

CITY OF WOOSTER, OHIO

ANNUAL INFORMATION FILING FOR FISCAL YEAR 2015

The following provides, in accordance with the continuing disclosure agreements (the Continuing Disclosure Agreements) entered into by the City of Wooster, Ohio (the City), annual financial information and operating data for the City's fiscal year ended December 31, 2015 (Fiscal Year 2015), of the type included in the respective final official statements for its primary offerings of and issuances:

\$1,950,000 Various Purpose Improvement Bonds, Series 1995, dated as of September 1, 1995. Final Maturity December 1, 2020.

\$7,975,000 Various Purpose Bonds, Series 2010, dated October 13, 2010. Final Maturity December 1, 2030.

\$3,025,000 Water System Improvement Bonds, Series 2014, dated June 24, 2014. Final Maturity December 1, 2033.

\$4,220,000 Sewerage System Improvement Bonds, Series 2014, dated October 30, 2014. Final Maturity December 1, 2030.

\$7,000,000 Safety Center Improvement Bonds, Series 2015, dated July 21, 2015. Final Maturity December 1, 2035.

The applicable CUSIP number is 981083.

The Annual Information Filing constitutes only the annual financial information and operating data agreed to be provided under the Continuing Disclosure Agreements entered into at the times of the primary offerings referenced above. No representation is made as to the materiality or completeness of that information. Other relevant information for Fiscal Year 2015 may exist, and matters may have occurred or become known during or since that period, which an investor would consider to be important when making an investment decision. Further, no representation is made that the Annual Information Filing is indicative of financial or operating results of the City since the end of Fiscal Year 2015 or future financial or operating results. Finally, the inclusion of certain information pertaining to post-Fiscal Year 2015 events, if any, is provided solely for convenience, and is not intended to suggest that other such information not so included is any less material or important to an investor.

August 1, 2016

CITY OF WOOSTER, OHIO

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REGARDING THIS ANNUAL INFORMATION FILING

The information and expressions of opinion in this Annual Information Filing are subject to change without notice, and the delivery of this Annual Information Filing shall not, under any circumstances, give rise to any implication that there has been no change in the affairs of the City since its date.

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- Appendix B – Comparative Balance Sheets of General Fund 2011 through 2015, and Comparative Statements of General Fund Revenues, Expenditures and Changes in Fund Balances 2011 through 2014 and Unaudited 2015
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INTRODUCTORY STATEMENT

The City entered into the Continuing Disclosure Agreements pursuant to SEC Rule 15c2-12 (the Rule) in connection with the primary offerings and issuances by the City of the bond issues identified on the cover page (collectively, the Bonds). The Continuing Disclosure Agreements require the City to provide annually financial information and operating data for its immediately preceding Fiscal Year of the type included in the final official statements for those offerings (collectively, the Official Statements). This Annual Information Filing provides such financial information and operating data for the City's Fiscal Year ended December 31, 2015.

All financial and other information in this Annual Information Filing has been provided by the City from its records, except for information expressly attributed to other sources. More complete information regarding laws, reports and documents referenced in this Annual Information Filing may be obtained by reviewing those laws, reports and documents. Subject to limited exceptions, records of the City are available for public inspection and copies may be obtained at cost upon request. Questions regarding information contained in this Annual Information Filing and requests for copies of documents should be directed to the Director of Finance of the City at the address shown on the cover. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or otherwise be predictive of future experience. The information and expressions of opinion herein are subject to change without notice. The delivery of this Annual Information Filing shall not, under any circumstances, give rise to any implication that the affairs of the City have not changed since the date of this Annual Information Filing.

The City's audited basic financial statements for Fiscal Year 2014 were filed with the Municipal Securities Rulemaking Board (MSRB) in an electronic format prescribed by the MSRB using the MSRB's Electronic Municipal Market Access (EMMA) platform on November 6, 2015. Those audited financial statements are hereby incorporated by reference and made a part of this Annual Information Filing. The City's audited basic financial statements for Fiscal Year 2015 are not yet available and will be filed with the MSRB on EMMA when they become available.

As used in this Annual Information Filing:

- **“Council”** means the Council of the City.
- **“County”** means the County of Wayne.
- **“County Auditor”** means the Auditor of the County.
- **“Debt charges”** means the principal (including any mandatory sinking fund deposits and mandatory redemption payments), interest and any redemption premium payable on the obligations referred to as those payments come due and are payable; debt charges may also be referred to as “debt service.”
- **“Fiscal Year”** means the 12-month period ending December 31, and reference to a particular Fiscal Year (such as “Fiscal Year 2015”) means the Fiscal Year ending on December 31 in that year.
- **“Revised Code”** means the Ohio Revised Code.
- **“State”** or **“Ohio”** means the State of Ohio.

**AD VALOREM PROPERTY TAXES
AND SPECIAL ASSESSMENTS**

Assessed Valuation

The following table shows the recent assessed valuations of property subject to ad valorem taxes levied by the City.

Collection Year	Real(a)	Public Utility(b)(c)	Total Assessed Valuation
2012(d)	\$509,436,220	\$12,258,470	\$521,694,690
2013	514,036,180	13,430,050	527,466,230
2014	518,272,890	14,657,550	532,930,440
2015(e)	515,077,760	14,711,660	529,789,420
2016	520,446,160	13,890,110	534,336,270

- (a) Other than real property of railroads. The real property of public utilities, other than railroads, is assessed by the County Auditor. Real property of railroads is assessed, together with tangible personal property of all public utilities, by the State Tax Commissioner.
- (b) The State reduced the valuation of tangible personal property of general businesses and railroads in increments beginning in 2006 to zero in 2009 and reduced the valuation of tangible personal property of telecommunications companies in increments beginning in 2007 to zero in 2011; see the discussion of those reductions and related State makeup payments below.
- (c) Tangible personal property of all public utilities and real property of railroads; see footnotes (a) and (b).
- (d) Reflects triennial adjustment.
- (e) Reflects sexennial reappraisal.

Source: County Auditor.

Taxes collected on “Real” in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. “Public Utility” (real and tangible personal) taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year.

Pursuant to statutory requirements for sexennial reappraisals, in 2014 the County Auditor adjusted the true value of taxable real property to reflect then current fair market values. These adjustments were first reflected in the 2014 duplicate (collection year 2015) and in the ad valorem taxes distributed to the City in 2015 and thereafter. The County Auditor is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal), and has adjusted, taxable real property value triennially to reflect true values. The County Auditor conducted such triennial adjustment in 2011.

The “assessed valuation” of real property is fixed at 35% of true value and is determined pursuant to rules of the State Tax Commissioner. An exception is that real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value. Real property devoted exclusively to forestry or timber growing is taxed at 50% of the local tax rate upon its assessed value.

Public utility tangible personal property (with some exceptions) is currently assessed (depending on the type of property) from 25% to 88% of true value. Effective for collection year 2002, the assessed valuation of electric utility production equipment was reduced from 100% and natural gas utility property from 88% of true value, both to 25% of true value. The City has been receiving reimbursement payments from the State to compensate for tax revenue losses as a result of those reductions; however, the City no longer receives reimbursement payments from the State.

As indicated herein, the General Assembly has from time to time exercised its power to revise the laws applicable to the determination of assessed valuation of taxable property and the amount of receipts to be produced by ad valorem taxes levied on that property and may continue to make similar revisions.

Ohio law grants tax credits to offset increases in taxes resulting from increases in the true value of real property. Legislation classifies real property as between residential and agricultural property and all other real property, and provides for tax reduction factors to be separately computed for and applied to each class. These tax credits apply only to certain voted levies on real property, and they do not apply to unvoted levies or to voted levies to provide a specified dollar amount or to pay debt charges on general obligation debt. None of the City's tax levies are affected by these credits. These credits are discussed further following **Tax Table A**.

Tax Rates

All references to tax rates under this caption are in terms of stated rates in mills per \$1.00 of assessed valuation.

The following are the rates at which the City and overlapping taxing subdivisions have in recent years levied ad valorem property taxes.

**TAX TABLE A
Overlapping Tax Rates**

Collection Year	City	County	JVSD	Library	Mental Health District	Wooster City School District	Total
2012	4.20	9.25	4.85	1.25	1.00	79.50	100.05
2013	4.20	9.25	4.85	1.25	1.00	79.50	100.05
2014	4.20	9.25	4.85	1.25	1.00	79.50	100.05
2015	4.20	9.25	4.85	1.25	1.00	79.90	100.45
2016	4.20	9.25	4.85	1.20	1.00	79.90	100.40

Source: County Auditor.

Statutory procedures limit, by the application of tax credits, the amount realized by each taxing subdivision from real property taxation to the amount realized from those taxes in the preceding year plus both:

- the proceeds of any new taxes (other than renewals) approved by the electors, calculated to produce an amount equal to the amount that would have been realized if those taxes had been levied in the preceding year; and
- amounts realized from new and existing taxes on the assessed valuation of real property added to the tax duplicate since the preceding year.

These procedures were instituted initially in 1976 to limit in part the effect of increasing property values on the growth of those property taxes.

As noted above, all of the City's property tax levies, as levies inside the ten-mill limitation, are exempt from those tax credit provisions. The tax credit provisions do not apply to amounts realized from taxes levied at whatever rate is required to produce a specified amount or an amount to pay debt charges, or from taxes levied inside the ten-mill limitation or any applicable charter tax rate limitation. To calculate the limited amount to be realized, a reduction factor is applied to the stated rates of the levies subject to these tax credits. A resulting

“effective tax rate” reflects the aggregate of those reductions, and is the rate based on which real property taxes are in fact collected. As an example, the total overlapping tax rate for the 2016 tax collection year of 100.40 mills within the City is reduced by reduction factors of 0.359271 for residential/agricultural property and 0.233297 for all other real property, which results in “effective tax rates” of 64.329235 mills for residential and agricultural property and 76.976999 mills for all other real property. See **Tax Table A**.

Residential and agricultural real property tax amounts are generally further reduced by an additional 10% (12.5% in the case of owner-occupied residential property); however, legislation passed by the State’s General Assembly in 2013 eliminated such reductions for additional and replacement levies approved at elections after September 29, 2013, and for other taxes (or increases in taxes) not levied for tax year 2013. See **Collections** for a discussion of the reimbursement by the State to taxing subdivisions for these reductions and related changes made by State legislation passed by the General Assembly in 2013.

The following are the rates at which the City levied property taxes for the general categories of purposes for recent years:

TAX TABLE B
City Tax Rates
(All within ten-mill limitation)

Collection Year	Operating	Police and Fire Pension	Total
2012	3.60	0.60	4.20
2013	3.60	0.60	4.20
2014	3.60	0.60	4.20
2015	3.60	0.60	4.20
2016	3.60	0.60	4.20

See the discussion of the ten-mill limitation, and the priority of claim on that millage for debt charges on unvoted general obligation debt, under **Indirect Debt and Unvoted Property Tax Limitations**. The City has no property tax levies outside the ten-mill limitation.

Collections

The following are the amounts billed and collected for City ad valorem real and public utility property taxes for the tax collection years shown.

Collection Year	Current Billed	Current Collected	Current % Collected	Delinquent	
				Current	Accumulated
2011	\$2,552,622	\$2,451,240	96%	\$76,251	\$84,285
2012	2,352,784	2,165,218	92	58,281	61,214
2013	2,313,291	2,171,119	93	87,404	58,879
2014	2,315,089	2,184,568	95	73,722	58,941
2015	2,294,038	2,204,315	96	71,105	53,235

Source: County Auditor.

Included in the “Current Billed” and “Current Collected” figures above are payments made from State revenue sources under two Statewide real property tax relief programs – the Homestead Exemption and the Property Tax Rollback Exemption. Homestead Exemptions have been available for (i) persons 65 years of age or older, (ii) persons who are totally or permanently disabled and (iii) surviving spouses of persons who were totally or permanently disabled or 65 years

of age or older, and had applied and qualified for a reduction of property taxes in the year of death, so long as the surviving spouses were not younger than 59 or older than 65 years of age on the date of their deceased spouses' deaths. The Homestead Exemption exempts \$25,000 of the homestead's market value from taxation, thereby reducing the property owner's ad valorem property tax liability. The Property Tax Rollback Exemption applies to all non-business properties, and reduces each property owner's ad valorem property tax liability by either 12.5% (for owner-occupied non-business properties) or 10% (for non-owner non-business occupied properties). Payments to taxing subdivisions have been made in amounts approximately equal to the Homestead and Property Tax Rollback Exemptions granted. This State assistance reflected in the City's tax collections for 2015 was \$68,651 for the elderly/disabled homestead payment and \$166,107 for the rollback payment.

State legislation passed in 2013 made the Homestead Exemption subject to means testing beginning January 1, 2014, and eliminated the Property Tax Rollback Exemption and related reimbursements with respect to new or replacement tax levies approved at elections after September 29, 2013, and other taxes (or increases in taxes) not levied for tax year 2013. See **Tax Rates**.

Real property taxes are payable in two installments, the first usually by February and the second in July.

Special Assessments

The City regularly conducts residential and other street improvements, which can include paving, resurfacing, draining, planting shade trees and constructing curbs, sidewalks, storm sewers, sanitary sewers and water lines. The cost of these improvements is paid in part from special assessments levied against the property benefiting from those improvements; the remaining cost is paid by the City. Unless all of the benefiting property owners petition to pay all costs, State law requires the City to pay at least 2% (plus the cost associated with intersections) of the total cost of the improvements.

Owners of benefiting properties may commence a street improvement project by filing a petition with City Council requesting the improvement. Alternatively, Council, with a three-quarter majority, may by resolution declare the necessity for such an improvement. The special assessment proceedings provide for notice to property owners and an opportunity for property owners to object to the special assessments. At the commencement of construction of the improvement, bond anticipation notes are issued to pay the project cost. Following completion of the work and determination of final costs, the special assessments are levied by Council against the benefiting property. Special assessments not paid within 30 days are certified to the County Auditor for collection over a period of time (usually 10 to 20 years for most projects). Special assessments are billed by the County Auditor and collected by the County Treasurer along with and at the same time as real property taxes. The real property taxes levied on any property against which special assessments have been levied are not to be paid unless those special assessments are also paid.

Bonds are issued in anticipation of the collection of the special assessments to refund (together with any cash payments of special assessments) those notes. The special assessments certified for collection bear the same interest as the bonds. Under State law, those bonds are to be paid from the anticipated special assessments, but they are also general obligations of the City, payable from ad valorem property taxes to the extent not paid from those special assessments. See **City Debt and Other Long-Term Obligations – Statutory Direct Debt Limitations, Indirect Debt and Unvoted Property Tax Limitations and Debt Tables A and B**. The City has never been required to levy an ad valorem property tax for debt charges on bonds issued in anticipation of the collection of special assessments because special assessments have been collected as required and sufficient balances have been available in the Bond Retirement Fund to cover any temporary shortfall.

The following are the amounts billed and collected for City special assessments for the tax collection years shown.

Collection Year	Current Billed	Current Collected	Current % Collected	Delinquent	
				Current	Accumulated
2011	\$648,438	\$412,687	64%	\$139,010	\$108,912
2012	700,807	387,961	56	119,906	203,712
2013	755,102	344,647	45	122,434	297,352
2014	868,667	424,728	49	85,151	357,101
2015	843,659	337,974	40	262,630	405,980

Source: County Auditor.

Delinquencies

Of the 10,904 nonexempt parcels in the City for collection year 2015, the number of delinquent parcels was 566, against none of which foreclosure proceedings were commenced.

There is no one taxpayer that accounts for more than 5% of any of the delinquencies of ad valorem real property taxes or special assessments identified above for tax collection year 2015.

MUNICIPAL INCOME TAX

Ohio law authorizes a city or village to levy a municipal income tax on both business income and employee wages and salaries at a rate of up to 1% without voter authorization. An income tax rate in excess of 1% requires approval by the voters. The City currently levies the tax at a rate of 1.50%. On May 7, 2013, the voters authorized the 0.50% increase in the City's income tax, raising the rate to 1.50%, effective January 1, 2014. This tax on business income and individuals' salaries and wages is collected and administered by the City. Residents are permitted, as a credit against their City income tax liability, up to a maximum of 100% of the tax paid as municipal income tax on the same income in another municipal corporation.

The tax is in effect for a continuing period of time. It could be reduced or terminated by action of the Council, or by vote of the electors initiated by petition of 10% of the number of electors of the City who voted for governor at the last preceding election, following initiated ordinance procedures, or 10% of the electors of the City who voted at the last preceding City general election, following charter amendment procedures. Under current law, the Council could (unless restricted by a Charter provision) reimpose a 1% tax without authorization by the electors.

Income tax proceeds, after payment of collection expenses, were allocated by the Council for the current year to the General Fund. Annual income tax receipts in recent years are shown in the following table.

Year	Receipts
2011	\$ 9,425,474
2012	10,644,065
2013	10,713,990
2014	14,720,915
2015	16,409,243

Based on employer payments of corporate and withheld personal income taxes, one employer contributed through those taxes 9.0% of the City income tax collected in Fiscal Year 2015.

Certain of the income subject to the City income tax is also subject to the State income tax.

STATE LOCAL GOVERNMENT ASSISTANCE FUNDS

Statutory state-level local government assistance funds, comprised of designated State revenues, are another source of revenue to the General Fund. Most are distributed to each county and then allocated on a formula basis, or in some cases on an agreement basis, among the county and cities, villages and townships, and in some cases park districts, in the county. City receipts from those funds in recent years are shown in the following table.

Year	Receipts
2011	\$1,227,761
2012	861,805
2013	656,176
2014	641,351
2015	678,836

The amounts of and formula for distribution of these funds may be revised from time to time.

ESTATE TAXES

The State has distributed significant portions of the State estate tax to decedents' communities of residence. Due to the nature of this tax, the annual amounts received have varied significantly. The City received \$602,186 \$188,862 and \$50,802 from this source in Fiscal Years 2013, 2014 and 2015. The City has credited these distributions to its General Fund. The State estate tax has been eliminated for decedents dying on or after January 1, 2013; however, distributions related to the estates of decedents dying before that date will continue until those estates are settled.

CITY DEBT AND OTHER LONG-TERM OBLIGATIONS

The following describes the security for general obligation debt, applicable debt and ad valorem property tax limitations, and outstanding and projected bond and note indebtedness and certain other long-term financial obligations of the City.

As used in the discussions that follow, the term BANs refers to notes issued in anticipation of the issuance of general obligation bonds.

Certain overlapping subdivisions also may issue voted and unvoted general obligation debt.

The City has issued industrial development revenue bond issues for facilities used by private corporations or other entities. The City is not obligated in any way to pay debt service on those bonds from any of its funds. Those revenue bonds have been excluded entirely from the following debt discussion and tables.

The City is not, and to the knowledge of current City officials has not in at least the last 25 years been, in default in the payment of debt service on any of the bonds or notes on which the City is obligor. However, the City makes no representation as to the existence of a condition of default resulting from a default by any private entity under any financing documents relating to industrial development of which the City was the issuer.

Security for General Obligation Debt; Bonds and BANs

The following describes the security for City general obligation debt: bonds and bond anticipation notes (BANs).

Voted Bonds. The basic security for voted City general obligation bonds is the authorization by the electors for the City to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes, without limitation as to rate or amount, on all real and tangible personal property subject to ad valorem taxation by the City. These taxes are outside of the ten-mill limitation and are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on the voted bonds (subject to bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion, and to limitations on legal remedies against public entities).

As of December 31, 2015, the City had no voted general obligation bonds outstanding.

Unvoted Bonds. The basic security for unvoted City general obligation bonds is the City's ability to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes on all real and tangible personal property subject to ad valorem taxation by the City, within the ten-mill limitation described below. These taxes are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on unvoted general obligation bonds. The law provides that the levy necessary for debt charges has priority over any levy for other purposes within that tax limitation; that priority may be subject to bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion, and to limitations on legal remedies against public entities. See the discussion below, under **Indirect Debt and Unvoted Property Tax Limitations** of the ten-mill limitation, and the priority of claim on it for debt charges on unvoted general obligation debt of the City and all overlapping taxing subdivisions.

As of December 31, 2015, the City had \$20,168,000 of unvoted general obligation bonds outstanding.

BANs. While BANs are outstanding, Ohio law requires the levy of ad valorem property taxes in an amount not less than what would have been levied if bonds had been issued without the prior issuance of the BANs. That levy need not actually be collected if payment in fact is to be provided from other sources, such as the proceeds of the bonds anticipated or of renewal BANs. BANs, including renewal BANs, may be issued and outstanding from time to time up to a maximum period of 240 months from the date of issuance of the original notes (the maximum maturity for special assessment BANs is five years). Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated. Portions of the principal amount of BANs outstanding for more than five years must be retired in amounts at least equal to, and payable not later than, those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five-year period.

As of December 31, 2015, the City had no outstanding BANs.

Statutory Direct Debt Limitations

The Revised Code provides two debt limitations on general obligation debt that are directly based on tax (assessed) valuation, applicable to all municipal corporations, including the City.

- The net principal amount of both voted and unvoted debt of the City, excluding "exempt debt" (discussed below), may not exceed 10-1/2% of the total tax (assessed) valuation of all property in the City as listed and assessed for taxation.
- The net principal amount of the unvoted debt of the City, excluding exempt debt, may not exceed 5-1/2% of that valuation, as discussed below.

These two limitations, which are referred to as the “direct debt limitations,” may be amended from time to time by the General Assembly.

The City’s ability to incur unvoted debt (whether or not exempt from the direct debt limitations) also is restricted by the indirect debt limitation discussed below under **Indirect Debt and Unvoted Property Tax Limitations**.

Certain debt that the City may issue is exempt from the direct debt limitations (exempt debt). Exempt debt includes, among others, the following categories.

- General obligation debt:
 - That is “self-supporting” (i.e., nontax revenues from the facility or category of facilities are sufficient to pay operating and maintenance expenses and related debt charges and other requirements) issued for facilities for city utility systems, airports, railroads, mass transit systems, parking, health care, solid waste, urban development, recreation, sports, convention, museum and other public attractions, natural resource exploration, development, recovery, use or sale, correctional and other related rehabilitation.
 - To the extent debt charges are expected to be paid from tax increment financing payments in lieu of taxes pledged to the payment of those debt charges (subject to certain limitations).
 - For highway improvements if the municipality has covenanted to pay debt charges and financing costs from distributions of motor vehicle license and fuel taxes.
 - In anticipation of the levy or collection of special assessments.
 - To pay final judgments or court-approved settlements.
- Securities issued to improve water or sanitary or storm water sewerage facilities to the extent that another subdivision has agreed to pay to the City amounts equal to debt charges on those securities.
- Unvoted general obligation bonds to the extent that debt charges will be met from lawfully available municipal income taxes, to be applied to that debt charges pursuant to ordinance covenants.
- Revenue debt and mortgage revenue bonds to finance municipal utilities.
- Notes issued in anticipation of (i) the collection of current revenues (which have a latest maturity of the last day of the Fiscal Year in which issued) or (ii) the proceeds of a specific tax levy.
- Notes issued for certain energy conservation improvements or certain emergency purposes.
- Debt issued in anticipation of the receipt of federal or State grants for permanent improvements, or to evidence loans from the State capital improvements fund or State infrastructure bank.
- Voted debt for urban redevelopment purposes not in excess of 2% of the City’s assessed valuation.
- Debt issued to make a single payment on certain accrued liability to the statewide Police and Fire Pension Fund.

- o Debt issued for municipal educational and cultural facilities and sports facilities.

BANs issued in anticipation of exempt bonds are also exempt debt.

The City may incur debt for operating purposes, such as current tax revenue anticipation notes or tax anticipation notes, only under certain limited statutory authority.

In the calculation of debt subject to the direct debt limitations, the amount in a city’s bond retirement fund allocable to the principal amount of nonexempt debt is deducted from gross nonexempt debt. Without consideration of amounts in the City’s Bond Retirement Fund, and based on outstanding debt and current tax (assessed) valuation, the City’s voted and unvoted nonexempt debt capacities as of December 31, 2015 were:

Limitation	Nonexempt Debt Outstanding	Additional Debt Capacity Within Limitation
10-1/2% = \$56,105,308	\$9,499,850	\$46,605,458
5-1/2% = \$29,388,494	\$9,499,850	\$19,888,644

This is further detailed in **Debt Table A**.

Indirect Debt and Unvoted Property Tax Limitations

Voted general obligation debt may be issued by the City if authorized by vote of the electors. Ad valorem taxes, without limitation as to amount or rate, to pay debt charges on voted bonds are authorized by the electors at the same time they authorize the issuance of the bonds.

General obligation debt also may be issued by the City without a vote of the electors. This unvoted debt may not be issued unless the ad valorem property tax for the payment of debt charges on those bonds (or the bonds in anticipation of which BANs are issued), and all outstanding unvoted general obligation bonds (including bonds in anticipation of which BANs are issued) of the combination of overlapping taxing subdivisions including the City resulting in the highest tax required for such debt charges, in any year is 10 mills or less per \$1.00 of assessed valuation. This indirect debt limitation, the product of what is commonly referred to as the “ten-mill limitation,” is imposed by a combination of provisions of the Ohio Constitution and the Revised Code.

The ten-mill limitation is the maximum aggregate millage for all purposes that may be levied on any single piece of property by *all* overlapping taxing subdivisions without a vote of the electors. This 10 mills is allocated pursuant to a statutory formula among certain overlapping taxing subdivisions in the County, including the City. For collection year 2015, the entire 10 mills was levied by the combination of the City and taxing subdivisions overlapping the City. For collection year 2015, the then-current allocation of the 10 mills (sometimes referred to as the “inside millage”) was as follows: 4.20 City, 2.00 County, and 3.80 Wooster City School District. That allocation has remained constant for at least the last five years.

Present Ohio law requires the inside millage allocated to a taxing subdivision to be used first for the payment of debt charges on its unvoted general obligation debt, unless provision has been made for that payment from other sources, with the balance usable for other purposes. To the extent this inside millage is required for debt charges of a taxing subdivision (which may exceed the formula allocation to that subdivision), the amount that would otherwise be available to that subdivision for general fund purposes is reduced. Because the inside millage that may actually be required to pay debt charges on a subdivision’s unvoted general obligation debt may exceed the formula allocation of that millage to the subdivision, the excess reduces the amount of inside millage available to overlapping subdivisions. In the case of the City, however, a law applicable to all Ohio cities and villages requires that any lawfully available receipts from a municipal income tax

or from voted property tax levies be allocated to pay debt charges on City unvoted debt before the formula allocations of the inside millage to overlapping subdivision can be invaded for that purpose.

In the case of BANs issued in anticipation of unvoted general obligation bonds, the highest estimate of annual debt charges for the anticipated bonds is used to calculate the millage required.

Revenue bonds and notes and mortgage revenue bonds are not included in debt subject to the indirect limitation because they are not general obligations of the City, and the full faith and credit and property taxing power of the City is not pledged for their payment.

The indirect limitation applies to all unvoted general obligation debt even if debt charges on some of it is expected to be paid in fact from municipal income taxes, special assessments, utility revenues or other sources.

As of December 31, 2015, the highest debt charges requirement in any year for all City debt subject to the ten-mill limitation was estimated to be \$1,858,000. That debt includes all unvoted general obligation bonds outstanding. The payment of those annual debt charges would require a levy of 3.4772 mills based on current assessed valuation.

As of December 31, 2015, the total millage theoretically required by the City, the Wooster City School District and the County (the only overlapping taxing subdivisions that had issued unvoted debt) for debt charges on their outstanding unvoted general obligation debt was estimated to be 4.4159 mills for Fiscal Year 2017, the year of the highest potential debt charge requirements. There thus remained 5.5841 mills within the ten-mill limitation that had yet to be allocated to debt charges and that were available to the City and overlapping subdivisions in connection with the issuance of additional unvoted general obligation debt.

Debt Outstanding

The Debt Tables attached provide information concerning the City's outstanding debt represented by bonds and notes, with respect to City and overlapping subdivision general obligation debt allocations, and debt charges.

The following table shows the principal amount of City general obligation debt outstanding as of December 31 (all unvoted) in the years shown.

Year	Exempt	Total
2011	\$ 5,198,019	\$ 8,841,000
2012	4,826,064	8,185,000
2013	4,448,167	7,527,000
2014	11,309,088	14,101,000
2015	10,668,151	20,168,000

Bond Anticipation Notes

As of December 31, 2015, none of the debt of the City was currently in the form of BANs. BANs may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the BANs, or available funds of the City, or a combination of these sources.

Bond Retirement Fund

The Bond Retirement Fund is the fund from which the City pays debt charges on its general obligation debt, and into which money required to be applied to those payments is deposited.

The following table is an unaudited summary of Bond Retirement Fund receipts and disbursements for the years shown.

Year	Receipts	Disbursements	December 31 Balance
2011	\$243,015	\$190,470	\$ 757,032
2012	209,132	190,919	1,080,455
2013	396,961	188,110	1,289,306
2014	873,669	856,014	1,306,961
2015	469,146	609,438	1,166,669

Future Financings

During the next 12 months, the City may finance the purchase of a digester and two lagoons for the wastewater treatment plant. The cost to acquire these assets is estimated to be \$4,500,000. The City does not plan to issue any other general obligation bonds during the next 12 months other than the above mentioned issue or issuing bonds to refund outstanding general obligation bonds at a lower interest cost. At this time, the City has no other plans to undertake or participate in any new major capital improvement projects for which it plans to borrow additional money or enter into long-term financial undertakings, or to issue any current or tax anticipation notes.

Long-Term Financial Obligations Other Than Bonds and Notes

The City has entered into loan agreements with the Ohio Water Development Authority (OWDA) for the financing of improvements to its wastewater treatment plant, under which, according to the OWDA and at December 31, 2015, there was an aggregate outstanding principal balance due of approximately \$15.54 million. Payments on those loans are required to be made from City wastewater system revenues after payment of operation and maintenance expenses of that system.

The City has entered into loan agreements with the OWDA for the financing of improvements to its water system, under which, according to the OWDA and at December 31, 2015, there was an aggregate outstanding principal balance due of approximately \$2.37 million. Payments on those loans are required to be made from City water system revenues after payment of operation and maintenance expenses of that system.

Those loan agreements with the OWDA grant no security or property interest to OWDA in any property of the City, and do not pledge the general credit of the City, or create a debt subject to the direct or indirect debt limitations, or require the application of the general resources of the City for repayment.

In addition, the City has entered into a number of 0% interest loans with the Ohio Public Works Commission (OPWC) for the financing of improvements to its wastewater treatment plant, water system, storm drainage and other improvements. As of December 31, 2015, the aggregate outstanding principal amount of those loans totaled approximately \$2.54 million. Payments on those loans are generally required to be made from the City wastewater and water system revenues after payment of operation and maintenance expenses of those systems, respectively. The loan agreements grant no security or property interest to OPWC in any property of the City, and do not pledge the general credit of the City, or create a debt subject to the direct or indirect debt limitations.

For information regarding these loan agreements, “compensated absences” and certain other long-term financial obligations of the City, see the notes to the City’s Audited Basic Financial Statements previously filed on EMMA.

As of December 31, 2015, the City had no other significant long term financial obligations, other than the bonds described above and certain lease purchase contracts for photocopying and general office equipment.

Retirement Expenses

Present and retired employees of the City are covered under two statewide public employee retirement (including disability retirement) systems. The Ohio Police and Fire Pension Fund (OP&F) covers uniformed members of the police and fire departments. All other eligible City employees are covered by the Ohio Public Employees Retirement System (OPERS).

OPERS and OP&F are two of five statewide public employee retirement systems created by and operating pursuant to Ohio law, all of which currently have unfunded actuarial accrued liabilities. The General Assembly has the power to amend the format of those systems and to revise rates and methods of contributions to be made by public employers and their employees and eligibility criteria, benefits or benefit levels for employee members. On September 12, 2012, the General Assembly passed five separate pension reform bills intended to assist each of the five retirement systems in addressing its unfunded actuarial accrued liabilities. The bills passed with respect to OPERS and OP&F provided for (i) no change in the City contribution rates with respect to its employees' earnable salaries, (ii) no change in OPERS employee contribution rate, and (iii) an increase in the OP&F employee contribution rate from 10% to 12.25% in annual increments of 0.75% that began on July 2, 2013. With certain transition provisions applicable to certain current employees, the bills increased minimum age and service requirements for retirement and disability benefits, revised the calculation of an employee's final average salary on which pension benefits are based to include the five highest years (rather than the three highest years), provided for OPERS pension benefits to be calculated on a lower, fixed formula, changed provisions with respect to future cost-of-living adjustments to limit those adjustments to the lesser of any increase in the Consumer Price Index or three percent, and made other changes. The OP&F bill also authorizes the OP&F board to further adjust member contribution rates or further adjust age and service requirements after November 1, 2017, if, after an actuarial investigation, the board determines that an adjustment is appropriate.

City employees covered by OPERS now contribute at a statutory rate of 10.0% of earnable salary. As the employer, the City's statutory contribution rate for those employees is 14.0% of the same base. City employees covered by OP&F currently contribute at a statutory rate of 11.50% of earnable salary, but will contribute at a rate of 12.25% of earnable salary beginning July 2, 2016. As the employer, the City's statutory contribution rates, applied to the same base, are 19.5% for police personnel and 24.0% for fire personnel. These employee and employer contribution rates have been and are the maximums permitted under current State law.

City employees are not currently subject to federal and state income tax on their contributions to OPERS or OP&F because the City has adopted a "pick-up" program pursuant to federal income tax law. The pick-up program is a "salary reduction" program which does not cause the City to incur additional pension or wage related expenses. As of December 31, 2015, the City also picked up 5.5% (for employees hired prior to 09/01/2014) and 3.5% (for employees thereafter) of Wooster Employees Association employees' pension and 3.5% of management's pension.

The City's current employer contributions to OPERS and OP&F, and the payments toward the accrued OP&F liability, have been treated as current expenses and included in the City's operating expenditures, except to the extent paid from the proceeds of the "Police and Fire Pension" levy referred to under **Tax Rates**.

Federal law requires City employees hired after March 31, 1986 to participate in the federal Medicare program, which requires matching employer and employee contributions, each being 1.45% of the wage base. Otherwise, City employees who are covered by a State

retirement system are not currently covered under the federal Social Security Act. OPERS and OP&F are not subject to the funding and vesting requirements of the federal Employee Retirement Income Security Act of 1974.

Health Insurance

All City employees are provided a traditional health care insurance plan that covers hospitalization and major medical expenses within specified limits. The plan is self-funded by the City and administered by a third-party administrator. The City pays the administrator a monthly fixed fee for various claim administration services on a per enrolled employee basis. All claims are paid by the City. The third-party administrator submits weekly preliminary check registers for all processed claims. The City issues payment to the plan administrator who in turn issues individual claim checks. The City carries specific stop-loss and adequate stop-loss insurance against catastrophic losses (an annual stop loss limit of \$85,000 per employee, and \$2,943,938.64 in the aggregate). The premium for these coverages are billed monthly to the City by the third-party administrator on a per enrolled employee basis.

DEBT TABLE A

**Principal Amounts of Outstanding General Obligation (GO) Debt;
Leeway for Additional Debt Within Direct Debt Limitations
(as of December 31, 2015)**

A.	Total debt:		\$20,168,000
B.	Exempt debt:		
	Category	Outstanding Principal Amount	
	Special Assessment	\$ 980,250	
	Water System	5,132,900	
	Sewer System	4,095,000	
	Storm Drainage System	460,000	
	Total exempt debt:		\$10,668,150
C.	Total nonexempt debt [A minus B]		\$ 9,499,850
D.	5-1/2% of tax (assessed) valuation (unvoted nonexempt debt limitation):		\$29,388,494
E.	Total nonexempt limited tax bonds and notes outstanding:		
	Bonds	\$9,499,850	
	Notes	\$ -0-	
			\$ 9,499,850
F.	Debt leeway within 5-1/2% unvoted debt limitation [D minus E]		\$19,888,644*
G.	10-1/2% of tax (assessed) valuation (voted and unvoted debt limitation):		\$56,105,308
H.	Total nonexempt bonds and notes outstanding:		
	Bonds	\$9,499,850	
	Notes	\$ -0-	
			\$ 9,499,850
I.	Debt leeway within 10-1/2% debt limitation [G minus H]		\$46,605,458*

* Debt leeway in this table determined without considering money in the Bond Retirement Fund.

DEBT TABLE B

**Various City and Overlapping
GO Debt Allocations (Principal Amounts)
(as of December 31, 2015)**

	Amount	Per Capita^(a)	% of City's Current Assessed Valuation^(b)
City Nonexempt GO Debt	\$ 9,499,850	\$ 363.71	1.78%
Total City GO Debt (exempt and non- exempt)	20,168,200	772.17	3.77
Highest Total Overlap- ping GO Debt ^(c)	27,898,592	1,068.13	5.22

(a) Based on 2010 City population of 26,119.

(b) Based on the City's current assessed valuation of \$534,336,270.

(c) Includes, in addition to "Total City GO Debt," allocations of total GO debt of overlapping debt issuing subdivisions (as of December 31, 2015) resulting in the calculation of highest total overlapping debt based on percent of tax (assessed) valuation of territory of the subdivisions located within City (% figures are resulting percent of total debt of subdivisions allocated to City in this manner), as follows:

\$ 2,119,500 County (22.50%);
 \$ 4,639,934 Wooster City School District (82.93%); and
 \$ 970,958 Wayne Public Library District (18.86%).

Source of tax (assessed) valuation and confirmation of GO debt figures for overlapping subdivisions: OMAC*

* Ohio Municipal Advisory Council (OMAC) compiles information from official and other sources. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guaranty its accuracy. OMAC has not reviewed this Annual Information Filing to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

DEBT TABLE C

Projected Debt Charges Requirements on City GO Debt (as of December 31, 2015)

Year	Debt Service on	Portion of Total Anticipated to be Paid from				
	Outstanding Bonds	Limited Ad Valorem Taxes	Special Assessments	Sewer System Receipts	Storm Drainage System Revenues	Water System Revenues
2016	\$1,857,999.85	\$855,499.04	\$141,388.21	\$258,850.00	\$166,500.00	\$435,762.60
2017	1,841,402.65	848,830.00	140,786.65	252,100.00	158,012.50	441,673.50
2018	1,836,801.85	844,460.53	140,716.33	245,350.00	159,262.50	447,012.50
2019	1,470,718.65	661,689.11	128,759.05	238,600.00	0.00	441,670.50
2020	1,472,189.35	656,955.10	129,242.75	240,900.00	0.00	445,091.50
2021	1,361,677.75	656,384.22	78,274.78	238,100.00	0.00	388,918.75
2022	1,361,370.05	655,511.53	78,289.78	240,300.00	0.00	387,268.75
2023	1,278,091.25	608,930.11	46,617.39	237,400.00	0.00	385,143.75
2024	1,281,347.50	607,784.30	46,731.95	239,500.00	0.00	387,331.25
2025	1,283,222.50	606,278.75	46,762.50	241,500.00	0.00	388,681.25
2026	1,293,325.00	612,993.38	47,975.37	242,625.00	0.00	389,731.25
2027	1,291,150.00	614,801.14	47,836.36	238,625.00	0.00	389,887.50
2028	1,280,750.00	610,208.32	47,604.18	238,825.00	0.00	384,112.50
2029	1,283,825.00	609,458.28	47,329.22	238,875.00	0.00	388,162.50
2030	1,284,000.00	610,983.97	48,178.53	238,775.00	0.00	386,062.50
2031	912,562.50	460,637.50	0.00	238,525.00	0.00	213,400.00
2032	911,887.50	462,962.50	0.00	238,125.00	0.00	210,800.00
2033	905,375.00	459,800.00	0.00	237,575.00	0.00	208,000.00
2034	697,150.00	455,275.00	0.00	241,875.00	0.00	0.00
2035	696,025.00	455,400.00	0.00	240,625.00	0.00	0.00
2036	239,218.75	0.00	0.00	239,218.75	0.00	0.00
2037	242,393.75	0.00	0.00	242,393.75	0.00	0.00
2038	240,243.75	0.00	0.00	240,243.75	0.00	0.00
2039	242,931.25	0.00	0.00	242,931.25	0.00	0.00

DEBT TABLE D

Outstanding GO Bonds (as of December 31, 2015)

The following General Obligation (GO) Bonds are reflected in **Debt Tables A, B and C.**

General Obligation Bonds				
Issue	Date of Issuance	Final Maturity	Original Principal Amount	Outstanding Principal Amount
Various Purpose Improvement Bonds, Series 1995	9/21/95	2020	\$1,950,000	\$ 450,000
Special Assessment				
Property Owners' Portion			1,245,955	450,000
City Portion (Water System)			704,045	0
Street Improvement Bonds, Series 2007	9/27/07	2022	\$ 815,000	\$ 453,000
Special Assessment				
Property Owners' Portion			321,460	178,677
City Portion			493,540	274,323
Various Purpose Bonds, Series 2010	10/13/10	2030	\$7,975,000	\$5,270,000
Refunding of Municipal Building Debt			1,040,000	400,000
Refunding of Storm Drainage Debt			1,200,000	460,000
Refunding of Water System Debt			2,510,000	2,000,000
Special Assessment				
Property Owners' Portion			776,543	584,474
City Portion			2,448,457	1,825,526
Water System Improvement Bonds, Series 2014	6/24/14	2033	\$3,025,000	\$2,900,000
Sewerage System Improvement Bonds, Series 2014	10/30/14	2039	\$4,220,000	\$4,095,000
Safety Center Improvement Bonds, Series 2015	07/21/15	2035	\$7,000,000	\$7,000,000

APPENDIX A

**COMPARATIVE BALANCE SHEETS OF WATER POLLUTION CONTROL FUND 2011
THROUGH 2015, COMPARATIVE STATEMENTS OF WATER POLLUTION CONTROL FUND REVENUES,
EXPENSES AND CHANGES IN NET ASSETS 2011 THROUGH 2015, AND COMPARATIVE STATEMENTS
OF WATER POLLUTION CONTROL FUND CASH FLOWS 2011 THROUGH 2015**

**City of Wooster, Ohio
Water Pollution Control Fund
Comparative Balance Sheets**

	2011	2012	2013	2014	2015
Assets					
Current Assets					
Equity in city treasury cash	\$ 1,555,670	\$ 2,568,154	\$ 2,489,926	\$ 5,579,995	\$ 5,234,799
Receivables – net of allowances:					
Accounts	686,463	726,258	792,528	817,931	803,602
Accrued interest	32,614	33,767	33,781	35,598	36,866
Due from other governments	0	0	0	500,000	92,761
Inventory	7,439	7,131	7,131	8,646	4,189
Total Current Assets	\$ 2,282,186	\$ 3,335,310	\$ 3,323,366	\$ 6,942,170	\$ 6,172,217
Noncurrent assets					
Long term receivables	\$ 228,356	\$ 198,373	\$ 167,541	\$ 137,622	\$ 105,675
Net Pension Assets	0	0	0	0	4,672
Net Capital Assets	29,444,045	28,016,881	27,278,974	27,623,401	29,688,577
Total Noncurrent Assets	\$29,672,401	\$28,215,254	\$27,446,515	\$27,761,023	\$29,798,924
Total Assets	\$31,954,587	\$31,550,564	\$30,769,881	\$34,703,193	\$35,971,141
Deferred Outflows of Resources					
Pension	\$ 0	\$ 0	\$ 0	\$ 0	\$ 125,989
Total Deferred Outflow of Resources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 125,989
Liabilities					
Current Liabilities					
Accounts payable	\$ 120,053	\$ 270,221	\$ 155,300	\$ 210,110	\$ 725,913
Accrued salaries, wages and benefits	67,628	65,501	57,644	71,026	46,257
Current portion of long term debt	900,961	927,551	954,257	1,110,963	1,269,012
Accrued interest payable	217,126	204,302	191,091	189,330	172,900
Current portion of compensated absences	49,005	42,682	71,262	98,339	97,518
Total Current Liabilities	\$ 1,354,773	\$ 1,510,257	\$ 1,429,554	\$ 1,679,768	\$ 2,311,600
Noncurrent Liabilities					
Long term debt	\$16,366,789	\$15,459,236	\$14,504,980	\$17,738,389	\$16,608,087
Net pension liability	0	0	0	0	669,205
Compensated absences	134,138	111,076	102,178	28,775	52,197
Total Noncurrent Liabilities	\$16,500,927	\$15,570,312	\$14,607,158	\$17,767,164	\$17,329,489
Total Liabilities	\$17,855,700	\$17,080,569	\$16,036,712	\$19,446,932	\$19,641,089
Deferred Inflows of Resources					
Pension	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,182
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,182
Net Assets					
Invested in capital assets, net of related debt	\$12,176,296	\$11,630,092	\$11,819,738	\$11,819,738	\$11,461,321
Restricted	0	0	0	0	0
Unrestricted	1,922,591	2,839,903	2,913,431	3,436,523	4,981,538
Total Net Assets	\$14,098,887	\$14,469,995	\$14,733,169	\$15,256,261	\$16,442,859
Total Liabilities and Net Assets	\$31,954,587	\$31,550,564	\$30,769,881	\$34,703,193	\$36,196,755

City of Wooster, Ohio
Water Pollution Control Fund
Comparative Statements of Revenues, Expenses and Changes in Net Assets

	2011	2012	2013	2014	2015
Operating Revenues:					
Charges for services	\$ 4,906,467	\$ 6,085,102	\$ 5,866,394	\$ 6,155,144	\$ 6,036,572
Miscellaneous	104,300	62,306	48,863	60,055	33,976
Total operating revenues	\$ 5,010,767	\$ 6,147,408	\$ 5,915,257	\$ 6,215,199	\$ 6,070,548
Operating Expenses (Note A):					
Personal services	\$ 1,137,320	\$ 1,058,590	\$ 1,285,677	\$ 1,188,266	\$ 1,274,151
Operations and Maintenance	1,402,931	1,453,079	1,678,927	1,552,725	2,219,117
Depreciation	1,760,852	1,750,983	1,719,606	1,732,080	1,743,132
Interfund Services used	1,010,666	1,077,436	691,198	1,266,678	1,330,678
Total operating expenses	\$ 5,311,769	\$ 5,340,088	\$ 5,375,408	\$ 5,739,749	\$ 6,567,078
Operating income	\$ (301,002)	\$ 807,320	\$ 539,849	\$ 475,450	\$ (496,530)
Non-operating revenues (expenses):					
Interest income and investment earnings	\$ 22,021	\$ 11,050	\$ 7,724	\$ 10,487	\$ 31,719
Other (net)	0	(21,058)	73,877	5,039	2,392,761
Interest expense	(454,322)	(426,204)	(399,580)	(463,035)	(481,357)
Net non-operating revenues (expenses)	\$ (432,301)	\$ (436,212)	\$ (317,979)	\$ (447,509)	\$ 1,943,123
Income before contributions and transfers	\$ (733,303)	\$ 371,108	\$ 221,870	\$ 27,941	\$ 1,446,593
Transfers	0	0	0	(4,850)	170000
Capital Contributions	13,381	0	41,304	0	635870
Change in net assets	\$ (719,922)	\$ 371,108	\$ 263,174	\$ 23,091	\$ 2,252,463
Total net assets at beginning of year	\$14,818,809	\$14,098,887	\$14,469,995	\$14,733,169	\$14,190,396(a)
Total net assets at end of year	\$14,098,887	\$14,469,995	\$14,733,169	\$14,756,260	\$16,442,859

(a) Beginning net assets restated January 1, 2015 as a result of the implementation of the Governmental Accounting Standards Board (GASB) Statement Numbers 68 and 71. GASB No. 68 requires the inclusion of net pension liability and pension expense amounts on the City's audited financial statements beginning in Fiscal Year 2015 and thereafter. GASB No. 71 amends language in GASB No. 68 requiring recognition of the transition of the deferred outflows for the City's pension contributions.

City of Wooster, Ohio
Water Pollution Control Fund
Comparative Statements of Cash Flows

	2011	2012	2013	2014	2015
Cash flows from operating activities:					
Cash received from customers	\$ 4,831,717	\$ 6,075,290	\$ 5,830,956	\$ 6,159,658	\$ 6,050,903
Cash paid to suppliers	(2,789,367)	(2,380,039)	(2,485,046)	(2,766,105)	(3,029,537)
Cash paid to employees	(1,319,875)	(1,090,102)	(1,273,852)	(1,221,210)	(1,290,457)
Other revenue (expense)	104,300	62,306	48,863	60,055	33,976
Net cash provided (used) by operating activities	\$ 826,775	\$ 2,667,455	\$ 2,120,921	\$ 2,232,398	\$ 1,764,885
Cash flows from noncapital financing activities:					
Proceeds from capital debt	\$ 765,641	\$ 20,000	\$ 0	\$ 4,346,232	\$ 135,461
Capital contributions	13,381	0	41,304	0	500,000
Proceeds from sale of assets	0	0	0	4,786	0
Purchases of capital assets	(708,384)	(345,117)	(981,699)	(2,076,508)	(3,808,308)
Principal paid on capital debt	(874,470)	(900,963)	(927,550)	(956,117)	(1,107,714)
Interest paid on capital debt	(452,173)	(439,028)	(412,791)	(464,796)	(497,787)
Net cash (used) for capital and related financing activities	\$(1,256,005)	\$(1,665,108)	\$(2,280,736)	\$ 853,597	\$(4,778,348)
Cash flows from investing activities:					
Interest and dividends	\$ 34,617	\$ 9,897	\$ 7,710	\$ 8,672	\$ 30,449
Net cash provided by investing activities	\$ 34,617	\$ 9,897	\$ 7,710	\$ 8,672	\$ 30,449
Cash flows from non-capital financing activities:					
Other income	\$ 0	\$ 0	\$ 0	\$ 253	\$ 2,637,817
Transfer out	0	240	73,877	(4,850)	0
Net cash provided (used) by non-capital financing activities	0	240	73,877	\$(4,597)	\$ 2,637,817
Net increase (decrease) in cash and cash equivalents	\$ (394,613)	\$ 1,012,484	\$ (78,228)	\$ 3,090,070	\$ (345,197)
Cash and cash equivalents at beginning of year	\$ 1,950,991	\$ 1,556,378	\$ 2,568,862	\$ 2,489,926	\$ 5,579,996
Cash and cash equivalents at end of year	\$ 1,556,378	\$ 2,568,862	\$ 2,490,634	\$ 5,579,996	\$ 5,234,799
Noncash Investing, Capital and Financing Activities:					
Acquisition of capital assets on account					
Reconciliation of operating income (loss) to net cash provided (used by) operating activities:					
Operating Income (loss)	\$ (301,002)	\$ 807,320	\$ 539,849	\$ 475,450	\$ (496,530)
Adjustments to reconcile operating income to net cash (used) by operating activities:					
Depreciation expense	1,760,852	1,750,983	1,719,606	1,732,080	1,743,132
Changes in assets and liabilities:					
Receivables – net of allowances	(74,750)	(9,812)	(35,438)	4,514	14,331
Inventory	2,259	308	0	(1,515)	4,457
Compensated absences payable	(12,203)	(29,385)	19,682	(46,327)	22,602
Net pension asset	0	0	0	0	(3,399)
Deferred outflows - pensions	0	0	0	0	(39,036)
Net pension liability	0	0	0	0	15,115
Deferred outflows - pensions	0	0	0	0	13,182
Accounts and other payables	(378,029)	150,168	(114,921)	54,813	515,801
Accrued expenses	(170,352)	(2,127)	(7,857)	13,383	(24,770)
Net cash provided (used by) operating activities	\$ 826,775	\$ 2,667,455	\$ 2,120,921	\$ 2,232,398	\$ 1,764,885

APPENDIX B

COMPARATIVE BALANCE SHEETS OF GENERAL FUND 2011 THROUGH 2015 AND COMPARATIVE STATEMENTS OF GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES 2011 THROUGH 2014 AND UNAUDITED 2015

City of Wooster, Ohio
General Fund
Comparative Balance Sheets

	2011	2012	2013	2014	Unaudited 2015
Assets:					
Equity in city treasury cash	\$11,165,028	\$11,331,441	\$11,026,968	\$12,670,005	\$14,101,345
Taxes receivable	4,006,004	3,971,425	4,011,852	5,008,056	5,007,894
Accounts receivable	203,800	247,636	241,928	224,689	139,744
Due from other governments	1,452,398	716,997	564,164	456,087	494,252
Due from other funds	100,000	145,240	29787	0	105,665
Inventory	53,953	55,429	55,045	55,045	195,491
Total assets	\$16,981,183	\$16,465,168	\$15,929,744	\$18,413,882	\$ 20,044,391
Liabilities:					
Accounts payable	\$ 237,492	\$ 301,742	\$ 333,346	\$ 463,832	\$ 375,141
Accrued salaries, wages, and benefits	902,418	1,036,707	705,176	944,716	554,863
Deferred revenue	4,250,323	3,757,106	3,860,210	4,324,284	4,318,831
Total liabilities	\$ 5,390,233	\$ 5,095,555	\$ 4,898,732	\$ 5,732,832	\$ 5,248,835
Fund balances:					
Nonspendable	\$ 53,953	\$ 55,429	\$ 55,045	\$ 55,045	\$ 195,491
Assigned	2,702,135	5,512,738	2,355,408	2,414,792	3,023,454
Uassigned	8,834,862	5,801,446	8,620,560	10,211,213	11,576,611
Total fund balances	11,590,950	11,369,613(a)	11,031,013	12,681,050	14,795,556
Total liabilities and fund balances	\$16,981,183(a)	\$16,465,168	\$15,929,745	\$18,413,882	\$20,044,391

(a) Fund balance restated at January 1, 2012, to account for understatement of other liabilities and reclassification of Long Road TIF monies.

City of Wooster, Ohio
General Fund
Comparative Statements of Revenue, Expenditures, and Changes in Fund Balances

	2011	2012	2013	2014	Unaudited 2015
Revenues:					
Taxes	\$12,382,087	\$13,463,255	\$12,778,836	\$16,712,690	\$18,544,312
Intergovernmental	1,685,562	1,098,338	984,024	886,532	1,136,616
Charges for Services	1,493,695	1,416,353	1,422,616	1,251,704	1,342,621
Fines, licenses, permits	609,103	536,585	690,121	875,647	692,411
Interfund services provided	1,508,293	1,478,817	1,462,850	1,799,216	1,880,182
Interest income	102,644	55,130	29,076	49,166	49,121
Miscellaneous	144,363	54,174	193,419	204,378	150,282
Total Revenues	\$17,925,747	\$18,102,652	\$17,560,942	\$21,779,333	\$23,795,545
Expenditures (Note A):					
Current operations:					
Safety services	\$ 9,486,771	\$ 9,900,809	\$ 9,693,955	\$10,260,748	\$10,493,667
Health services	139,670	137,140	132,418	132,785	132,300
Leisure services	1,365,853	1,364,780	1,249,335	1,548,370	1,587,360
Environment and development	782,950	810,295	881,227	848,599	1,051,847
Transportation services	968,766	851,876	604,867	664,760	743,698
Administrative services	2,889,589	2,873,611	3,067,906	3,694,512	3,627,454
Debt service:					
Principal	133,621	138,622	133,621	134,311	130,000
Interest	25,854	20,312	17,713	15,213	12,613
Total Expenditures	\$15,793,074	\$16,097,445	\$15,781,042	\$17,299,298	\$17,778,939
Excess revenues over (under) expenditures	\$ 2,132,673	\$ 2,005,207	\$ 1,779,900	\$ 4,480,035	\$ 6,016,606
Other financing sources (uses):					
Transfers (out) (Note B)	\$ (73,950)	\$ (1,361,000)	\$ (2,118,500)	\$ (2,830,000)	\$ (3,902,100)
Excess revenues and other sources over (under) expenditures and other uses	\$ 2,058,723	\$ 644,207	\$ (338,600)	\$ 1,650,035	\$ 2,114,506
Fund balances at beginning of year as previously reported	\$ 9,532,227	\$10,725,406(a)	\$11,369,613	\$11,031,013	\$12,681,048
Fund balances at end of year	\$11,590,950	\$11,369,613	\$11,031,013	\$12,681,048	\$14,795,554

Note A — All transfers from the General Fund are to the Capital Improvement Fund.

(a) General Fund balance restated at January 1, 2012 to account for an understatement of other liabilities and reclassification of TIF monies. See also Note 17 to the City's 2012 CAFR.

APPENDIX C

All Funds Summary 2015 (Cash Basis--Unaudited)

Fund	Beginning Balance	Receipts	Expenditures	Ending Balance
General	\$12,671,202.17	\$24,106,358.50	\$22,668,227.40	\$14,109,333.27
Street Construction Maintenance & Repair	400,769.49	1,231,097.08	1,311,707.59	320,158.98
State Highway	455,236.20	92,396.75	313,911.09	233,721.86
Permissive Tax	478,587.44	314,993.98	179,792.88	613,788.54
Enforcement and Education	57,404.11	3,291.12	19.08	60,676.15
Mandatory Drug Fines	34,496.23	11,603.92	18,504.72	27,595.43
Community Development Block Grant	9,175.27	1,146,053.65	1,155,228.43	0.49
Economic Development	80,129.98	134,315.34	138,419.98	76,025.34
Law Enforcement Trust	199,841.02	1,206.56	108,138.52	92,909.06
Police Pension	58,061.68	159,368.83	197,464.38	19,966.13
Fire Pension	46,847.82	218,801.37	239,227.37	26,421.82
Federal Equitable Sharing	13,949.90	91.23	4.50	14,036.63
CDBG CHIP HOME RLF	23,947.03	23,399.30	12.01	47,334.32
Shade Tree Fund	11.84	8.33	20.17	0.00
Law Enforcement Training Fund	3,980.00	0.00	0.00	3,980.00
Lillian Long Estate	225.00	0.00	225.00	0.00
Christmas Run Park Restoration	28,468.62	186.30	9.19	28,645.73
Debt Service	1,306,961.06	469,145.99	609,438.45	1,166,668.60
Capital Improvements	1,586,225.88	12,880,772.89	5,379,281.21	9,087,717.56
Economic Development Capital Improvements	19,186.53	0.00	0.00	19,186.53
Water Fund	5,491,847.93	6,656,457.55	8,879,321.13	3,268,984.35
Water Pollution Control	5,584,916.22	7,859,293.49	8,183,431.26	5,260,778.45
Wooster Community Hospital	10,476,619.08	130,216,579.07	127,198,145.16	13,495,052.99
Wooster Community Hospital Plant	78,204,148.25	8,569,806.02	7,449,918.68	79,324,035.59
Wooster Community Hospital Beaverson EMS	281,903.32	54,756.36	40,153.87	296,505.81
Wooster Community Hospital Endowment	1,148,242.93	95,184.94	221,195.58	1,022,232.29
Storm Drainage	1,588,378.15	1,582,054.66	975,441.09	2,194,991.72
CDBG Economic Development Loan	14,456.03	16,284.85	9.85	30,731.03
Wooster Community Hospital Bevington	54.32	0.26	0.02	54.56
Refuse Collection	891,475.36	1,495,434.53	1,492,102.85	894,807.04
Garage (Internal Service)	32,144.13	470,888.80	502,005.55	1,027.38
Employee Benefits	323,916.45	2,875,266.98	2,862,189.59	336,993.84
Guarantee Deposit	201,628.93	110,503.88	110,503.88	201,628.93
Clearing	15,138.10	155,683.92	67,475.38	103,346.64
Recreation Supplement	7,183.15	0.00	0.00	7,183.15
Wooster Growth Corporation	853,051.57	710,430.05	755,295.27	808,186.35
Wooster-Ashland Regional COG	0.00	617,519.51	76,977.90	540,541.61
Totals	\$122,605,815.91	\$202,279,236.01	\$191,133,799.03	\$133,735,248.17