
Other Expenditures	5,713	5,754	5,079
Total Street Inspection	563,792	567,884	501,257
Administration:			
Personal Services	405,932	408,879	360,907
Other Expenditures	355,097	357,674	315,710
Total Administration	761,029	766,553	676,617
Street Maintenance:			
Personal Services	1,146,809	1,155,134	1,019,607
Other Expenditures	294,336	296,473	261,689
Total Street Maintenance	1,441,145	1,451,607	1,281,296
Snow and Ice Control:			
Personal Services	191,688	193,079	170,426
Other Expenditures	52,594	52,975	46,760
Total Snow & Ice Control:	244,282	246,054	217,186
Weed and Grass Control:			
Personal Services	273,956	275,944	243,569
Other Expenditures	181,000	182,314	160,924
Total Weed and Grass Control	454,956	458,258	404,493
Vehicle and Equipment Maintenance:			
Personal Services	227,747	229,401	202,486
Other Expenditures	32,913	33,152	29,262
Total Vehicle and Equipment Maintenance	260,660	262,553	231,748

Continued

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Street Levy Fund Variance from Final Budget
Traffic Safety:				
Personal Services	414,675	417,685	368,680	49,005
Other Expenditures	366,468	369,128	325,820	43,308
Total Traffic Safety	781,143	786,813	694,500	92,313
Storm Water Maintenance:				
Personal Services	250,844	252,665	223,021	29,644
Other Expenditures	226,374	228,017	201,265	26,752
Total Storm Water Maintenance	477,218	480,682	424,286	56,396
Total Transportation and Street Repair	5,184,744	5,222,378	4,609,660	612,718
Capital Outlay	5,500,466	5,540,394	4,890,363	650,031
Total Expenditures	11,063,436	11,143,744	9,836,297	1,307,447
Excess of Revenues Over (Under) Expenditures	(3,814,880)	(3,892,600)	(1,593,576)	2,299,024
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	32,524	32,536	36,985	4,449
Transfers (Out)	(216,814)	(218,387)	(192,765)	25,622
Total Other Financing Sources (Uses)	(184,290)	(185,851)	(155,780)	30,071
Net Change in Fund Balance	(3,999,170)	(4,078,451)	(1,749,356)	2,329,095
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,439,421	3,439,421	3,439,421	0
Fund Balance End of Year	(\$559,749)	(\$639,030)	\$1,690,065	\$2,329,095

See accompanying notes to the required supplementary information.

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	Street Maintenance Fund		
	Original Budget	Final Budget	Variance from Final Budget
Revenues:			
Charges for Services	\$117,554	\$117,554	\$117,806
Investment Earnings	6,300	6,300	6,313
Intergovernmental	3,139,494	3,139,494	3,146,212
Other Revenues	26,591	26,591	26,648
Total Revenues	3,289,939	3,289,939	3,296,979
Expenditures:			
Current:			
Basic Utility			
Street Maintenance:			
Other Expenditures	216,902	216,902	209,353
Total Street Maintenance	216,902	216,902	209,353
Snow and Ice Control:			
Other Expenditures	355,514	355,514	343,140
Total Snow and Ice Control	355,514	355,514	343,140
Annual Paving			
Other Expenditures	1,023,973	1,023,973	988,334
Total Annual Paving	1,023,973	1,023,973	988,334
Total Transportation and Street Repair	1,596,389	1,596,389	1,540,827
Capital Outlay	2,452,083	2,452,083	2,366,739
Total Expenditures	4,048,472	4,048,472	3,907,566
Excess of Revenues Over (Under) Expenditures	(758,533)	(758,533)	(610,587)
			147,946
Other Financing Sources (Uses):			
Transfers (Out)	(52,101)	(52,101)	(50,288)
Total Other Financing Sources (Uses)	(52,101)	(52,101)	(50,288)
Net Change in Fund Balance	(810,634)	(810,634)	(660,875)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	697,902	697,902	697,902
Fund Balance End of Year	(\$112,732)	(\$112,732)	\$37,027
			\$149,759

See accompanying notes to the required supplementary information.

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Local Taxes	\$3,815,942	\$3,815,942	\$2,666,416	(\$1,149,526)
Intergovernmental	619,700	619,700	433,020	(186,680)
Total Revenues	4,435,642	4,435,642	3,099,436	(1,336,206)
Expenditures:				
<u>Transportation and Street Repair</u>				
Street Improvements:				
Other Expenditures	1,388,299	1,388,299	1,207,192	181,107
Total Street Improvements	1,388,299	1,388,299	1,207,192	181,107
Total Transportation and Street Repair	1,388,299	1,388,299	1,207,192	181,107
Capital Outlay	4,933,084	4,933,084	4,289,551	643,533
Total Expenditures	6,321,383	6,321,383	5,496,743	824,640
Net Change in Fund Balance	(1,885,741)	(1,885,741)	(2,397,307)	(511,566)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,316,385	1,316,385	1,316,385	0
Fund Balance End of Year	(\$569,356)	(\$569,356)	(\$1,080,922)	(\$511,566)

See accompanying notes to the required supplementary information.

City of Beavercreek, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2018

Note 1 – Budgetary Process

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 sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the personal services and other expenditures level within each office, department and division with a fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the year.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation 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 the year.

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis) presented for the General Fund, Police Levy Fund, Street Levy Fund, Street Maintenance Fund, and Street Improvement Levy Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as an assignment of fund balance (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General, Police Levy, Street Levy, Street Maintenance and Street Improvement Levy Funds.

City of Beavercreek, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2018

Net Change in Fund Balance

	General	Police Levy	Street Levy	Street Maintenance	Street Improvement Levy
GAAP Basis	(\$577,372)	\$275,146	\$281,783	(\$393,927)	\$235,847
Revenue Accruals	(11,804)	(28,725)	971,944	88,637	20,458
Expenditure Accruals	(686,905)	227,606	(721,551)	(60,998)	277,332
Transfers In	699,417	0	0	0	0
Transfers (Out)	(2,000)	(378,855)	(192,765)	(50,288)	0
Encumbrances	(64,913)	(204,470)	(2,088,767)	(244,299)	(2,930,944)
Budget Basis	<u>(\$643,577)</u>	<u>(\$109,298)</u>	<u>(\$1,749,356)</u>	<u>(\$660,875)</u>	<u>(\$2,397,307)</u>

Note 2 – Pension Plans

Ohio Public Employees Retirement System (Traditional Plan) - Pension

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2018.

Changes in assumptions:

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

Ohio Police and Fire Pension Fund - Pension

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2018.

Changes in assumptions:

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

City of Beavercreek, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2018

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date.

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%

Note 3 – OPEB

Ohio Public Employees Retirement System (Traditional Plan) - OPEB

Changes in assumptions: For 2018, the single discount rate changed from 4.23 percent to 3.85 percent.

Ohio Police and Fire Fund – OPEB

Changes in assumptions: For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the City is obligated in some manner for the payment.

Capital Projects Funds

The Capital Projects Funds is 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 capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Permanent Fund

The Permanent Fund is used to account for the financial resources that are restricted. Only the income earned can be used for specific purposes.

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$1,487,060	\$127,216	\$1,624,106	\$190,409	\$3,428,791
Receivables (Net):					
Taxes	1,100,944	362,660	0	0	1,463,604
Accounts	4,141	0	0	0	4,141
Interest	80	0	0	123	203
Intergovernmental	103,138	20,855	129,226	0	253,219
Special Assessments	0	1,405,000	5,770	0	1,410,770
Inventory	10,398	0	0	0	10,398
Prepaid Items	10,848	0	0	0	10,848
Total Assets	2,716,609	1,915,731	1,759,102	190,532	6,581,974
Liabilities:					
Accounts Payable	21,280	0	360	0	21,640
Accrued Wages and Benefits	24,180	0	0	0	24,180
Contracts Payable	0	0	13,183	0	13,183
Total Liabilities	45,460	0	13,543	0	59,003
Deferred Inflows of Resources:					
Property Taxes	1,100,944	362,660	0	0	1,463,604
Grants and Other Taxes	80,193	20,855	80,721	0	181,769
Special Assessments	0	1,405,000	5,770	0	1,410,770
Investment Earnings	35	0	0	54	89
Total Deferred Inflows of Resources	1,181,172	1,788,515	86,491	54	3,056,232
Fund Balances:					
Nonspendable	21,246	0	0	15,201	36,447
Restricted	1,259,015	127,216	488,207	175,277	2,049,715
Committed	209,716	0	1,170,861	0	1,380,577
Total Fund Balances	1,489,977	127,216	1,659,068	190,478	3,466,739
Total Liabilities, Deferred Inflows and Fund Balances	\$2,716,609	\$1,915,731	\$1,759,102	\$190,532	\$6,581,974

City of Beavercreek, Ohio
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Nonmajor Governmental Funds
 For the Fiscal Year Ended December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Property and Other Taxes	\$1,199,888	\$365,853	\$0	\$0	\$1,565,741
Charges for Services	284,221	0	0	33,489	317,710
Investment Earnings	1,800	0	0	2,821	4,621
Intergovernmental	432,141	41,677	377,542	0	851,360
Special Assessments	0	397,590	6,320	0	403,910
Fines, Licenses & Permits	30,305	0	503,028	0	533,333
Other Revenues	237,376	0	1,825	0	239,201
Total Revenues	2,185,731	805,120	888,715	36,310	3,915,876
Expenditures:					
Current:					
Public Safety	65,621	0	0	0	65,621
Leisure Time Activities	1,968,576	0	733	0	1,969,309
Transportation and Street Repair	129,940	0	4,444	0	134,384
Other	169	0	0	0	169
Capital Outlay	432,225	0	465,202	0	897,427
Debt Service:					
Principal	0	595,000	0	0	595,000
Interest and Other Charges	0	424,759	7,778	0	432,537
Total Expenditures	2,596,531	1,019,759	478,157	0	4,094,447
Excess of Revenues Over (Under) Expenditures	(410,800)	(214,639)	410,558	36,310	(178,571)
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	9,014	0	0	0	9,014
Issuance of Long-Term Capital-Related Debt	0	0	230,000	0	230,000
Transfers In	240,000	205,791	0	0	445,791
Transfers (Out)	(127,150)	0	(31,818)	0	(158,968)
Total Other Financing Sources (Uses)	121,864	205,791	198,182	0	525,837
Net Change in Fund Balance	(288,936)	(8,848)	608,740	36,310	347,266
Fund Balance - Beginning of Year	1,768,515	136,064	1,050,328	154,168	3,109,075
Change in Reserve for Inventory	10,398	0	0	0	10,398
Fund Balance - End of Year	\$1,489,977	\$127,216	\$1,659,068	\$190,478	\$3,466,739

Nonmajor Special Revenue Funds

Fund Descriptions

State Highway - Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of state highways within the City.

Law Enforcement - To account for monies designated to be used for law enforcement.

Drug Law Enforcement - To account for monies designated to be used for drug law enforcement.

DUI Enforcement and Education - To account for special court fines designated for programs to deter driving under the influence of alcohol.

Drug Offenses Forfeiture - To account for monies acquired through seizures in conjunction with violation of Ohio statutes and designated for law enforcement purposes.

Federal Forfeiture - To account for monies acquired through seizures under federal statute and designated for specified law enforcement purposes.

Youth Activities - To account for monies designated for youth activities.

Crime Prevention - To account for monies designated for special crime prevention programs.

Park Levy - To account for monies to maintain the City's parks, recreation activities, senior center operations, and provide funding for capital improvement projects.

Police Grants - To account for monies that were designated to be used for the police department.

City of Beavercreek, Ohio
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2018

	State Highway	Law Enforcement	Drug Law Enforcement	DUI Enforcement and Education
Assets:				
Equity in Pooled Cash and Investments	\$111,255	\$173,683	\$22,476	\$20,687
Receivables (Net):				
Taxes	0	0	0	0
Accounts	0	0	0	0
Interest	80	0	0	0
Intergovernmental	59,344	0	0	0
Inventory	2,556	0	0	0
Prepaid Items	0	0	0	0
Total Assets	<u>173,235</u>	<u>173,683</u>	<u>22,476</u>	<u>20,687</u>
Liabilities:				
Accounts Payable	1,043	10	0	0
Accrued Wages and Benefits	0	0	0	0
Total Liabilities	<u>1,043</u>	<u>10</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources:				
Property Taxes	0	0	0	0
Grants and Other Taxes	36,399	0	0	0
Investment Earnings	35	0	0	0
Total Deferred Inflows of Resources	<u>36,434</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Nonspendable	2,556	0	0	0
Restricted	133,202	173,673	22,476	20,687
Committed	0	0	0	0
Total Fund Balances	<u>135,758</u>	<u>173,673</u>	<u>22,476</u>	<u>20,687</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u><u>\$173,235</u></u>	<u><u>\$173,683</u></u>	<u><u>\$22,476</u></u>	<u><u>\$20,687</u></u>

Continued

Drug Offenses Forfeiture	Federal Forfeiture	Youth Activities	Crime Prevention	Park Levy	Police Grants	Total Nonmajor Special Revenue Funds
\$4,505	\$148,314	\$2,289	\$410	\$1,003,441	\$0	\$1,487,060
0	0	0	0	1,100,944	0	1,100,944
3,099	0	0	0	1,042	0	4,141
0	0	0	0	0	0	80
0	0	0	0	12,265	31,529	103,138
0	0	0	0	7,842	0	10,398
0	0	0	0	10,848	0	10,848
7,604	148,314	2,289	410	2,136,382	31,529	2,716,609
0	0	0	0	20,227	0	21,280
0	0	0	0	24,180	0	24,180
0	0	0	0	44,407	0	45,460
0	0	0	0	1,100,944	0	1,100,944
0	0	0	0	12,265	31,529	80,193
0	0	0	0	0	0	35
0	0	0	0	1,113,209	31,529	1,181,172
0	0	0	0	18,690	0	21,246
7,604	148,314	2,289	410	750,360	0	1,259,015
0	0	0	0	209,716	0	209,716
7,604	148,314	2,289	410	978,766	0	1,489,977
\$7,604	\$148,314	\$2,289	\$410	\$2,136,382	\$31,529	\$2,716,609

City of Beavercreek, Ohio
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 For the Fiscal Year Ended December 31, 2018

	State Highway	Law Enforcement	Drug Law Enforcement	DUI Enforcement and Education
Revenues:				
Property and Other Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Investment Earnings	1,800	0	0	0
Intergovernmental	147,149	0	0	0
Fines, Licenses & Permits	0	13,444	2,433	1,963
Other Revenues	1,095	0	0	0
Total Revenues	150,044	13,444	2,433	1,963
Expenditures:				
Current:				
Public Safety	0	18,068	0	0
Leisure Time Activities	0	0	0	0
Transportation and Street Repair	129,940	0	0	0
Other	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	129,940	18,068	0	0
Excess of Revenues Over (Under) Expenditures	20,104	(4,624)	2,433	1,963
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	5,203	0	0
Transfers In	0	0	0	0
Transfers (Out)	0	0	0	0
Total Other Financing Sources (Uses)	0	5,203	0	0
Net Change in Fund Balance	20,104	579	2,433	1,963
Fund Balance - Beginning of Year	113,098	173,094	20,043	18,724
Change in Reserve for Inventory	2,556	0	0	0
Fund Balance - End of Year	\$135,758	\$173,673	\$22,476	\$20,687

Continued

Drug Offenses Forfeiture	Federal Forfeiture	Youth Activities	Crime Prevention	Park Levy	Police Grants	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$1,199,888	\$0	\$1,199,888
0	0	0	0	284,221	0	284,221
0	0	0	0	0	0	1,800
0	0	0	0	254,511	30,481	432,141
10,625	1,840	0	0	0	0	30,305
0	0	0	0	230,022	6,259	237,376
10,625	1,840	0	0	1,968,642	36,740	2,185,731
<hr/>						
10,813	0	0	0	0	36,740	65,621
0	0	0	0	1,968,576	0	1,968,576
0	0	0	0	0	0	129,940
0	0	169	0	0	0	169
0	0	0	0	432,225	0	432,225
10,813	0	169	0	2,400,801	36,740	2,596,531
(188)	1,840	(169)	0	(432,159)	0	(410,800)
<hr/>						
0	10	0	0	3,801	0	9,014
0	0	0	0	240,000	0	240,000
0	0	0	0	(127,150)	0	(127,150)
0	10	0	0	116,651	0	121,864
(188)	1,850	(169)	0	(315,508)	0	(288,936)
7,792	146,464	2,458	410	1,286,432	0	1,768,515
0	0	0	0	7,842	0	10,398
\$7,604	\$148,314	\$2,289	\$410	\$978,766	\$0	\$1,489,977

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	State Highway Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$1,747	\$1,834	\$87
Intergovernmental	146,209	153,463	7,254
Other Revenues	1,043	1,095	52
Total Revenues	148,999	156,392	7,393
Expenditures:			
Current:			
<u>Transportation and Street Repair</u>			
State Highway			
Personal Services	93,327	69,956	23,371
Other Expenditures	71,021	53,236	17,785
Total State Highway	164,348	123,192	41,156
Total Expenditures	164,348	123,192	41,156
Excess of Revenues Over (Under) Expenditures	(15,349)	33,200	48,549
Other Financing Sources (Uses):			
Transfers (Out)	(8,145)	(6,105)	2,040
Total Other Financing Sources (Uses)	(8,145)	(6,105)	2,040
Net Change in Fund Balance	(23,494)	27,095	50,589
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	84,374	84,374	0
Fund Balance End of Year	\$60,880	\$111,469	\$50,589

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$5,768	\$13,444	\$7,676
Total Revenues	5,768	13,444	7,676
Expenditures:			
Current:			
<u>Public Safety</u>			
Other Services:			
Other Expenditures	27,665	18,058	9,607
Total Other Services	27,665	18,058	9,607
Total Expenditures	27,665	18,058	9,607
Excess of Revenues Over (Under) Expenditures	(21,897)	(4,614)	17,283
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	2,232	5,203	2,971
Total Other Financing Sources (Uses)	2,232	5,203	2,971
Net Change in Fund Balance	(19,665)	589	20,254
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	173,095	173,095	0
Fund Balance End of Year	<u>\$153,430</u>	<u>\$173,684</u>	<u>\$20,254</u>

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

Drug Law Enforcement Fund			
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$1,500	\$2,638	\$1,138
Total Revenues	1,500	2,638	1,138
Expenditures:			
Current:			
<u>Public Safety</u>			
Drug Law Enforcement:			
Other Expenditures	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	1,500	2,638	1,138
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	19,839	19,839	0
Fund Balance End of Year	<u>\$21,339</u>	<u>\$22,477</u>	<u>\$1,138</u>

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	DUI Enforcement and Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$2,000	\$1,963	(\$37)
Total Revenues	2,000	1,963	(37)
Expenditures:			
Current:			
<u>Public Safety</u>			
Police Operations:			
Personal Services	0	0	0
Total Expenditures	0	0	(0)
Net Change in Fund Balance	2,000	1,963	(37)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	18,723	18,723	0
Fund Balance End of Year	<u>\$20,723</u>	<u>\$20,686</u>	<u>(\$37)</u>

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	Drug Offenses Forfeiture Fund	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines, Licenses & Permits		\$10,000	\$7,526	(\$2,474)
Total Revenues		10,000	7,526	(2,474)
Expenditures:				
Current:				
<u>Public Safety</u>				
Allocable Support:				
Other Expenditures		12,895	10,989	1,906
Total Expenditures		12,895	10,989	1,906
Net Change in Fund Balance		(2,895)	(3,463)	(568)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)		7,792	7,792	0
Fund Balance End of Year		\$4,897	\$4,329	(\$568)

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	Federal Forfeiture Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$0	\$1,840	\$1,840
Total Revenues	0	1,840	1,840
Expenditures:			
Current:			
Capital Outlay	5,000	0	5,000
Total Expenditures	5,000	0	5,000
Excess of Revenues Over (Under) Expenditures	(5,000)	1,840	6,840
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	0	10	10
Total Other Financing Sources (Uses)	0	10	10
Net Change in Fund Balance	(5,000)	1,850	6,850
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	146,464	146,464	0
Fund Balance End of Year	<u>\$141,464</u>	<u>\$148,314</u>	<u>\$6,850</u>

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	Youth Activities Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
<u>Leisure Time</u>			
Other Expenses:			
Other Expenditures	2,458	2,457	1
Total Expenditures	2,458	2,457	1
Net Change in Fund Balance	(2,458)	(2,457)	1
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,458	2,458	0
Fund Balance End of Year	\$0	\$1	\$1

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	Crime Prevention Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
<u>Public Safety</u>			
Other Disbursements:			
Other Expenditures	0	0	0
Total Expenditures	0	0	(0)
Net Change in Fund Balance	0	(0)	(0)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	409	409	0
Fund Balance End of Year	<u>\$409</u>	<u>\$409</u>	<u>(0)</u>

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	Park Levy Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$1,125,523	\$1,199,888	\$74,365
Charges for Services	329,884	351,680	21,796
Intergovernmental	238,737	254,511	15,774
Other Revenues	215,767	230,023	14,256
	0		
Total Revenues	1,909,911	2,036,102	126,191
Expenditures:			
Current:			
Various Park Maintenance:			
Personal Services	751,278	717,524	33,754
Other Expenditures	260,029	248,346	11,683
Total Recreation	1,011,307	965,870	45,437
Rotary Park Maintenance:			
Personal Services	208,380	199,018	9,362
Other Expenditures	130,043	124,200	5,843
Total Park Maintenance	338,423	323,218	15,205
Recreational Programs			
Personal Services	10,453	9,983	470
Other Expenditures	148,080	141,427	6,653
Total Recreational Progams	158,533	151,410	7,123
General Senior Adult Services:			
Personal Services	270,914	258,742	12,172
Other Expenditures	224,764	214,666	10,098
Total Senior Adult Services	495,678	473,408	22,270
Total Leisure Time Activities	2,003,941	1,913,906	90,035
Capital Outlay	571,038	545,382	25,656
Total Expenditures	2,574,979	2,459,288	115,691
Excess of Revenues Over (Under) Expenditures	(665,068)	(423,186)	241,882
Other financing sources (uses):			
Proceeds from Sale of Capital Assets	3,565	3,801	236
Transfers In	225,126	240,000	14,874
Transfers (Out)	(207,894)	(198,554)	9,340
Total Other Financing Sources (Uses)	20,797	45,247	24,450
Net Change in Fund Balance	(644,271)	(377,939)	266,332
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,292,634	1,292,634	0
Fund Balance End of Year	\$648,363	\$914,695	\$266,332

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	Police Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$36,892	\$30,481	(\$6,411)
Other Revenues	<u>7,576</u>	6,259	(1,317)
Total Revenues	<u>44,468</u>	36,740	(7,728)
Expenditures:			
Current:			
<u>Public Safety</u>			
JAG Grant:			
Other Expenditures	<u>44,468</u>	36,739	7,729
Total Expenditures	<u>44,468</u>	36,739	7,729
Net Change in Fund Balance	0	1	1
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>0</u>	0	0
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$1</u></u>	<u><u>\$1</u></u>

Nonmajor Debt Service Fund

Debt Service - The debt service fund is used to account for the accumulation of resources for the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the City is obligated in some manner for the payment. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Nonmajor Governmental Funds Combining Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$378,018	\$365,853	(\$12,165)
Intergovernmental	43,063	41,677	(1,386)
Special Assessments	410,810	397,590	(13,220)
Total Revenues	831,891	805,120	(26,771)
Expenditures:			
Debt Service:			
Principal Retirement	780,980	785,853	(4,873)
Interest and Fiscal Charges	232,455	233,906	(1,451)
Total Expenditures	1,013,435	1,019,759	(6,324)
Excess of Revenues Over (Under) Expenditures	(181,544)	(214,639)	(33,095)
Other Financing Sources (Uses):			
Transfers In	212,634	205,791	(6,843)
Total Other Financing Sources (Uses)	212,634	205,791	(6,843)
Net Change in Fund Balance	31,090	(8,848)	(39,938)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	136,070	136,070	0
Fund Balance End of Year	\$167,160	\$127,222	(\$39,938)

Nonmajor Capital Project Funds

Fund Descriptions

Street Capital Improvement - To account for receipts of the municipal vehicle license tax designated for the improvement of arterial streets.

Minor Special Assessment District Projects - To account for various infrastructure projects estimated to be less than one million dollars each that are required to be paid by new private developments upon petition to the City.

Committed Park - To account for and report fees which are charged to residential sub dividers. These monies, which were established by City ordinance, are committed by City Council for the acquisition, development and improvement of park and recreational facilities.

District One Traffic Impact – To account for and report impact fees which are required to be paid by developers via City ordinance. These fees are committed and are used for future development impact costs.

City of Beavercreek, Ohio
 Combining Balance Sheet
 Nonmajor Capital Projects Funds
 December 31, 2018

	Street Capital Improvement	Minor Special Assessment District Projects	Committed Park	District One Traffic Impact	Total Nonmajor Capital Projects Funds
Assets:					
Equity in Pooled Cash and Investments	\$181,386	\$271,499	\$496,949	\$674,272	\$1,624,106
Receivables (Net):					
Intergovernmental	129,226	0	0	0	129,226
Special Assessments	0	5,770	0	0	5,770
Total Assets	310,612	277,269	496,949	674,272	1,759,102
Liabilities:					
Accounts Payable	0	0	360	0	360
Contracts Payable	13,183	0	0	0	13,183
Total Liabilities	13,183	0	360	0	13,543
Deferred Inflows of Resources:					
Grants and Other Taxes	80,721	0	0	0	80,721
Special Assessments	0	5,770	0	0	5,770
Total Deferred Inflows of Resources	80,721	5,770	0	0	86,491
Fund Balances:					
Restricted	216,708	271,499	0	0	488,207
Committed	0	0	496,589	674,272	1,170,861
Total Fund Balances	216,708	271,499	496,589	674,272	1,659,068
Total Liabilities, Deferred Inflows and Fund Balances	\$310,612	\$277,269	\$496,949	\$674,272	\$1,759,102

City of Beavercreek, Ohio
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Nonmajor Capital Projects Funds
 For the Fiscal Year Ended December 31, 2018

	Street Capital Improvement	Minor Special Assesment District Projects	Committed Park	District One Traffic Impact	Total Nonmajor Capital Projects Funds
Revenues:					
Intergovernmental	\$377,542	\$0	\$0	\$0	\$377,542
Special Assessments	0	6,320	0	0	6,320
Fines, Licenses & Permits	0	0	69,175	433,853	503,028
Other Revenues	0	0	1,825	0	1,825
Total Revenues	377,542	6,320	71,000	433,853	888,715
Expenditures:					
Current:					
Leisure Time Activities	0	0	733	0	733
Transportation and Street Repair	0	4,444	0	0	4,444
Capital Outlay	388,464	76,738	0	0	465,202
Debt Service:					
Interest and Other Charges	0	7,778	0	0	7,778
Total Expenditures	388,464	88,960	733	0	478,157
Excess of Revenues Over (Under) Expenditures	(10,922)	(82,640)	70,267	433,853	410,558
Other Financing Sources (Uses):					
Issuance of Long-Term Capital-Related Debt	0	230,000	0	0	230,000
Transfers (Out)	(31,818)	0	0	0	(31,818)
Total Other Financing Sources (Uses)	(31,818)	230,000	0	0	198,182
Net Change in Fund Balance	(42,740)	147,360	70,267	433,853	608,740
Fund Balance - Beginning of Year	259,448	124,139	426,322	240,419	1,050,328
Fund Balance - End of Year	\$216,708	\$271,499	\$496,589	\$674,272	\$1,659,068

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	Street Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$213,131	\$368,936	\$155,805
Total Revenues	213,131	368,936	155,805
Expenditures:			
Current:			
Capital Outlay	531,698	537,222	(5,524)
Total Expenditures	531,698	537,222	(5,524)
Excess of Revenues Over (Under) Expenditures	(318,567)	(168,286)	150,281
Other Financing Sources (Uses):			
Issuance of General Obligation Bonds	132,869	230,000	97,131
Transfers (Out)	(31,491)	(31,818)	(327)
Total Other Financing Sources (Uses)	101,378	198,182	96,804
Net Change in Fund Balance	(217,189)	29,896	247,085
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	291,970	291,970	0
Fund Balance End of Year	<u>\$74,781</u>	<u>\$321,866</u>	<u>\$247,085</u>

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	Minor Special Assessment District Projects Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$9,081	\$6,320	(\$2,761)
Total Revenues	<u>9,081</u>	<u>6,320</u>	<u>(2,761)</u>
Expenditures:			
Current:			
<u>Transportation and Street Repair</u>			
Other Expenditures	419,499	337,222	82,277
Total Transportation	<u>419,499</u>	<u>337,222</u>	<u>82,277</u>
Capital Outlay	248,797	200,000	48,797
Total Expenditures	<u>668,296</u>	<u>537,222</u>	<u>131,074</u>
Excess of Revenues Over (Under) Expenditures	(659,215)	(530,902)	128,313
Other Financing Sources (Uses):			
Issuance of General Obligation Bonds	330,469	230,000	(100,469)
Total Other Financing Sources (Uses)	<u>330,469</u>	<u>230,000</u>	<u>(100,469)</u>
Net Change in Fund Balance	(328,746)	(300,902)	27,844
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	451,084	451,084	0
Fund Balance End of Year	<u>\$122,338</u>	<u>\$150,182</u>	<u>\$27,844</u>

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	Committed Park Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$13,250	\$69,175	\$55,925
Other Revenues	350	1,825	1,475
Total Revenues	<u>13,600</u>	<u>71,000</u>	<u>57,400</u>
Expenditures:			
Current:			
<u>Leisure Time</u>			
Taxes and Assesments:			
Other Expenditures	440	373	67
Total Expenditures	<u>440</u>	<u>373</u>	<u>67</u>
Net Change in Fund Balance	13,160	70,627	57,467
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>426,323</u>	<u>426,323</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$439,483</u></u>	<u><u>\$496,950</u></u>	<u><u>\$57,467</u></u>

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	District One Traffic Impact Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$78,800	\$433,853	\$355,053
Total Revenues	78,800	433,853	355,053
Expenditures:			
Current:			
Capital Outlay	250,000	250,000	0
Total Expenditures	250,000	250,000	0
Net Change in Fund Balance	(171,200)	183,853	355,053
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	240,421	240,421	0
Fund Balance End of Year	\$69,221	\$424,274	\$355,053

Nonmajor Permanent Fund

Fund Description

Cemetery Bequest - To account for amounts distributed by court order in the division of former township assets having the restriction that the donor desired the principal amount to remain intact with the interest revenue to be used for the general care and maintenance of the cemetery. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Nonmajor Governmental Funds Combining Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

City of Beavercreek, Ohio

Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2018

	Cemetery Bequest Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$17,209	\$33,489	\$16,280
Investment Earnings	1,441	2,805	1,364
Total Revenues	<u>18,650</u>	<u>36,294</u>	<u>17,644</u>
Expenditures:			
Current:			
<u>General Government</u>			
Cemetery Bequest:			
Other Expenditures	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	18,650	36,294	17,644
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>154,443</u>	<u>154,443</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$173,093</u></u>	<u><u>\$190,737</u></u>	<u><u>\$17,644</u></u>

Nonmajor Funds

Fiduciary Funds

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

Fund Descriptions

Agency Fund – Miscellaneous: To account for miscellaneous custodial transactions.

Agency Fund – Cash Bonds: To account for custodial transactions related to cash deposits held in lieu of performance bonds from bidders, contractors or developers.

Agency Fund – Regional Emergency Response Team Police: To account for custodial transactions related to RERT.

Agency Fund – Greene Town Center Special Assessment: To account for custodial transactions related to the County's Special Assessments for the Greene Town Center Project.

Agency Fund – Greene Town Center TIF: To account for custodial transactions related to the TIF monies for the County's Greene Town Center Project.

Agency Fund – PACE Agency: To account for special assessments.

City of Beavercreek, Ohio
 Statement of Changes In Assets and Liabilities
 Agency Funds
 For the Fiscal Year Ended December 31, 2018

	Miscellaneous			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$95,204	\$67,944	\$84,227	\$78,921
Total Assets	<u>95,204</u>	<u>67,944</u>	<u>84,227</u>	<u>78,921</u>

	Liabilities:			
	Beginning Balance	Additions	Deductions	Ending Balance
Accounts Payable	2,059	9,867	2,059	9,867
Undistributed Monies	93,145	58,077	82,168	69,054
Total Liabilities	<u>\$95,204</u>	<u>\$67,944</u>	<u>\$84,227</u>	<u>\$78,921</u>

	Cash Bonds			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$288,157	\$206,384	\$79,578	\$414,963
Receivables (Net):				
Accounts	8,700	0	8,700	0
Total Assets	<u>296,857</u>	<u>206,384</u>	<u>88,278</u>	<u>414,963</u>
Liabilities:				
Accounts Payable	250	719	250	719
Undistributed Monies	296,607	205,665	88,028	414,244
Total Liabilities	<u>\$296,857</u>	<u>\$206,384</u>	<u>\$88,278</u>	<u>\$414,963</u>

	Regional Emergency Response Team			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$21,579	\$28,048	\$19,512	\$30,115
Total Assets	<u>21,579</u>	<u>28,048</u>	<u>19,512</u>	<u>30,115</u>
Liabilities:				
Undistributed Monies	21,579	28,048	19,512	30,115
Total Liabilities	<u>\$21,579</u>	<u>\$28,048</u>	<u>\$19,512</u>	<u>\$30,115</u>

Continued

City of Beavercreek, Ohio
 Statement of Changes In Assets and Liabilities
 Agency Funds
 For the Fiscal Year Ended December 31, 2018

Greene Town Center Special Assessment				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$0	\$1,099,535	\$1,099,535	\$0
Total Assets	0	1,099,535	1,099,535	0

Greene Town Center TIF				
	Beginning Balance	Additions	Deductions	Ending Balance
Liabilities:				
Undistributed Monies	0	1,099,535	1,099,535	0
Total Liabilities	\$0	\$1,099,535	\$1,099,535	\$0

PACE Agency				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$0	\$290,066	\$290,066	\$0
Total Assets	0	290,066	290,066	0
Liabilities:				
Undistributed Monies	0	290,066	290,066	0
Total Liabilities	\$0	\$290,066	\$290,066	\$0

PACE Agency				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$0	\$377,412	\$377,412	\$0
Total Assets	0	377,412	377,412	0
Liabilities:				
Undistributed Monies	0	377,412	377,412	0
Total Liabilities	\$0	\$377,412	\$377,412	\$0

Continued

City of Beavercreek, Ohio
 Statement of Changes In Assets and Liabilities
 Agency Funds
 For the Fiscal Year Ended December 31, 2018

	Total All Agency Funds			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$404,940	\$2,069,389	\$1,950,330	\$523,999
Receivables (Net):				
Accounts	8,700	0	8,700	0
Total Assets	<u>413,640</u>	<u>2,069,389</u>	<u>1,959,030</u>	<u>523,999</u>
Liabilities:				
Accounts Payable	2,309	10,586	2,309	10,586
Undistributed Monies	411,331	2,058,803	1,956,721	513,413
Total Liabilities	<u>\$413,640</u>	<u>\$2,069,389</u>	<u>\$1,959,030</u>	<u>\$523,999</u>

STATISTICAL SECTION



STATISTICAL SECTION

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

Contents

Financial Trends - These schedules contain trend information to help the reader understand how the City's financial position has changed over time.

Revenue Capacity - These schedules contain information to help the reader understand and assess the City's most significant local revenue sources.

Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Economic and Demographic Information - These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

Operating Information - 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.

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City of Beavercreek, Ohio
 Net Position by Component
 Last Ten Calendar Years
 (accrual basis of accounting)
 Schedule 1

	Calendar Year					
	2009	2010	2011	2012	2013	2014
Governmental Activities						
Net investment in Capital Assets	\$191,691,511	\$193,368,910	\$194,015,824	\$192,468,581	\$193,231,329	\$193,038,543
Restricted	12,923,045	11,132,655	10,897,480	10,627,723	10,696,320	9,106,244
Unrestricted (Deficit)	4,036,591	3,624,928	3,406,031	3,974,081	3,682,156	2,642,119
Total governmental activities net position	\$208,651,147	\$208,126,493	\$208,319,335	\$207,070,385	\$207,609,805	\$204,786,906
Business-type activities						
Net investment in Capital Assets	\$4,741,541	\$5,449,206	\$5,629,010	\$5,908,510	\$6,237,264	\$6,503,510
Unrestricted (Deficit)	(5,247,857)	(5,966,499)	(5,866,998)	(5,659,351)	(5,585,003)	(5,500,346)
Total business-type activities net position	(\$506,316)	(\$517,293)	(\$237,988)	(\$249,159)	(\$652,261)	(\$1,003,164)
Total Primary Government						
Net investment in Capital Assets	\$196,433,052	\$198,818,116	\$199,644,834	\$198,377,091	\$199,468,593	\$199,542,053
Restricted	12,923,045	11,132,655	10,897,480	10,627,723	10,696,320	9,106,244
Unrestricted (Deficit)	(1,211,266)	(2,341,571)	(2,460,967)	(1,685,270)	(1,902,847)	(2,858,227)
Total primary government net position	\$208,144,831	\$207,609,200	\$208,081,347	\$207,319,544	\$208,262,066	\$205,790,070

Source: City Records

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

Schedule 2

	Calendar Year									
	2009	2010	2011 (1)	2012 (1)	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
General Government	\$2,235,469	\$2,911,247	\$2,709,927	\$2,476,551	\$1,544,510	\$1,881,128	\$1,190,226	\$1,503,674	\$1,153,297	\$1,594,920
Public Safety	7,515,047	7,875,707	7,682,456	8,415,580	8,212,240	8,948,660	10,185,779	10,703,338	11,117,888	
Leisure Time Activities	1,471,645	1,548,335	1,721,879	1,806,983	1,491,230	1,653,119	1,859,023	1,914,729	1,890,578	2,277,737
Community Development	559,991	643,492	649,998	591,247	561,780	576,014	571,996	666,412	681,284	655,442
Basic Utility Service	74,326	89,176	78,663	122,933	69,465	85,277	78,233	85,948	85,838	82,097
Transportation and Street Repair	9,657,721	9,974,515	10,221,998	11,763,034	11,288,712	11,411,462	11,552,640	11,571,545	8,123,349	15,176,353
Public Health and Welfare	11,050,1	122,384	152,040	140,745	121,081	146,940	207,122	173,098	158,189	193,799
Interest and Fiscal Charges	443,808	655,683	528,013	620,572	487,578	470,104	433,668	408,077	543,659	421,167
Other	0	0	0	0	0	0	0	0	52,783	74,165
Total governmental activities expenses	22,068,508	23,821,039	23,744,974	25,937,645	23,756,596	24,758,704	24,841,523	26,562,045	23,413,797	31,583,067
Business-type activities:										
Golf Course	2,435,242	2,588,962	2,347,369	2,254,150	2,475,681	2,188,155	2,037,813	2,209,121	2,075,163	2,536,068
Total business-type activities expenses	2,435,242	2,588,962	2,347,369	2,254,150	2,475,681	2,188,155	2,037,813	2,209,121	2,075,163	2,536,068
Total primary government expenses	\$24,503,750	\$26,410,001	\$26,092,343	\$28,191,795	\$26,232,277	\$26,946,359	\$26,879,336	\$28,771,166	\$25,488,960	\$34,119,135
Program Revenues										
Governmental Activities:										
Charges for Services and Sales:										
General Government	\$1,055,035	\$1,392,668	\$954,274	\$383,666	\$252,607	\$110,354	\$100,381	\$75,848	\$12,718	\$110,339
Public Safety	390,742	621,840	318,717	544,406	467,379	361,644	412,914	391,207	475,194	403,210
Community Development	99,091	200,944	111,843	410,284	106,847	81,510	127,011	112,091	125,172	169,877
Leisure Time Activities	268,972	311,474	241,657	559,756	414,526	297,034	302,904	378,819	410,556	353,396
Transportation and Street Repair (1)	386,371	78,104	1,023,601	470,981	782,012	807,241	906,425	663,739	591,334	979,807
Basic Utility Service	89,601	144,479	0	0	46,626	145,238	140,607	141,281	142,362	131,790
Public Health and Welfare	0	4,700	102,121	634,840	94,665	0	0	0	0	0
Operating Grants and Contributions	3,819,082	5,481,595	4,990,467	5,210,129	5,696,356	3,875,747	7,509,565	5,839,724	7,881,596	6,620,375
Capital Grants and Contributions	4,822,794	2,625,321	2,782,996	1,578,480	1,544,672	1,731,365	2,406,328	0	137,939	447,465
Total governmental activities program revenues	10,931,688	10,861,625	10,525,616	9,792,542	9,405,690	7,410,133	11,906,135	7,602,709	9,777,571	9,216,259
Business-type activities:										
Charges for Services and Sales:										
Golf Course	1,739,636	1,675,881	1,675,708	1,692,129	1,374,257	1,367,239	1,448,569	1,449,109	1,290,691	1,288,445
Total business-type activities program revenues	1,739,636	1,675,881	1,675,708	1,692,129	1,374,257	1,367,239	1,448,569	1,449,109	1,290,691	1,288,445
Total primary government program revenues	\$12,671,324	\$12,537,506	\$12,201,324	\$11,484,671	\$10,779,947	\$8,777,372	\$13,354,704	\$9,051,818	\$11,068,262	\$10,504,704

City of Beavercreek, Ohio
 Changes in Net Position
 Last Ten Calendar Years
 (accrual basis of accounting)
 Schedule 2 (Continued)

	Calendar Year					
	2009	2010	2011 (1)	2012 (1)	2013	2014
Net (Expense)/Revenue						
Governmental Activities	<u>(\$11,136,820)</u>	<u>(\$12,959,414)</u>	<u>(\$13,219,358)</u>	<u>(\$16,145,103)</u>	<u>(\$14,350,906)</u>	<u>(\$17,348,571)</u>
Business-type activities	<u>(695,606)</u>	<u>(913,081)</u>	<u>(671,661)</u>	<u>(562,021)</u>	<u>(1,101,424)</u>	<u>(820,916)</u>
Total primary government net expenses	<u>(\$11,832,426)</u>	<u>(\$13,872,495)</u>	<u>(\$13,891,019)</u>	<u>(\$16,707,124)</u>	<u>(\$15,452,330)</u>	<u>(\$18,163,487)</u>
General Revenues and Other Changes in Net Assets						
Governmental Activities:						
Property Taxes Levied for:						
General Purposes	\$1,297,677	\$1,351,399	\$1,328,825	\$1,292,857	\$1,534,583	\$1,672,535
Special Revenue Purposes (2)	9,367,613	10,011,061	9,879,853	11,414,345	11,316,304	11,449,260
Debt Service Purposes	465,178	487,307	308,186	352,600	359,046	358,447
Grants and Entitlements not Restricted	2,910,755	2,328,676	2,566,552	2,430,316	2,006,547	1,009,792
Investment Earnings (1)	111,243	63,700	15,536	26,382	22,093	64,269
Other Revenues	562,219	138,476	261,999	364,911	1,144,709	1,078,433
Transfers-Internal Activities	(79,861)	(908,388)	(948,751)	(985,258)	(1,492,956)	(1,10,064)
Total governmental activities	13,911,824	13,471,631	13,412,200	14,896,153	14,890,326	14,525,672
Business-type activities:						
Investment Earnings	92	163	240	161	0	176
Other Revenues	2,031	1,956	1,975	63,749	11,570	64,579
Transfers-Internal Activities	797,861	908,988	948,751	985,258	1,492,956	1,107,064
Total business-type activities	799,584	911,107	950,966	1,049,168	1,504,526	1,171,819
Total primary government	\$14,711,808	\$14,382,738	\$14,363,166	\$15,945,321	\$16,394,852	\$15,697,911
Change in Net Position						
Governmental Activities	\$2,775,004	\$512,217	\$192,842	(\$1,248,950)	\$539,420	(\$2,822,899)
Business-type activities	104,378	(1,974)	279,305	487,147	403,102	350,903
Total primary government	\$2,879,382	\$510,243	\$472,147	(\$761,803)	\$942,522	(\$2,471,996)

Source: City Records

(1) - For 2011 and 2012, Investment Earnings was reclassified to Charges for Services - Transportation to correctly classify special assessment revenue.

(2) - Amounts for Property Taxes Levied for Police and Streets were combined into Property Taxes for Special Revenue Purposes.

City of Beavercreek, Ohio
 Fund Balances, Governmental Funds
 Last Ten Calendar Years
 (modified accrual basis of accounting)
 Schedule 3

	Calendar Year						
	2009	2010	2011 (1)	2012	2013	2014	2015
General Fund							
Reserved	\$0	\$1,914					
Unreserved	<u>3,063,393</u>	<u>2,646,102</u>					
Nonspendable		249,255	\$163,598	\$0	\$0	\$0	\$0
Assigned		41,526	0	800,585	136,395	503,092	331,852
Unassigned		<u>1,651,735</u>	<u>2,285,584</u>	<u>1,513,508</u>	<u>1,481,190</u>	<u>1,689,728</u>	<u>1,783,674</u>
Total General Fund	<u>3,063,393</u>	<u>2,648,016</u>	<u>1,942,516</u>	<u>2,449,182</u>	<u>2,314,093</u>	<u>1,617,585</u>	<u>2,192,820</u>
All Other Governmental Funds							
Reserved		1,268,617	1,516,271				
Unreserved, Reported in:							
Special Revenue Funds	4,918,810	4,789,155					
Debt Service Funds	207,678	303,474					
Capital Project Funds	518,834	(157,241)					
Permanent Funds	<u>12,183</u>	<u>17,312</u>					
Nonspendable		541,091	464,552	426,714	647,356	486,743	506,535
Restricted		5,658,987	6,524,956	6,702,472	5,020,966	8,299,166	8,594,905
Committed		1,119,602	1,179,606	949,595	725,068	820,912	792,085
Unassigned (Deficit)		0	(2,562)	0	(76,349)	0	0
Total All Other Governmental Funds	<u>6,926,122</u>	<u>6,468,971</u>	<u>7,319,680</u>	<u>8,166,552</u>	<u>8,078,781</u>	<u>6,317,041</u>	<u>9,606,821</u>
Total Governmental Funds	<u>\$9,989,515</u>	<u>\$9,116,987</u>	<u>\$9,262,196</u>	<u>\$10,615,734</u>	<u>\$10,392,874</u>	<u>\$7,934,626</u>	<u>\$11,799,641</u>

Source: City Records

(1) Prior year amounts have not been restated for the implementation of GASB Statement 54. The change in the classification of fund balance amounts in 2011 are discussed in the Notes to the Financial Statements.

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City of Beavercreek, Ohio
 Changes in Fund Balances, Governmental Funds
 Last Ten Calendar Years
 (modified accrual basis of accounting)
 Schedule 4

	Calendar Year						
	2009	2010	2011	2012	2013	2014	2015
Revenues							
Taxes	\$11,152,513	\$11,673,280	\$11,436,182	\$13,173,410	\$12,861,846	\$13,473,157	\$18,023,376
Charges for Services	506,744	485,700	1,065,365	1,668,713	771,268	664,228	\$18,484,043
Investment Earnings (2)	128,834	67,229	22,235	26,947	21,853	64,801	827,019
Intergovernmental	10,233,454	10,467,571	9,689,796	8,067,589	9,549,886	6,433,244	42,510
Special Assessments (2)	487,387	840,766	692,786	749,549	865,818	892,052	731,704
Fines, Licenses & Permits	1,201,468	1,316,827	815,998	1,027,337	1,007,861	872,232	1,326,457
Impact Fees	0	2,316	374,970	0	0	0	946,248
Other Revenues	530,749	158,950	270,363	365,940	481,340	444,648	0
Total Revenues	\$24,241,149	\$25,012,639	\$24,367,695	\$25,079,485	\$25,559,872	\$22,844,362	\$32,756,066
Expenditures							
Current:							
General Government	\$2,136,777	\$2,255,252	\$2,509,465	\$2,258,006	\$1,387,785	\$1,646,694	\$1,100,796
Public Safety	7,313,337	7,582,881	7,609,748	8,104,936	8,095,070	8,302,334	8,795,423
Community Development	597,963	619,451	619,612	612,107	551,182	572,582	579,491
Leisure Time Activities	1,378,246	1,446,156	1,597,211	1,670,932	1,362,258	1,525,419	1,766,278
Transportation and Street Repair	5,066,716	5,545,560	5,459,888	6,087,460	5,803,179	6,105,632	6,660,789
Basic Utility Service	74,326	89,176	78,663	122,933	69,465	85,277	78,233
Public Health and Welfare	110,501	122,884	148,089	141,572	120,343	146,295	209,867
Other	0	0	0	0	0	0	52,783
Capital Outlay	4,809,793	6,031,743	4,599,385	2,676,786	5,462,238	4,671,084	7,144,247
Debt Service:							
Principal Retirement	636,074	662,221	792,882	889,309	922,140	934,170	851,239
Interest and Fiscal Charges	439,365	661,676	536,304	540,453	505,577	482,757	449,173
Issuance Costs	0	0	103,290	0	0	0	0
Current Refunding	0	0	475,000	0	0	0	0
Total Expenditures	\$22,563,098	\$25,017,000	\$24,529,537	\$23,104,494	\$24,279,337	\$24,472,244	\$27,635,536
Excess of revenues over (under) expenditures	\$1,678,051	(\$4,361)	(\$161,842)	\$1,974,991	\$1,280,535	(\$1,627,882)	\$5,120,530

Excess of revenues over
 (under) expenditures

\$1,678,051 (\$4,361) (\$161,842) \$1,974,991 \$1,280,535 (\$1,627,882) \$5,120,530 \$1,212,540 \$2,420,155 \$2,332,706

\$19,874,862 1,020,872 139,805 9,329,562 7,709,397

835,622 299,349

535,700

1,346,978

0

596,630

\$31,354,220

\$31,354,220

City of Beavercreek, Ohio
 Changes in Fund Balances, Governmental Funds
 Last Ten Calendar Years
 (modified accrual basis of accounting)
 Schedule 4 (Continued)

	Calendar Year						
	2009	2010	2011	2012	2013	2014	2015
Other Financing Sources (Uses):							
Issuance of Capital Leases	\$0	\$0	\$238,000	\$330,000	\$0	\$0	\$211,000
Proceeds from Sale of Capital Assets	41,398	33,544	13,559	33,805	32,237	56,056	72,986
Issuance of Long-Term Capital-Related Debt	1,120,000	0	330,000	0	0	0	0
Advance Refunding Bonds Issued	0	0	3,670,000	0	0	0	0
Current Refunding Bonds Issued	0	0	485,000	0	0	0	0
Premium on Debt Issued	0	0	302,723	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	(3,869,730)	0	0	0	0
Transfers In	1,245,481	163,316	176,541	154,052	154,808	153,725	397,465
Transfers (Out)	(2,043,342)	(1,072,304)	(1,125,292)	(1,139,310)	(1,647,764)	(1,260,789)	(1,565,353)
Total Other Financing Sources (Uses)	363,537	(875,444)	220,801	(621,453)	(1,460,719)	(1,051,008)	(1,094,902)
Net Change in Fund Balances	\$2,041,588	(\$879,805)	\$58,959	\$1,353,538	(\$180,184)	(\$2,678,890)	\$4,025,628
Debt service as a percentage of noncapital expenditures (1)	8.99%	6.37%	7.46%	6.92%	7.00%	7.63%	5.82%
						6.24%	6.24%
						4.94%	4.94%
						7.27%	7.27%

Source: City Records

(1) - Noncapital expenditures is total expenditures minus capital asset additions

(2) - For 2011 and 2012, Investment Earnings was reclassified to Special Assessments to correctly classify special assessment revenue.

City of Beavercreek, Ohio

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Calendar Years

Schedule 5

Calendar Year	Tangible			Total Assessed Value	Total Estimated Actual Value	Total Direct Rate
	Real Property Assessed Value	Personal Property Assessed Value	Utilities Personal Assessed Value			
2009	\$1,339,328,790	\$1,941,640	\$16,158,350	\$1,357,428,780	\$3,897,622,543	13.10
2010	1,354,783,580	1,031,960	16,867,370	1,372,682,910	3,941,422,146	12.95
2011	1,306,171,320	0	17,275,190	1,323,446,510	3,800,048,318	13.00
2012	1,342,458,560	0	21,329,540	1,363,788,100	3,915,882,234	13.00
2013	1,336,394,510	0	20,348,550	1,356,743,060	3,895,653,617	14.10
2014	1,310,677,060	0	21,140,970	1,331,818,030	3,824,085,693	17.80
2015	1,337,338,170	0	21,797,570	1,359,135,740	3,902,523,785	17.80
2016	1,361,004,800	0	23,467,580	1,384,472,380	3,975,273,575	18.60
2017	1,432,823,310	0	24,574,520	1,457,397,830	4,184,666,423	18.58
2018	1,430,660,590	0	26,410,930	1,457,071,520	4,183,729,480	18.58

Source: County Auditor

Note: The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. 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 is assessed at 25 percent for everything except inventories, which are assessed at 23 percent. Property is assessed annually.

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

City of Beavercreek, Ohio
 Direct and Overlapping Property Tax Rates
 Last Ten Calendar Years
Schedule 6

Calendar Year	Direct Rate			Beavercreek Township			Beavercreek City School District			Overlapping Rates		
	General Fund	Bond Retirement	Lights and Others	Total	Beavercreek Township	Beavercreek City School District	Greene County	Greene County Career Center	Greene County	Greene County Health District		
2009	1.10	0.40	11.60	13.10	8.25	48.20	12.75	3.45	3.45	3.45	0.50	0.50
2010	1.10	0.25	11.60	12.95	8.25	48.00	12.75	3.45	3.45	3.45	0.50	0.50
2011	1.10	0.30	11.60	13.00	8.25	48.00	12.75	3.45	3.45	3.45	0.80	0.80
2012	1.10	0.30	11.60	13.00	8.25	48.00	12.75	3.45	3.45	3.45	0.80	0.80
2013	1.10	0.30	12.70	14.10	6.25	55.10	13.05	3.45	3.45	3.45	0.80	0.80
2014	1.10	0.30	16.40	17.80	6.25	54.90	12.65	3.45	3.45	3.45	0.80	0.80
2015	1.10	0.30	16.40	17.80	6.25	54.15	14.45	3.45	3.45	3.45	0.80	0.80
2016	1.10	0.30	17.20	18.60	6.25	53.84	14.45	3.45	3.45	3.45	0.80	0.80
2017	1.10	0.28	17.20	18.58	6.25	53.00	13.95	3.45	3.45	3.45	0.80	0.80
2018	1.10	0.28	17.20	18.58	6.25	52.75	14.45	4.48	4.48	4.48	0.80	0.80

Source: County Auditor

City of Beavercreek, Ohio
 Principal Property Tax Payers
 Current Year and Nine Years ago
 Schedule 7

Taxpayer	2018	
	Assessed Value	Percentage of Total Assessed Value
Greene Town Center LLC	\$51,919,130	3.56%
MFC Beavercreek, LLC	34,594,170	2.37%
Dayton Power and Light	19,408,950	1.33%
Beavercreek Towne Station LLC	13,877,220	0.95%
Beavercreek Medical Center	13,209,640	0.91%
Ashton Brooke LLC	10,295,120	0.71%
Cole Mt. Beavercreek OH LLC	9,712,500	0.67%
Wright Patt Credit Union Inc	7,863,120	0.54%
Vectren Energy Delivers OH Ohio	6,948,430	0.48%
Mallard Landing Apartments LLC	6,408,480	0.44%
Total Principal Property Tax Payers	<u>174,236,760</u>	<u>11.96%</u>
Total All Others	<u>1,282,834,760</u>	<u>88.04%</u>
Total Assessed Value	<u><u>\$1,457,071,520</u></u>	<u><u>100.00%</u></u>

Taxpayer	2009	
	Assessed Value	Percentage of Total Assessed Value
Green Town Center, LLC	\$43,434,940	3.20%
MFC Beavercreek, LLC	37,154,950	2.74%
Dayton Power and Light	13,834,750	1.02%
George J. Kontogiannis	8,539,350	0.63%
Kettering Adventist Healthcare	8,389,550	0.62%
Acropolis 20, LLC	8,161,200	0.60%
MV-RG II	7,781,690	0.57%
E L Apartments, LLC	6,245,210	0.46%
Mallard Landing Apartments, LLC	6,176,390	0.44%
N/A	0	0.00%
Total Principal Property Tax Payers	<u>139,718,030</u>	<u>10.28%</u>
Total All Others	<u>1,217,710,750</u>	<u>89.72%</u>
Total Assessed Value	<u><u>\$1,357,428,780</u></u>	<u><u>100.00%</u></u>

Source: County Auditor

City of Beavercreek, Ohio
 Property Tax Levies and Collections
 Last Ten Calendar Years
 Schedule 8

Calendar Year	Taxes Levied for the Calendar Year (1)	Collected, including Delinquencies, within the Calendar Year of the Levy		Unpaid Collections (2)	Total Collections (3)	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$12,926,819	\$12,102,969	93.63%	\$224,212	\$12,327,181	95.36%
2010	12,786,792	12,476,859	97.58%	309,933	12,786,792	100.00%
2011	13,173,002	12,447,523	94.49%	271,358	12,718,881	96.55%
2012	14,406,217	14,066,036	97.64%	340,181	14,406,217	100.00%
2013	15,211,437	14,272,278	93.83%	279,596	14,551,874	95.66%
2014	14,430,362	12,828,544	88.90%	283,990	13,112,534	90.87%
2015	19,023,230	17,334,886	91.12%	311,808	17,646,694	92.76%
2016	18,310,924	17,438,834	95.24%	626,440	18,065,274	98.66%
2017	19,291,637	18,916,315	98.05%	375,322	19,291,637	100.00%
2018	19,573,543	19,223,507	98.21%	350,036	19,573,543	100.00%

Source: County Auditor

(1) - Current taxes levied for the calendar year and current tax collections do not include rollback and homestead amounts.

(2) - Unpaid tax collections include amounts collected from penalties, interest, and other delinquent collections.
 The County does not identify delinquent collections by the year for which the tax was levied

(3) - Includes net collections plus unpaid collections

City of Beavercreek, Ohio
Income Tax by Payer Type and Income Tax Rate
Last Ten Calendar Years
(cash basis of accounting)
Schedule 9

Note: The City of Beavercreek does not implement an income tax.

City of Beavercreek, Ohio

Principal Income Taxpayers

Current and Prior Year (1)

(cash basis of accounting)

Schedule 10

Note: The City of Beavercreek does not implement an income tax.

City of Beavercreek, Ohio
 Ratios of Outstanding Debt by Type
 Last Ten Calendar Years
 Schedule 11

Calendar Year	Governmental Activities		
	General Obligation Bonds	Special Assessment Bonds	Capital Leases
2009	\$5,025,000	\$3,660,000	\$2,221
2010	4,695,000	3,330,000	0
2011	4,410,102	3,293,150	200,118
2012	4,152,723	2,886,434	435,809
2013	3,727,402	2,474,718	323,669
2014	3,296,553	2,058,145	209,499
2015	2,855,704	1,736,572	93,260
2016	2,389,855	1,520,000	194,070
2017	4,065,793	1,330,000	135,549
2018	3,600,240	1,405,000	93,479

Calendar Year	Business-Type Activities		Total Primary Government	Percentage of Personal Income	
	General Obligation Bonds	Capital Leases		Per Capita	
2009	\$9,354,367	\$289,152	\$18,330,740	0.33%	522
2010	8,919,124	244,276	17,188,400	0.29%	473
2011	8,439,359	251,621	16,594,350	0.26%	420
2012	7,937,195	191,594	15,603,755	0.23%	384
2013	7,410,808	335,157	14,271,754	0.21%	348
2014	6,858,707	262,117	12,685,021	0.18%	289
2015	6,279,446	187,832	11,152,814	0.15%	249
2016	5,666,109	176,356	9,946,390	0.13%	216
2017	5,079,277	100,908	10,711,527	0.13%	223
2018	4,401,942	260,658	9,761,319	N/A	N/A

Source: City Records

N/A - Information not available due to a lag in data availability

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements

City of Beavercreek, Ohio
 Ratios of General Bonded Debt Outstanding
 Last Ten Calendar Years
Schedule 12

Calendar Year	General Obligation Bonds	Percentage of Debt	
		To Actual Taxable Value of Property	Per Capita Personal Income
2009	\$14,379,367	0.37%	410
2010	13,614,124	0.35%	374
2011	12,849,461	0.34%	325
2012	12,089,918	0.31%	297
2013	11,138,210	0.29%	272
2014	10,155,260	0.27%	232
2015	9,135,150	0.23%	204
2016	8,055,964	0.20%	175
2017	9,145,070	0.22%	190
2018	8,002,182	0.19%	177

Source: City Records

N/A - Information not available due to a lag in data availability

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements

City of Beavercreek, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2018
 Schedule 13

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Beavercreek
Greene County	\$25,221,918	35.59%	\$8,976,481
Beavercreek City School District	<u>73,125,053</u>	79.04%	<u>57,798,042</u>
Subtotal Overlapping Debt	<u>\$98,346,971</u>		<u>\$66,774,523</u>
City of Beavercreek - Direct Debt	<u>5,098,719</u> *	100.00%	<u>5,098,719</u>
Total Direct and Overlapping Debt	<u>\$103,445,690</u>		<u>\$71,873,242</u>

Source: Ohio Municipal Advisory Council

(1) - Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the City by the total assessed valuation of the government.

* - Per GASB-54: 93; Q&A 9.29.2 Debt related to business-type activities should not be included in the presentation of direct and overlapping debt.

City of Beavercreek, Ohio
 Legal Debt Margin Information
 Last Ten Calendar Years
 Schedule 14

Legal Debt Margin Calculation for Year 2018

Assessed Value	\$1,457,071,520	\$1,457,071,520
Statutory Legal Debt Limitation (1)	10.5%	5.5%
Total Debt Limit	152,992,510	80,138,934
Debt Applicable to Limit:		
Applicable City Debt Outstanding	9,407,182	9,407,182
Less: Debt Outside Limitations (2)	1,405,000	1,405,000
Total Net Debt Applicable to Limit	8,002,182	8,002,182
Legal Debt Margin	\$144,990,328	\$72,136,752

Calendar Year

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Debt Limit (1)	\$142,530,022	\$144,131,706	\$138,961,884	\$143,197,751	\$142,458,021	\$139,840,893	\$142,709,253	\$145,369,600	\$153,026,772	\$152,992,510
Debt Limit (10.5%)										
Total Net Debt Applicable to Limit	13,014,367	12,249,124	12,849,461	12,089,918	11,138,210	10,155,260	9,135,150	8,055,964	9,145,070	8,002,182
Legal Debt Margin	\$129,515,655	\$131,882,582	\$126,112,423	\$131,107,833	\$131,319,811	\$129,685,633	\$133,274,103	\$137,313,636	\$143,881,702	\$144,990,328
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.13%	8.50%	9.25%	8.44%	7.82%	7.26%	6.40%	5.54%	5.98%	5.23%

Calendar Year

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Unvoted Debt Limit (1)	\$74,658,583	\$75,497,560	\$72,789,558	\$75,008,346	\$74,620,868	\$73,249,992	\$74,752,466	\$76,145,981	\$80,156,881	\$80,138,934
Debt Limit (5.5%)										
Total Net Debt Applicable to Limit	13,014,367	12,249,124	12,849,461	12,089,918	11,138,210	10,155,260	9,135,150	8,055,964	9,145,070	8,002,182
Legal Debt Margin	\$61,644,216	\$63,248,436	\$59,940,097	\$62,918,428	\$63,482,658	\$63,094,732	\$65,617,316	\$68,090,017	\$71,011,811	\$72,136,752
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	17.43%	16.22%	17.65%	16.12%	14.93%	13.86%	12.22%	10.58%	11.41%	9.99%

Calendar Year

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Unvoted Debt Limit (1)	\$74,658,583	\$75,497,560	\$72,789,558	\$75,008,346	\$74,620,868	\$73,249,992	\$74,752,466	\$76,145,981	\$80,156,881	\$80,138,934
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Calendar Year

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Calendar Year

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Total Net Debt Applicable to Limit	13,014,367	12,249,124	12,849,461	12,089,918	11,138,210	10,155,260	9,135,150	8,055,964	9,145,070	8,002,182
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Calendar Year

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Debt Limit (5.5%)										
Total Net Debt Applicable to Limit	13,014,367	12,249,124	12,849,461	12,089,918	11,138,210	10,155,260	9,135,150	8,055,964	9,145,070	8,002,182
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Calendar Year

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Debt Limit (5.5%)										
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Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	17.43%	16.22%	17.65%	16.12%	14.93%	13.86%	12.22%	10.58%	11.41%	9.99%

Calendar Year

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Unvoted Debt Limit (1)	\$74,658,583	\$75,497,560	\$72,789,558	\$75,008,346	\$74,620,868	\$73,249,992	\$74,752,466	\$76,145,981	\$80,156,881	\$80,138,934
Debt Limit (5.5%)										
Total Net Debt Applicable to Limit	13,014,367	12,249,124	12,849,461	12,089,918	11,138,210	10,155,260	9,135,150	8,055,964	9,145,070	8,002,182
Legal Debt Margin	\$61,644,216	\$63,248,436	\$59,940,097	\$62,918,428	\$63,482,658	\$63,094,732	\$65,617,316	\$68,090,017	\$71,011,811	\$72,136,752
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	17.43%	16.22%	17.65%	16.12%	14.93%	13.86%	12.22%	10.58%	11.41%	9.99%

Calendar Year

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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Calendar Year

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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City of Beavercreek, Ohio
 Pledged-Revenue Coverage
 Last Ten Calendar Years
 Schedule 15

Calendar Year	Special Assessment Bonds			
	Special Assessment Collections (1)	Debt Service (2)		Coverage
		Principal	Interest	
2009 (3)	\$981,718	\$295,000	\$164,130	2.14
2010 (4)	1,874,747	330,000	180,527	3.67
2011	692,786	375,000	160,588	1.29
2012	749,549	405,000	151,449	1.35
2013	865,818	410,000	130,443	1.60
2014	892,052	415,000	109,810	1.70
2015	731,704	440,000	89,475	1.38
2016	973,403	215,000	75,328	3.35
2017	1,172,274	150,000	68,240	5.37
2018	2,014,393	155,000	97,327	7.98

Source: County Auditor

(1) - Special assessment collections includes current and delinquent collections

(2) - Not all special assessments are related to debt.

(3) - Includes special assessments related to the Greene Town Center issued by the County

(4) - Includes special assessments related to the Greene Town Center, Pentagon Blvd and the Greene Town Center Phase II issued by the County

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

City of Beavercreek, Ohio

Demographic and Economic Statistics - Greene County

Last Ten Calendar Years

Schedule 16

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2009	38,183	\$5,610,597	\$35,105	8.90%
2010	45,193	5,877,656	36,370	9.20%
2011	45,193	6,449,086	39,497	8.40%
2012	45,193	6,650,368	40,653	8.40%
2013	45,193	6,690,015	40,992	6.10%
2014	45,193	7,178,142	43,817	4.20%
2015	45,193	7,376,592	44,862	4.40%
2016	45,193	7,596,700	46,106	4.10%
2017	45,193	8,016,254	48,073	4.30%
2018	45,193	N/A	N/A	3.60%

Sources:

- (1) - Population estimates provided by U.S. Census Bureau (2000 Census for years 2001 - 2009 and 2010 Census for year 2010)
- (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts
- (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts
- (4) - Ohio Bureau of Job and Family Services

N/A - Information not available due to a lag in data availability

City of Beavercreek, Ohio

Major Employers

Current Fiscal Year and Fiscal Period Nine Years Ago

Schedule 17

2018

Major Employers	Number of Employees	Employer's Percentage of Total Employment
Beavercreek City Schools	904	3.48%
Soin Hospital	850	3.27%
Wright-Patt Credit Union	833	3.21%
MacAulay Brown	450	1.73%
Business Technology & Solutions	450	1.73%
Northrop Grumman	428	1.65%
UES Corp.	250	0.96%
Dayton Gastroenterology Inc.	250	0.96%
Woolpert	216	0.83%
Universal Technology Corporation	188	0.72%

2009

Major Employers	Number of Employees	Employer's Percentage of Total Population
Beavercreek City Schools	788	3.52%
Computer Science Corporation	300	1.34%
Science Applications International Corp.	300	1.34%
Beavercreek Health Park	255	0.14%
Heartland Nursing Home	177	0.79%
Woolpert LLP	166	0.74%
City of Beavercreek	147	0.66%
Wyle Labs/RS Information Systems	145	0.65%
ATK	140	0.62%
US Post Office	116	0.52%

Source: Beavercreek Schools Web Site and the Dayton Development Coalition

City of Beavercreek, Ohio
 Full-Time Equivalent City Government Employees by Function/Program
 Last Ten Calendar Years
 Schedule 18

Function/Program	Calendar Year						
	2009	2010	2011	2012	2013	2014	2015
General Government							
City Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0
City Council	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Engineering	6.5	6.5	6.5	6.5	6.5	6.5	6.0
Finance	6.5	6.5	6.5	6.0	5.5	5.5	5.5
Legislative Bodies	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Safety							
Police	46.0	46.0	46.0	46.0	47.0	48.0	49.0
Sworn Officers	17.5	17.5	15.5	14.0	14.5	14.5	15.5
Non-Sworn							
Leisure Time Activities							
Parks and recreation	12.5	12.5	12.5	12.5	12.5	12.5	13.0
Golf Course	8.5	8.5	8.5	8.5	8.5	8.5	9.0
Community Development							
Planning and Zoning	6.0	6.0	6.0	5.0	5.0	5.0	5.0
Code Enforcement	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Basic Utility Service							
Cemetery Workers	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Transportation and Street Repair	28.0	28.0	28.0	28.0	28.0	29.0	29.0
Building Maintenance	2.5	2.0	2.0	2.0	1.5	1.5	1.5
Total	146.5	146.0	144.0	141.0	140.5	141.5	143.5

Source: Various City Departments

City of Beavercreek, Ohio
 Operating Indicators by Function/Program
 Last Ten Calendar Years
Schedule 19

Function/Program	Calendar Year					
	2009	2010	2011	2012	2013	2014
General Government						
Building permits issued	765	725	763	661	556	532
Commercial	78	81	60	170	48	61
New 1-2-4 family	1,031	1,293	1,114	903	1,066	1,157
Other residential						
Police	1,994	1,873	1,514	1,331	1,597	1,514
Physical arrests	501	541	513	179	352	227
Parking violations	3,251	2,574	2,537	2,626	3,321	3,648
Traffic violations	1,650	1,172	960	1,048	1,173	753
Traffic warnings						
Other Public Works	9.22	5.54	10.92	6.16	7.26	5.88
Street resurfacing	176	240	600	700	750	700
Potholes repaired						
Parks and Recreation	80	62	60	43	74	77
Athletic field permits issued						
Senior center	1,235	1,217	1,066	1,177	1,073	1,200
Memberships	64,457	60,292	58,372	58,356	58,416	59,201
Visitors						

Source: Various City Departments

City of Beavercreek, Ohio
 Capital Asset Statistics by Function/Program
 Last Ten Calendar Years
 Schedule 20

Function/Program	Calendar Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Sworn officers	46	46	46	46	46	46	47	48	49	50
Patrol cars	16	16	16	15	15	15	16	16	17	19
Other Public Works										
Area of City (square miles)	27.515	27.538	27.538	27.538	27.538	27.538	27.723	27.723	27.723	27.723
Streets (miles)	247.0	248.0	248.4	250.0	251.0	251.0	252.0	252.0	252.0	252.0
Streetlights	558	558	607	607	610	610	610	612	620	620
Traffic signals	66	68	69	70	71	71	71	72	72	72
Parks and Recreation										
Number of Parks	24	24	24	24	24	24	24	24	24	24
Acreage	330.6	330.6	330.6	330.6	330.6	330.6	330.6	330.6	330.6	344.0
Playgrounds	15	15	15	15	15	15	15	15	15	15
Baseball/Softball diamonds	22	22	22	22	22	22	22	22	22	22
Soccer/Football fields	37	37	37	37	37	37	37	37	37	37
Golf Course	1	1	1	1	1	1	1	1	1	1
Dedicated Bike Trail (miles)	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9

Source: Various City Departments