



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

CITY OF NORTH OLMSTED, OHIO
CUYAHOGA COUNTY
REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2022

OHIO AUDITOR OF STATE
KEITH FABER



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City Council
City of North Olmsted
5200 Dover Center Rd.
North Olmsted, OH 44070

We have reviewed the *Independent Auditor's Report* of the City of North Olmsted, Cuyahoga County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2022 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 19, 2023

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Mayor and Members of City Council
City of North Olmsted Ohio:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of North Olmsted, Ohio (the "City"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 27, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
June 27, 2023

Annual Comprehensive Financial Report

NORTH OLMSTED, OHIO

For the Year Ended December 31, 2022



City of North Olmsted, Ohio
Annual Comprehensive Financial Report
For the Fiscal Year Ended
December 31, 2022



Issued by: Department of Finance
Carrie B. Copfer, CPA, Director of Finance
Keith J. Sperling, Assistant Director of Finance

City of North Olmsted, Ohio

Annual Comprehensive Financial Report For the Year Ended December 31, 2022

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CITY of NORTH OLMSTED

Carrie B. Copfer, CPA | Director, Department of Finance

A 5200 Dover Center Road | North Olmsted, Ohio 44070 P 440-716-4144 F 440-716-4235

June 27, 2023

Honorable Nicole Dailey Jones
Citizens of North Olmsted, Ohio
And Members of City Council

Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(B) requires that all cities file annual financial reports prepared on a GAAP (Generally Accepted Accounting Principles) basis with the Auditor of State within 150 days of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended December 31, 2022.

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

Clark Schaefer Hackett, an independent auditor, has issued an unmodified (“clean”) opinion on the City of North Olmsted’s financial statements for the year ended December 31, 2022. The Independent Auditors’ Report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

Basic Information

North Olmsted was once a part of the Connecticut Western Reserve, claimed by the state of Connecticut. Investors bought land from the state, sight unseen, and went west to divide it up and sell it to settlers. Aaron Olmstead was one of the early landowners, but he never lived here. His son, Charles Olmstead, owned much of the land along Butternut Ridge and sold plots to the pioneer settlers beginning in 1815. In 1820, Charles Olmstead offered his father’s library of 500 books to the community, then called Lenox, if they would change the name to Olmstead. They agreed, and the books, brought by oxcart from Connecticut, were used as a circulating library. The remaining 153 books are on display in the City’s library. Over the course of the years, the “a” was omitted and the City became known as “North Olmsted.”

In 1908, the residents voted to incorporate, becoming a village. In 1951, North Olmsted became a city because it had a population of over 5,000 people. The rapid growth was attributed to returning World War II veterans looking to provide a suburban living for their families. At one time the City was considered the fastest growing city in Ohio because it more than doubled in size from 1950 to 1960 and doubled again in 1970. Since the 1970 census, the population of North Olmsted has stayed relatively constant. The 2020 census was 32,442, which represents a less than one percent decline from the 2010 census.

The City is a suburban community located in Cuyahoga County in Northeastern Ohio, approximately 13 miles southwest of the downtown area of the City of Cleveland and approximately 18 miles southeast of the City of Lorain. The City is served by diversified transportation facilities. There is immediate access to three State and U.S. highways and interstate highways I-80 (the Ohio Turnpike) and I-480, with access to interstate highways I-90 and I-71 within five miles of the City. The City is served by Cleveland Hopkins International Airport, located within five miles of the City, and is adjacent to areas served by CSX and Amtrak railroads.

The City of North Olmsted's primary government consists of all funds and departments, which are not legally separate from the City and provide a full range of services including:

- ◆ Police, Emergency Medical Services and Fire Protection
- ◆ Parks and Recreational Activities and Facilities
- ◆ 18-hole Golf Course and Historic Ballroom
- ◆ Senior Center and Related Programs
- ◆ Local Human Services - ministering to youth, disabled, seniors and needy families
- ◆ Planning and Zoning Committees
- ◆ Building Code Enforcement
- ◆ Economic Development and Public Engagement
- ◆ Waste Water Treatment Plant Processing of Sanitary Sewage
- ◆ Maintenance and Improvement of City Roads and Infrastructure
- ◆ Maintenance and Improvement of Storm and Sanitary Sewer Systems
- ◆ Administrative and Legislative functions including Council, Law, Finance, Human Resources and Information Technology

The City of North Olmsted operates under and is governed by its Charter, first adopted by the voters in 1959. The Charter has been and may be amended by the voters from time to time. The City is also subject to some general laws applicable to all cities. Under the Ohio Constitution, the City may exercise all powers of local self-government, and police powers to the extent not in conflict with applicable general laws. The Charter provides for a mayor-council form of government.

Legislative authority is vested in a seven-member Council, of whom three members are at-large and four members are from wards, all elected to four-year terms. The Council sets compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the President of Council, elected specifically to that office by the voters for a four-year term. The President of Council has no vote except in the event of a tie. The Charter establishes certain administrative departments and the Council may establish divisions of those departments or additional departments and has exercised that authority.

The City's chief executive and administrative officer is the Mayor, elected by the voters specifically to that office for a four-year term. The other elected City officials are the Director of Finance and the Director of Law, each elected to a four-year term. All elected officials, except the Mayor and Director of Finance, serve part-time.

The Mayor has authority to appoint the directors of Public Safety, Public Service, Human Resources, Economic and Community Development, Recreation and Public Engagement, certain City employees and members of a number of City boards and commissions. The Mayor generally may remove, without the concurrence of Council and in accordance with civil service and collective bargaining agreement requirements, all appointed officers and employees, except that directors of the aforementioned departments may only be removed with the concurrence of two-thirds of the members of Council. The Mayor may not remove officers and employees of Council, Finance or the Law departments.

The Mayor may veto any legislation passed by Council. A veto may be overridden by a two-thirds vote of all members of Council.

Budgetary Process

A temporary appropriation resolution to control expenditures may be passed on or around January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. Appropriations by fund must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriations at any level of control. Any revisions that alter the appropriations at the legal level of budgetary control must first be approved by City Council. Council may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources. The City maintains budgetary control on a cash basis by department for salaries, other expenditures and debt service. Estimated expenditure amounts must be encumbered prior to the release of purchase orders to vendors or finalization of other contracts. Encumbrances that would exceed the available appropriation level are identified on an ongoing basis and are not approved or recorded until City Council authorizes additional appropriations or transfers. Unencumbered appropriations lapse at the end of each calendar year.

Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions. Permanent appropriations are adopted by Council and are amended throughout the year by supplemental appropriations, which either reallocate or increase the original appropriated amounts. During the year, supplemental appropriation measures were legally enacted; however, none of these amendments were significant. The budgetary figures, which appear in the statement of budgetary comparisons, represent the original permanent appropriation and the final appropriations amounts, including all amendments and modifications.

FACTORS AFFECTING FINANCIAL CONDITION

Summary of Local Economy

The City is a suburban residential community and a commercial center for the western portion of the County and adjacent Lorain County. The City has actively promoted commercial, residential and light industrial development, and has established a City-wide community reinvestment area and participated in an enterprise zone within the County for that purpose, as hereinafter discussed in more detail.

The largest commercial development in the City includes the Great Northern Mall and the adjacent Great Northern Shopping Center, together constituting a 2.0 million square foot retail complex with approximately 225 stores, professional and medical offices and restaurants; the Great Northern Corporate Center I, II and III, a 267,000 square foot executive office complex; and the Great Northern Technology Center, a 144,000 square foot office complex. All of this development is located adjacent to an interchange on interstate highway I-480. The properties have been developed in phases over the past 40 years, and the businesses located in them now provide employment potential bringing in many people by day to the City. The local economy has developed and redeveloped around this area. Concerned with the impact COVID has had on the changing landscape of retail, one of the first studies the administration and Council approved in 2022 was The Economic Development Strategic Plan to provide a framework for success in utilizing the City's strengths to maintain and grow the local economy.

Based on employer payments of business profits and employee wage and salary withholding income taxes, one taxpayer accounted for approximately 7.10% of the City income taxes collected in Fiscal Year 2022. No other taxpayer contributed more than 5% of the City income taxes collected in Fiscal Year 2022. Additionally, the City, which currently offers residents 100% credit on up to two percent for municipal income taxes paid to their workplace city, can adjust that credit through an ordinance of Council.

The City continues to adapt with the effects of COVID on the economy and the City's budgets. The hybrid work model has impacted income tax revenues. The continued labor shortages, supply chain delays, rising fuel costs, and the rapid increase of inflation has caused increases and delays in obtaining necessary goods and services and has negatively impacted the City's 2023 budget. The City received \$ 3,296,109 in American Rescue Plan Act funding and has allocated it to public safety initiatives, economic development, digitization of city government and parks and recreation. The administration has been active in applying for grants funded through ARPA dollars at the county, state and federal level and has been successful in public safety, recreation, streets, storm and sanitary improvements.

Relevant Financial Policies

Internal Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the government are protected from loss, theft or misuse and 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 requires estimates and judgments by management.

All internal controls are designed within the above framework. Accordingly, we believe the City's system of internal controls is adequate to safeguard assets and provide reasonable assurance of proper recording of transactions.

Basis of Accounting

This is the nineteenth year the City has prepared financial statements following GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. GASB 34 creates basic financial statements for reporting the City's financial activities as follows:

Government-wide financial statements - These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Fund financial statements - These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the governmental-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statements of budgetary comparisons - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

Debt Administration

The debt service funds account for the accumulation of resources for the payment of general long-term obligations. Revenue sources for these funds include receipts from property taxes and transfers from other funds consisting of income taxes, hotel/motel taxes, emergency medical billing, sewer user charges and golf user charges.

The Mayor and her administration prioritize capital projects for which borrowings are required. City Council approves such borrowings for these purposes. Both the administration and Council have been committed to borrowing for the prioritized list of current capital needs at an amount less than the City is retiring each year in general obligation debt so that each year the City's total general obligation debt is declining. This is a general policy with the Mayor's and City Council's consideration of the impact of voted tax issues and self-supporting enterprise fund debt.

In April of 2006, the City of North Olmsted received a rating increase to an A1 rating from Moody's Investor Service Inc. for limited tax and an Aa3 rating for unlimited tax. Fitch IBCA affirmed the City's A+ rating in April 2006, and again in August 2009. In April of 2010, under pressure from the Federal Government, all three rating agencies adjusted the way municipal debts were rated basing it on the likelihood of default, which is the standard for corporate debt. This will increase the market of potential municipal buyers, and theoretically, reduce the cost of borrowing due to the increased competition. Moody's Investor Services raised the City's rating to Aa2 on all outstanding debt, due to the recalibration, while Fitch raised the rating to AA-. Moody's affirmed that rating in July 2010, January 2013, November 2015, January 2017, and February 2021 for the general obligation bond issue and all of the City's outstanding bonded debt.

Fitch reaffirmed the current rating in July 2013 and again in June 2015 during standard surveillance reviews. Fitch withdrew the rating in January 2017 as the remaining portion of the debt they rated was refunded.

Major Initiatives and Capital Improvements

In response to the Covid-19 pandemic, the City received the second of two tranches of \$1.65 million in 2022 through the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”) program which was established under the American Rescue Plan Act. The continued goals to use this federal funding include:

- ◆ Investing in public safety;
- ◆ Reinvesting in our neighborhood and preserving community assets;
- ◆ Improving City services; and
- ◆ Economic development.

Concerned with the impact COVID has had on the changing landscape of retail, one of the first studies the administration and Council approved in 2022 was The Economic Development Strategic Plan to provide a framework for success in utilizing the City’s strengths to maintain and grow the local economy.

The City’s annual street rating program identifies the roads needing the most repair. The City resurfaced nine streets during 2022, including Carsten Lane, Canton Place, Christman Drive, Hyannis Port, Leeanders Lane, Louis Drive, Surrey Drive, Sutton Drive and Ross Circle. In total, over 391,842 square feet of road was improved citywide in 2022. It was also the fifth year of the City’s rejuvenation program which focuses on pavement maintenance so roads will not need to be completely resurfaced as often.

The City was awarded \$150,000 in Community Development Block Grant (CDBG) funding for roadway improvements and other rehabilitation work on West 231st Street. The total cost of the project was approximately \$255,000 with the City responsible for the costs exceeding the CDBG grant award.

In 2023, the City purchased two decommissioned school properties from the North Olmsted City School District for \$4 million dollars. One school the City intends to keep and use the property for sanitary, storm water and recreation purposes. The other school the City intends to hire a consultant to determine the highest and best use for the land along with a housing needs analysis for the City as three other school properties will be decommissioned in the next few years.

The City identified an area along the south interceptor line in the southwest quadrant of the City as requiring action to preserve property values and mitigate loss of personal property due to flooding. The City began the South Interceptor Equalization Tank Project design in 2021 to add storage volume to the South Interceptor system to regulate flow to the Waste Water Treatment Plant during heavy rain events. The City swapped property with the North Olmsted City School District to obtain a 7.12-acre parcel west of the acquired school property discussed above to accommodate an approximately 1.5-million-gallon tank. The engineering design was completed in 2022 and the project will be publicly bid in 2023.

The City purchased a new combination jet/vacuum vehicle to be used on the City’s storm water system which is composed of larger pipes. The vehicle came with training provided to employees and will be used exclusively by the City’s storm crew to help relieve flooding issues for residents.

The City completed the Clague Park Restroom and Walking Path Project. The cost of the project was \$193,489 with a net cost to the City of \$95,489 after a \$98,000 grant. The restrooms consist of a modular building consisting of one men’s and one women’s restroom. The upgrade includes an additional 1,000 linear feet to complete a loop for the park’s walking path.

The City made several upgrades to Information Technology network security. These included ongoing citywide cybersecurity training sessions that are required for each employee generally once a monthly, implementation of Duo 2FA (two-factor authentication) to add another level of security to employee network and cloud based application logins, and transitioning to Box Cloud Platform to allow for file-level and email-level storage to be removed from the local network and “sandboxed” away from possible ransomware attacks and general virus threats.

Long-term Financial Planning

The City does not have a formal long-term capital plan; however, the City has developed a five-year capital plan, that is used as a guide for planning and budgeting purposes. Covid-19 has pushed back and delayed projects and equipment purchases with long wait times and dramatically increased costs.

The City, through Council ordinance, has established a reserve balance account for the purpose of budget stabilization. The amount reserved may not exceed 5% of the General Fund's revenues in the prior year. Council may appropriate expenditures out of the reserve account to stabilize the City's budget. The City has also established both separation and 27th pay funds to reduce the spikes in an operating budget when these benefits are paid out in future years. The 2022 budget included continued funding of these reserves.

The City's long-term investment strategy is to invest public funds in a manner that will provide the highest investment return with maximum security, safety, and preservation of principal. The City typically limits investments to certificates of deposit (CD's), U.S. federal agency notes and bonds, municipal bonds, the investment pool managed by the State Treasurer of Ohio, and money market savings accounts. As investments mature, they are reinvested for anywhere from one to five years allowing the City to maximize returns while still meeting cash flow needs.

The City has continued to use Tax Increment Financing (TIF) as an economic development tool for the area around Great Northern Boulevard and Country Club Boulevard business corridor. Owners of parcels of real property included in the TIF area will make payments in lieu of taxes on improvements they made on their property into the TIF. These funds will be utilized for future infrastructure improvements that will benefit the TIF business corridor. The improvements will consist of pavement, curbs, drainage facilities, extension, installation, acquisition, relocation of utilities, sidewalks, bike paths, landscaping, lighting, signalization, signage, and other public infrastructure improvements in or near the roadway.

AWARDS AND ACKNOWLEDGEMENTS

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Olmsted for its comprehensive annual financial report for the fiscal year ended December 31, 2021. This was the twenty-three consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This 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 Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The 2022 Annual Comprehensive Financial Report was prepared by the Finance Department with cooperation from all City departments. We would like to express our appreciation to Ciuni & Panichi, Inc. for their guidance in the preparation of this report. We would also like to thank the Mayor and members of City Council for supporting the preparation of this report, which expresses their commitment to financial integrity. In closing, we are grateful to the residents and taxpayers of the City of North Olmsted for entrusting us with the fiscal administration of their local government.

Respectfully submitted,

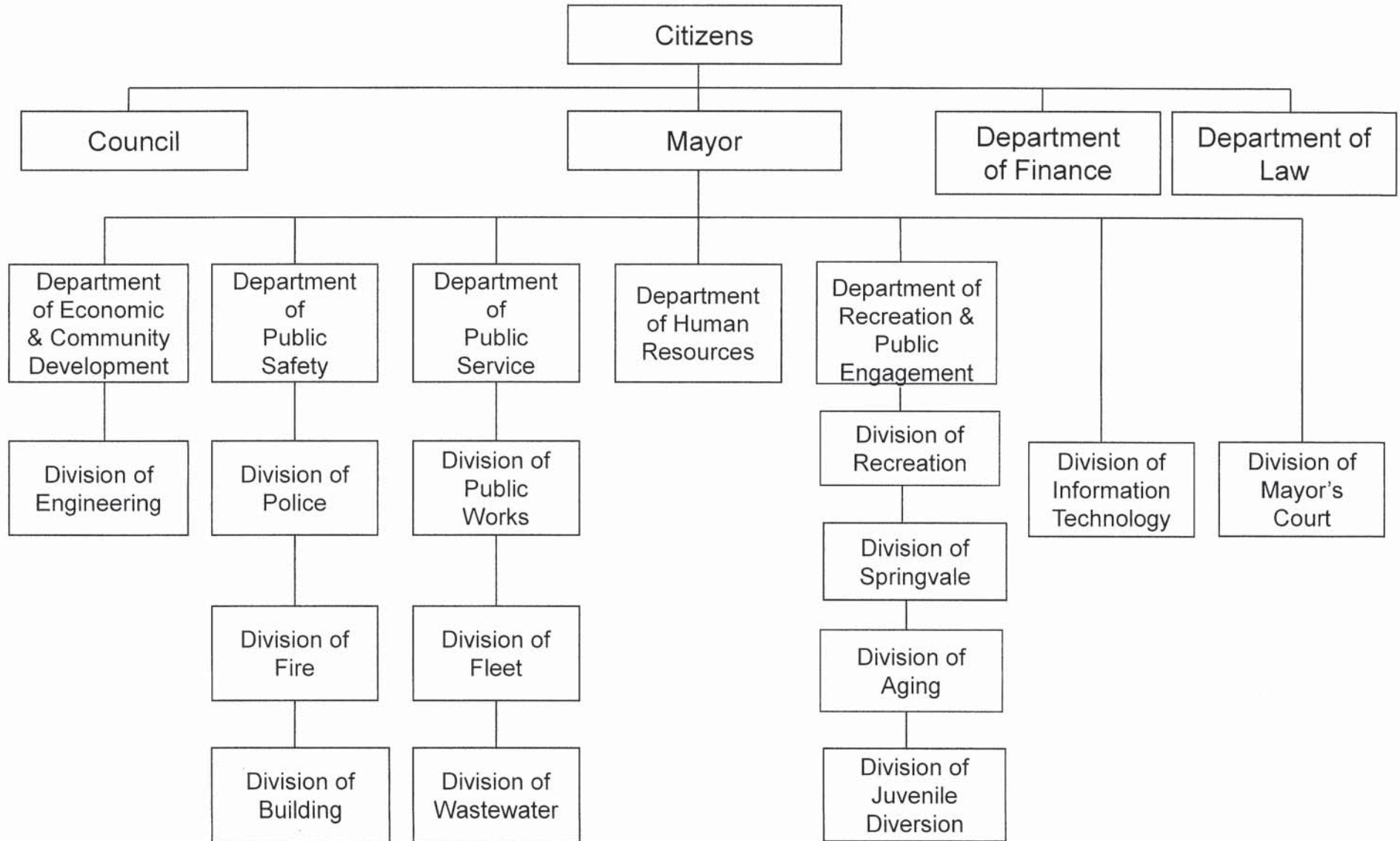


Carrie B. Coper, CPA
Director of Finance



Keith Sperling
Assistant Director of Finance

CITY OF NORTH OLMSTED ORGANIZATIONAL CHART DEPARTMENTS & DIVISIONS



City of North Olmsted, Ohio

Principal City Officials

December 31, 2022

Elected Officials

Nicole Dailey Jones.....	Mayor
Michael R. Gareau, Jr.....	Director of Law
Carrie B. Copfer.....	Director of Finance
Louis Brossard.....	President of Council
Christopher Scarl.....	Council Ward 1
Chris Glassburn.....	Council Ward 2
Mary Gilchrist.....	Council Ward 3
Mary Ellen Hemann.....	Council Ward 4
Patrick Kelly.....	Council-At-Large
Duane Limpert.....	Council-At-Large
Angela Williamson.....	Council-At-Large

Appointed Officials

Lisa Kidd.....	Director of Human Resources
Jennifer Scofield.....	Director of Public Safety
Max Upton.....	Director of Economic and Community Development
Timothy Pinchek.....	Director of Recreation and Public Engagement
Kevin Kearney.....	Director of Service



Government Finance Officers Association

Certificate of
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Presented to

**City of North Olmsted
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of North Olmsted, Ohio:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of North Olmsted, Ohio (the "City"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a

material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of net pension and OPEB liabilities/(assets) and pension and OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 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 combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic

financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 GAAS. 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2023 on our consideration of the City of North Olmsted's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the City's 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 of North Olmsted's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
June 27, 2023

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City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2022

The Management's Discussion and Analysis of the City of North Olmsted's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

◆ Key financial highlights for 2022 are as follows:

- For the year ended December 31, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The implementation of this statement did not impact net position as of December 31, 2021. See Note 3 for additional information.
- The total assets and deferred outflows of resources of the City exceeded total liabilities and deferred inflows of resources at the close of 2022 by \$75,372,132. This is an increase of \$12,062,680 over the 2021 net position. Net position of the City's governmental activities increased \$10,145,402 from 2021, while net position of the business-type activities increased \$1,917,278.
- Total assets increased by \$8,719,403 and deferred outflows of resources increased by \$3,612,542. The main factor affecting the total assets was the increase in cash and cash equivalents (up \$8,834,329). The main fluctuation in deferred outflows of resources related to the pension (up \$4,359,337).
- Total liabilities decreased by \$6,343,583 and deferred inflows of resources increased by \$6,612,848 from 2021. The main factors affecting the total liabilities was a decrease in the net pension liabilities (down \$5,882,900) during 2022. The deferred inflows of resources were up in 2022 with the pension being the biggest contributor (up \$7,307,609).
- The General Fund reported a fund balance of \$13,296,462 at the end of the 2022, which is an increase of \$2,068,946 from 2021. The General Fund expenditures and other financing uses increased \$1,234,645 from 2021 to 2022 and revenues and other financing sources increased \$2,353,952.

Using This Annual Comprehensive Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the City of North Olmsted as a financial whole or as an entire operating entity. The statements proceed to provide an increasingly detailed look at our specific financial condition.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2022

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those 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 what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

Reporting the City of North Olmsted as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole considers all financial transactions and measures how the City did financially during fiscal year 2022. The *Statement of Net Position* includes assets, deferred outflows of resources, liabilities and deferred inflows of resources and the *Statement of Activities* includes revenues and expenses; however, they both use the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

The *Statement of Net Position* and the *Statement of Activities* are divided into the following categories:

- Assets
- Deferred outflows of resources
- Liabilities
- Deferred inflows of resources
- Net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources)
- Program expenses and revenues
- General revenues
- Net position beginning and end of year

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2022

Reporting the City of North Olmsted's Most Significant Funds

Fund Financial Statements

The presentation of the City's major funds begins on page 24. Fund financial reports provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds which account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of North Olmsted, the major governmental funds are the General Fund and the General Obligation Bond Retirement Fund and the major enterprise funds are the Springvale Golf Course and Ballroom Fund and Sewer Revenue Fund.

Governmental Funds

Most of the City's activities are reported in the governmental funds which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer 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 within the financial statements.

Proprietary Funds

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

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found beginning on page 30 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2022

Notes to the Basic Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 37 of this report.

Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the combining statements referred to earlier in connection with non-major governmental funds are presented, as well as individual detailed budgetary comparisons for all funds. This information can be found starting on page 118 of this report.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2022

The City of North Olmsted as a Whole

The *Statement of Net Position* looks at the City as a whole. Table 1 provides a summary of the City's net position for 2022 compared to 2021, as previously reported.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and other assets	\$ 70,065,882	\$ 60,152,594	\$ 10,591,749	\$ 10,389,056	\$ 80,657,631	\$ 70,541,650
Capital assets, net	52,219,616	52,442,050	64,302,295	66,563,738	116,521,911	119,005,788
Net pension asset	336,481	231,321	107,132	73,653	443,613	304,974
Net OPEB asset	<u>1,526,152</u>	<u>806,594</u>	<u>485,914</u>	<u>256,812</u>	<u>2,012,066</u>	<u>1,063,406</u>
<i>Total assets</i>	<u>124,148,131</u>	<u>113,632,559</u>	<u>75,487,090</u>	<u>77,283,259</u>	<u>199,635,221</u>	<u>190,915,818</u>
Deferred outflows of resources:						
Deferred charge on refunding	-	41,092	-	-	-	41,092
Pension	7,960,028	3,973,258	693,635	321,068	8,653,663	4,294,326
OPEB	<u>1,857,809</u>	<u>2,457,471</u>	<u>23,856</u>	<u>129,897</u>	<u>1,881,665</u>	<u>2,587,368</u>
<i>Total deferred outflows of resources</i>	<u>9,817,837</u>	<u>6,471,821</u>	<u>717,491</u>	<u>450,965</u>	<u>10,535,328</u>	<u>6,922,786</u>
Liabilities:						
Current liabilities	10,045,862	3,780,819	818,094	778,920	10,863,956	4,559,739
Long-term liabilities:						
Due within one year	5,157,108	5,228,751	3,246,716	3,172,531	8,403,824	8,401,282
Due within more than one year:						
Other amounts	16,291,108	19,943,346	41,889,137	44,969,475	58,180,245	64,912,821
Net pension liability	23,345,184	28,458,447	1,325,236	2,094,873	24,670,420	30,553,320
Net OPEB liability	<u>3,365,566</u>	<u>3,400,432</u>	<u>-</u>	<u>-</u>	<u>3,365,566</u>	<u>3,400,432</u>
<i>Total liabilities</i>	<u>58,204,828</u>	<u>60,811,795</u>	<u>47,279,183</u>	<u>51,015,799</u>	<u>105,484,011</u>	<u>111,827,594</u>
Deferred inflows of resources:						
Property taxes	9,576,265	10,147,771	-	-	9,576,265	10,147,771
Payments in lieu of taxes	412,807	657,844	-	-	412,807	657,844
Pension	12,574,778	5,886,626	1,680,705	1,061,248	14,255,483	6,947,874
OPEB	3,031,812	4,090,731	527,576	857,338	3,559,388	4,948,069
Leases	<u>1,510,463</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,510,463</u>	<u>-</u>
<i>Total deferred inflows of resources</i>	<u>27,106,125</u>	<u>20,782,972</u>	<u>2,208,281</u>	<u>1,918,586</u>	<u>29,314,406</u>	<u>22,701,558</u>
Net position:						
Net investment in capital assets	35,706,106	35,306,616	19,608,182	19,062,204	55,314,288	54,368,820
Restricted	28,934,472	25,257,481	-	-	28,934,472	25,257,481
Unrestricted	<u>(15,985,563)</u>	<u>(22,054,484)</u>	<u>7,108,935</u>	<u>5,737,635</u>	<u>(8,876,628)</u>	<u>(16,316,849)</u>
<i>Total net position</i>	\$ <u>48,655,015</u>	\$ <u>38,509,613</u>	\$ <u>26,717,117</u>	\$ <u>24,799,839</u>	\$ <u>75,372,132</u>	\$ <u>63,309,452</u>

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2022

The City follows Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27* and GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to pensions and 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/OPEB, the net pension/OPEB liability to the reported net position and subtracting deferred outflows related to pension/OPEB and the net pension/OPEB asset.

GASB 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/OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension/OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension/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.

GASB 68 and GASB 75 require the net pension/OPEB liability (asset) 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/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/OPEB. 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 liability. In Ohio, the employee shares the obligation of funding 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/OPEB plans.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2022

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/OPEB liability. As explained above, changes in pension 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/OPEB liability is satisfied, these liabilities are separately identified within the long-term liability section of the Statement of Net Position.

Net position may serve over time as a useful indicator of a government's financial position. For the City of North Olmsted, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$75,372,132 as of December 31, 2022, which is a \$12,062,680 increase from the prior year. At the end of the current year, the City of North Olmsted is able to report positive balances in the net investment in capital assets and restricted net position. Unrestricted net position is negative as a result of GASB 68 and GASB 75.

The largest portion of the City's net position reflects the investments in capital assets (land, construction in progress, buildings, improvements other than buildings, machinery and equipment, furniture and fixtures and infrastructure) less any related debt to acquire those assets that remains outstanding. These capital assets are used to provide services to the City's citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets for 2022 increased \$8,719,403 when compared to 2021 and deferred outflows of resources increased by \$3,612,542. The main factor affecting the total assets was the increase in cash and cash equivalents (up \$8,834,329). Cash and cash equivalents increased as the City issued \$4,005,000 in new money notes as well as received local fiscal funding in 2022. The main fluctuation in deferred outflows of resources related to net pension (up \$4,359,337) due to changes in the pension plans.

Total liabilities decreased by \$6,343,583 and deferred inflows of resources increased by \$6,612,848 from 2021. The main factors affecting the total liabilities was a decrease net pension and (down \$5,882,900) during 2022, due to changes in changes in the pension plans. The deferred inflows of resources related to pension/OPEB were up in 2022 due to changes in the pension/OPEB plans.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2022

In order to further understand what makes up the changes in net position for the current year, Table 2 provides further details regarding the results of activities for the current year compared to the prior year as previously reported.

Table 2
 Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services and sales	\$ 6,007,952	\$ 5,377,225	\$ 11,609,112	\$ 11,795,705	\$ 17,617,064	\$ 17,172,930
Operating grants and contributions	2,261,156	2,370,820	-	-	2,261,156	2,370,820
Capital grants and contributions	<u>398,000</u>	<u>391,888</u>	<u>69,579</u>	<u>79,471</u>	<u>467,579</u>	<u>471,359</u>
Total program revenues	<u>8,667,108</u>	<u>8,139,933</u>	<u>11,678,691</u>	<u>11,875,176</u>	<u>20,345,799</u>	<u>20,015,109</u>
General revenues:						
Property taxes and other taxes	11,240,041	9,721,089	-	-	11,240,041	9,721,089
Municipal income taxes	20,349,739	17,879,082	-	-	20,349,739	17,879,082
Grants and entitlements	2,624,319	2,637,699	-	-	2,624,319	2,637,699
Other	<u>638,578</u>	<u>54,221</u>	<u>-</u>	<u>-</u>	<u>638,578</u>	<u>54,221</u>
Total general revenues	<u>34,852,677</u>	<u>30,292,091</u>	<u>-</u>	<u>-</u>	<u>34,852,677</u>	<u>30,292,091</u>
Total revenues	<u>43,519,785</u>	<u>38,432,024</u>	<u>11,678,691</u>	<u>11,875,176</u>	<u>55,198,476</u>	<u>50,307,200</u>
Program expenses:						
General government	4,872,230	3,220,199	-	-	4,872,230	3,220,199
Security of persons and property	15,400,301	15,058,401	-	-	15,400,301	15,058,401
Public health and welfare	599,031	137,349	-	-	599,031	137,349
Transportation	6,409,581	4,858,200	-	-	6,409,581	4,858,200
Basic utility services	2,543,410	2,573,383	-	-	2,543,410	2,573,383
Leisure time activities	2,400,692	1,817,301	-	-	2,400,692	1,817,301
Economic development	527,581	395,305	-	-	527,581	395,305
Interest and fiscal charges	394,459	627,048	-	-	394,459	627,048
Springvale Golf Course and Ballroom	-	-	1,749,393	1,361,509	1,749,393	1,361,509
Sewer revenue	<u>-</u>	<u>-</u>	<u>8,239,118</u>	<u>7,209,547</u>	<u>8,239,118</u>	<u>7,209,547</u>
Total program expenses	<u>33,147,285</u>	<u>28,687,186</u>	<u>9,988,511</u>	<u>8,571,056</u>	<u>43,135,796</u>	<u>37,258,242</u>
Change in net position before transfers	10,372,500	9,744,838	1,690,180	3,304,120	12,062,680	13,048,958
Transfers	<u>(227,098)</u>	<u>50,640</u>	<u>227,098</u>	<u>(50,640)</u>	<u>-</u>	<u>-</u>
Change in net position	10,145,402	9,795,478	1,917,278	3,253,480	12,062,680	13,048,958
Net position, beginning of year	<u>38,509,613</u>	<u>28,714,135</u>	<u>24,799,839</u>	<u>21,546,359</u>	<u>63,309,452</u>	<u>50,260,494</u>
Net position, end of year	\$ <u>48,655,015</u>	\$ <u>38,509,613</u>	\$ <u>26,717,117</u>	\$ <u>24,799,839</u>	\$ <u>75,372,132</u>	\$ <u>63,309,452</u>

City of North Olmsted

Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2022

Effects of GASB 68 and 75

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

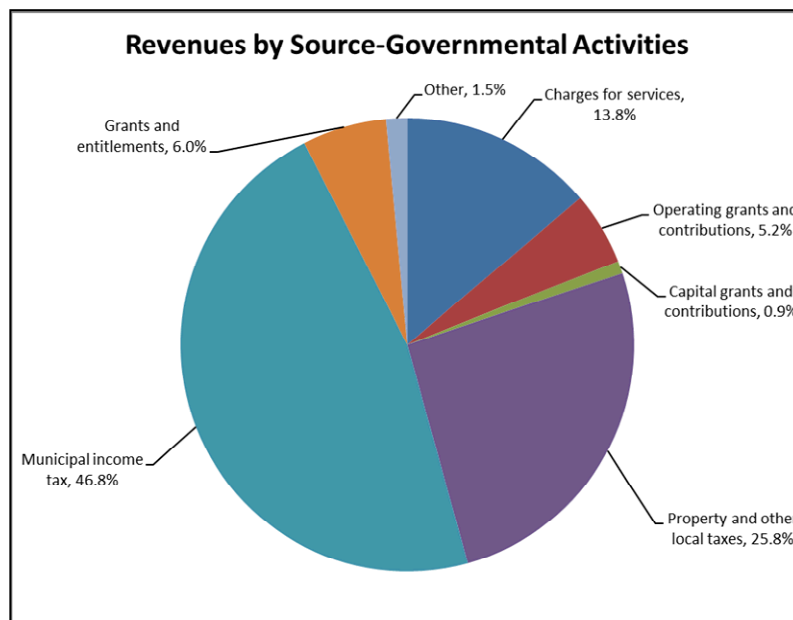
Under GASB 68, pension expense represents additional amounts earned based on a proportionate share of the net pension liability adjusted by a corresponding proportionate share of deferred outflows and inflows. Under GASB 68, the pension expense for 2022 is \$(5,148), while in 2021 pension expense was \$1,359,925.

Under GASB 75, OPEB expense represents additional amounts earned based on a proportionate share of the net OPEB liability adjusted by a corresponding proportionate share of deferred outflows and inflows. Under GASB 75, the OPEB expense for 2022 is \$(1,603,302), while in 2021 OPEB expense was \$(6,316,089).

Governmental Activities

Overall, total governmental activities revenues increased by \$5,087,761, primarily due to increases in property taxes and municipal income taxes. Program revenues represent 20% of the total governmental activities revenues. This includes charges for services and sales and both operating and capital grants. Program revenues increased in 2022 by \$527,175, primarily as a result of an increase in charges for services.

General revenues represent the other 80% of total governmental activities with municipal income taxes at 47%, property and other local taxes at 26% and grants, entitlements and other miscellaneous revenues representing 7%.



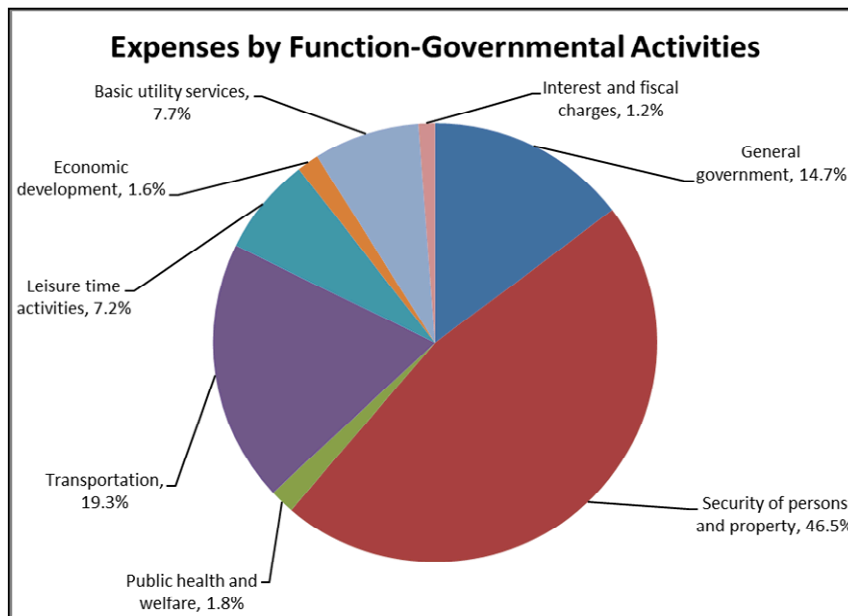
City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2022

In total, the City's governmental activities experienced an increase in expenses of \$4,460,099. The majority of the increase was due changes in assumption and benefit terms related to OPERS OPEB in the prior year that caused a significant reduction in expenses in 2021.

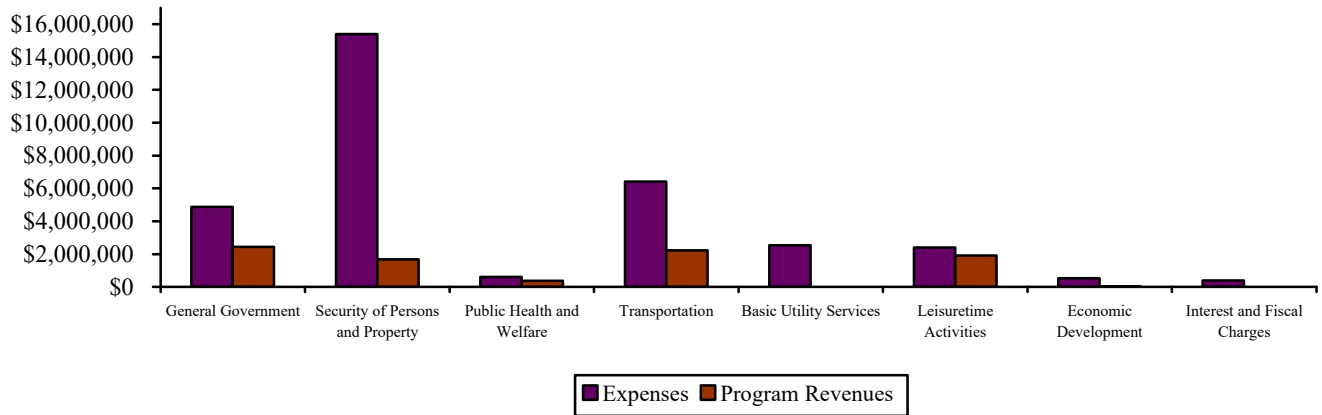
The City's expenses are categorized by function. The largest program function, security of persons and property, represented 47% of program expenses in 2022. This includes the cost of providing police, dispatch, fire, and paramedic services. General government represents 15% of program expenses. This includes all the general governmental expenses used by the entire City such as council, mayor, administration, finance, law, human resources, information technologies, building, engineering, etc. Transportation represents 19% of program expenses in 2022. This includes the cost of providing all public works services such as street and storm channel maintenance and improvements, public property maintenance, snow removal, brush removal and equipment maintenance. General governmental increased \$1,652,031 and transportation increased \$1,551,381 due to changes in assumption and benefit terms related to OPERS OPEB in the prior year that caused a significant reduction in expenses in 2021.



City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2022

As can be seen in the chart below, program revenues cover a small portion of expenses and all programs have a heavy reliance on general revenues, with the majority of total 2022 revenues coming from general revenues.

Expenses and Program Revenues Governmental Activities



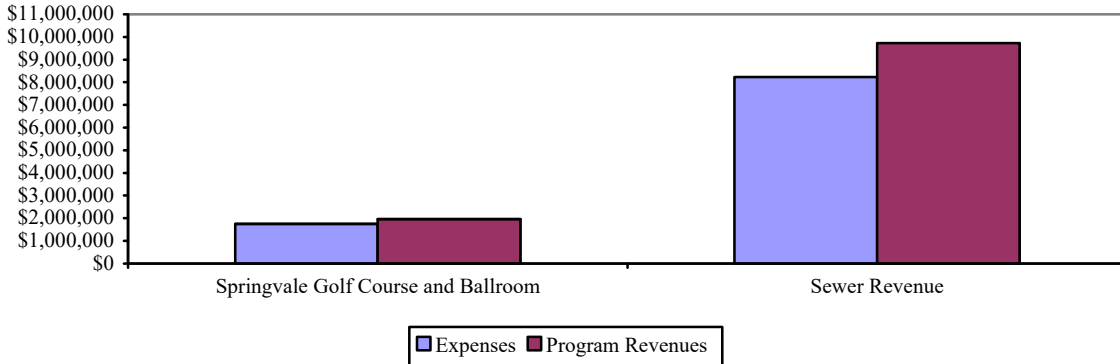
Business-Type Activities

Overall, total business-type activities revenue decreased \$196,485 in 2022. Charges for services and sales are the primary source of program revenues for the business-type activities. The Springvale Golf Course and Ballroom (Springvale) has both golf and event revenues. The sewer plant and collection system operations (WWTP) represent the largest share of the charges for services and sales. Sewer charges for services and sales decreased year over year. Springvale charges for services and sales increased in 2022, which was primarily due to an increase in golf outings and rentals.

Business-type activities expense increased in 2022 by \$1,417,455, from the prior year due changes in assumption and benefit terms related to OPERS OPEB in the prior year that caused a significant reduction in expenses in 2021.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2022

Expenses and Program Revenues Business-Type Activities



Financial Analysis of the City's Funds

The City of North Olmsted uses fund accounting as mandated by governmental legal requirements. The importance of accounting and reporting using this method is to demonstrate compliance with these finance related requirements.

Governmental Funds

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

As of December 31, 2022, the City's governmental funds reported combined ending fund balances of \$40,811,209. Of that amount, \$38,750,095 constitutes fund balances in a spendable form. The remaining \$2,061,114 fund balance is reported as nonspendable to indicate that it is not available for spending because it cannot be used to liquidate future liabilities because it will not be in a spendable form in the next year.

All governmental funds had total revenues of \$42,411,600 and expenditures of \$40,498,692, resulting in revenues over expenditures of \$1,912,908. After consideration of \$569,700 in net other financing sources, the current year net change in fund balance was \$2,482,608.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2022

The General Fund is the most significant fund as it is the source for providing a significant portion of major governmental activities such as police, fire, service, legislative and administrative functions. In 2022, the General Fund had total revenues of \$26,443,485 and expenditures of \$24,465,239, resulting in an increase in fund balance of \$2,068,946 after consideration of \$90,700 in net other financing sources, for an ending fund balance at December 31, 2022 of \$13,296,462. General Fund revenues and other financing sources increased \$2,353,952 from 2021, while expenditures and other financing uses increased by \$1,234,645. The increase in General Fund revenues was due to an increase in property and municipal income taxes. The increase in General Fund expenditures was mainly due to an increase in transportation, security of persons and property and general government.

The General Obligation Bond Retirement Fund accounts for resources that are used for payments of principal and interest and fiscal charges on general obligation debt. In 2022, the General Obligation Bond Retirement Fund had total revenues of \$1,699,468 and expenditures of \$3,035,136 resulting in an increase in fund balance of \$565,213 after consideration of \$1,900,881 in net other financing sources, for an ending fund balance at December 31, 2022 of \$11,314,033. The General Obligation Bond Retirement Fund revenues and other financing sources decreased due to premiums associated with the 2021 bond issuance. The expenditures are set by the bond, note and loan payments and are based on the amortizations schedules of the City's debt.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. The City amended its General Fund budget at various times throughout fiscal year 2022. All recommendations for budget amendments are initially presented to the Finance Committee of City Council for review before they are presented to the whole City Council for Ordinance enactment on the change. Budgetary modifications between the legal level of control categories may only be made by resolution of the City Council.

The City allows intra-department budget modifications if they are within the same legal level of control category. The General Fund supports many of the City's major activities such as the police, fire and service departments, as well as most legislative and administrative activities. The General Fund is monitored closely, looking for possible revenue shortfalls or potential overspending by individual departments.

For the General Fund, the original budgeted revenues and other financing sources were \$23,035,508. The final budgeted revenues and other financing sources were \$25,290,418. Final budget revenues increased compared to the original budget due to higher expectations of municipal income taxes. The City actually received \$27,318,176 in 2022. While the excess was a result of greater than anticipated revenues across several revenue types, the more significant variance was municipal income taxes. The City's revenues were greater than expected due to the City receiving \$628,611 more in municipal income taxes.

The original appropriations, including other financing uses for the General Fund were \$27,751,830. The final appropriations, including other financing uses, were \$28,225,419. Actual expenditures, including other financing uses ended \$2,743,074 below the final budgeted amount. Security of persons and property expenditures were less than budgeted across all areas in 2022. Revenues exceeded expenditures by \$2,338,554 before \$502,723 in net other financing uses. This resulted in an increase of the General Fund balance of \$1,835,831.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2022

Capital Assets and Debt Administration

Capital Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 4,664,882	\$ 4,664,882	\$ 2,340,714	\$ 2,340,714	\$ 7,005,596	\$ 7,005,596
Construction in progress	977,722	3,704,263	533,132	111,574	1,510,854	3,815,837
Other non-depreciable assets	33,000	33,000	-	-	33,000	33,000
Land improvements	1,107,161	1,204,162	1,951,895	2,021,302	3,059,056	3,225,464
Buildings and improvements	16,504,519	17,027,257	31,230,021	32,475,520	47,734,540	49,502,777
Furniture and fixtures	92,344	103,436	7,428	8,210	99,772	111,646
Vehicles and equipment	5,656,411	5,060,384	21,849,046	22,891,870	27,505,457	27,952,254
Infrastructure	<u>23,183,577</u>	<u>20,644,666</u>	<u>6,390,059</u>	<u>6,714,548</u>	<u>29,573,636</u>	<u>27,359,214</u>
Total	<u>\$ 52,219,616</u>	<u>\$ 52,442,050</u>	<u>\$ 64,302,295</u>	<u>\$ 66,563,738</u>	<u>\$ 116,521,911</u>	<u>\$ 119,005,788</u>

Total governmental activities capital assets, net of depreciation, as of December 31, 2022, were \$52,219,616, which was \$222,434 lower than December 31, 2021 as depreciation outpaced additions.

Business-type activities net capital assets decreased by \$2,261,443 from 2021 as depreciation outpaced additions. Additional information concerning the City's capital assets can be found in Notes 8 to the basic financial statements.

Debt and Other Long-Term Obligations

As of December 31, 2022, the City of North Olmsted had \$94,620,055 in total debt and other long-term obligations outstanding with \$8,403,824 due within one year.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
General obligation bonds	\$ 15,893,011	\$ 19,723,951	\$ 4,851,856	\$ 5,250,869	\$ 20,744,867	\$ 24,974,820
OWDA loan	-	-	39,823,846	42,449,511	39,823,846	42,449,511
Police pension liability	48,717	53,402	-	-	48,717	53,402
Compensated absences	4,900,245	4,762,543	458,367	438,057	5,358,612	5,200,600
Claims payable	489,104	475,671	-	-	489,104	475,671
Asset retirement obligations	50,817	47,112	-	-	50,817	47,112
Financed purchase	66,322	109,418	1,784	3,569	68,106	112,987
Net pension liability	23,345,184	28,458,447	1,325,236	2,094,873	24,670,420	30,553,320
Net OPEB liability	<u>3,365,566</u>	<u>3,400,432</u>	<u>-</u>	<u>-</u>	<u>3,365,566</u>	<u>3,400,432</u>
Total	<u>\$ 48,158,966</u>	<u>\$ 57,030,976</u>	<u>\$ 46,461,089</u>	<u>\$ 50,236,879</u>	<u>\$ 94,620,055</u>	<u>\$ 107,267,855</u>

The general obligation bonds are comprised of many various purposes which include street and storm improvements, sanitary sewer improvements, equipment, computerization, golf course purchase and improvements, recreation center and parks improvements, city building improvements and fire station construction. Many revenue sources assist in the payment of debt service.

The City has two OWDA loans outstanding for the WWTP and collection system improvements with the debt service being paid with user charges.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2022

The State of Ohio statute limits the amount of general obligation debt a governmental entity may issue to 10.5% of the total assessed valuation. The City's overall legal debt margin was \$88,796,337 at December 31, 2022. This represents the aggregate principal amount of additional voted and unvoted debt which the City may issue over and above what the City currently has outstanding without exceeding the limitation. This calculation does not take into account the City's ability to repay such debt levels within current resources. Additional information concerning the City's long-term obligations can be found in Notes 9, 10, 13, 14, 15 and 23 to the basic financial statements.

Economic Factors and Next Year's Budget

In 2022, the effects from the coronavirus (COVID-19) pandemic and state of emergency declaration continued to impact the City's budget. The income tax revenues remained uncertain, especially because of pending litigation and state legislative action dealing with those employees working from home due to the pandemic emergency. Dramatically rising inflation, continued employment needs, higher fuel costs, and supply chain issues had a negative impact on the City's operations, not only in dollars, but project completion and the purchase of equipment and supplies. The local housing market slowed 21.8% in the volume of homes sold, though the average sales price increased 13.7%. By the end of 2022, county and state unemployment rates were down to 4.9% and 4.0%, respectively. The City received \$3,296,109 American Rescue Plan Act funding and has allocated it to public safety initiatives, economic development, digitization of government, recreational needs, and one-time resources to mitigate the impact of COVID-19 to residents and businesses.

In 2023, the world continues to deal with the effects of the COVID-19 pandemic and its many variants. Energy costs, labor shortages, continued supply chain issues as well as the rapid increase in inflation has caused the price of goods and services to continue to increase dramatically so far in 2023. Additionally, the large volume of Federal ARPA monies that must be committed by the end of 2024, along with many other Federal infrastructure spending that is flowing through to state and local governments and non-profits has made the cost of construction go up dramatically to levels that far exceed the monies allocated for such purposes making it difficult to complete the projects. The continued increase in interest rates by the Federal Reserve has slowed the housing market, not so much in the price of homes for sale, but in the number of sales as consumers are not only dealing with much higher borrowing rates, but are concerned about higher prices for everyday expenses and the potential of a recession. Municipal income taxes, a significant source of general government revenues, have been negatively impacted by the hybrid work model as companies in the city are required to withhold where the work is actually being performed. The permanent impact of these changes will not be known for some years to come, but are being monitored closely so the City can make adjustments to the budget in a timely manner.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends, or invests. If you have any questions about this report or need financial information, contact the Director of Finance, City of North Olmsted, 5200 Dover Center Road, North Olmsted, Ohio, 44070; telephone 440-777-8000 or e-mail at finance@north-olmsted.com.

City of North Olmsted, Ohio

Statement of Net Position

December 31, 2022

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 40,847,768	\$ 16,606,380	\$ 57,454,148
Accounts receivable	281,259	-	281,259
Accrued interest receivable	37,560	-	37,560
Materials and supplies inventory	465,618	318,886	784,504
Prepaid items	177,227	96,801	274,028
Internal balances	7,913,688	(7,913,688)	-
Intergovernmental receivable	2,535,923	1,483,370	4,019,293
Income taxes receivable	5,357,602	-	5,357,602
Taxes receivable - property and other	10,063,077	-	10,063,077
Lease receivable	1,554,749	-	1,554,749
Non-depreciable capital assets	5,675,604	2,873,846	8,549,450
Depreciable capital assets, net	46,544,012	61,428,449	107,972,461
Net pension asset	336,481	107,132	443,613
Net OPEB asset	1,526,152	485,914	2,012,066
Restricted assets:			
Restricted cash and cash equivalents	831,411	-	831,411
Total assets	124,148,131	75,487,090	199,635,221
Deferred outflows of resources:			
Pension	7,960,028	693,635	8,653,663
OPEB	1,857,809	23,856	1,881,665
Total deferred outflows or resources	9,817,837	717,491	10,535,328
Liabilities:			
Accounts and contracts payable	882,450	191,715	1,074,165
Accrued wages and benefits	1,028,397	113,415	1,141,812
Intergovernmental payable	8,665	2,117	10,782
Unearned revenues	3,199,583	-	3,199,583
Deposits held and due to others	831,261	-	831,261
Accrued interest payable	67,949	510,847	578,796
Notes payable	4,027,557	-	4,027,557
Long-term liabilities:			
Due within one year	5,157,108	3,246,716	8,403,824
Due in more than one year:			
Other amounts due in more than one year	16,291,108	41,889,137	58,180,245
Net pension liability	23,345,184	1,325,236	24,670,420
Net OPEB liability	3,365,566	-	3,365,566
Total liabilities	58,204,828	47,279,183	105,484,011

(continued)

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Net Position (continued)

December 31, 2022

	Governmental Activities	Business-Type Activities	Total
Deferred inflows of resources:			
Property taxes	9,576,265	-	9,576,265
Payments in lieu of taxes	412,807	-	412,807
Pension	12,574,778	1,680,705	14,255,483
OPEB	3,031,812	527,576	3,559,388
Lease	1,510,463	-	1,510,463
Total deferred inflows of resources	<u>27,106,125</u>	<u>2,208,281</u>	<u>29,314,406</u>
Net position:			
Net investment in capital assets	35,706,106	19,608,182	55,314,288
Restricted for:			
Debt service	11,613,179	-	11,613,179
Capital projects	6,306,476	-	6,306,476
Highways and streets	5,339,200	-	5,339,200
Public safety	1,433,484	-	1,433,484
Solid waste and recycling	2,760,926	-	2,760,926
Federal and other grants	428,429	-	428,429
Recreation	1,052,778	-	1,052,778
Unrestricted	<u>(15,985,563)</u>	<u>7,108,935</u>	<u>(8,876,628)</u>
Total net position	<u>\$ 48,655,015</u>	<u>\$ 26,717,117</u>	<u>\$ 75,372,132</u>

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Activities

For the Year Ended December 31, 2022

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 4,872,230	\$ 2,437,654	\$ 385	\$ -
Security of persons and property	15,400,301	1,495,956	188,532	-
Public health and welfare	599,031	21,815	52,163	300,000
Transportation	6,409,581	202,219	2,020,076	-
Basic utility services	2,543,410	-	-	-
Leisure time activities	2,400,692	1,828,120	-	98,000
Economic development	527,581	22,188	-	-
Interest and fiscal charges	394,459	-	-	-
Total governmental activities	<u>33,147,285</u>	<u>6,007,952</u>	<u>2,261,156</u>	<u>398,000</u>
Business-type activities:				
Springvale golf course and ballroom	1,749,393	1,957,466	-	-
Sewer revenue	8,239,118	9,651,646	-	69,579
Total business-type activities	<u>9,988,511</u>	<u>11,609,112</u>	<u>-</u>	<u>69,579</u>
Total	<u>\$ 43,135,796</u>	<u>\$ 17,617,064</u>	<u>\$ 2,261,156</u>	<u>\$ 467,579</u>

General revenues:

- Property and other taxes levied for:
 - General purposes
 - Recreation
 - Fire pension
 - Police pension
 - Debt service
- Municipal income taxes levied for:
 - General purposes
 - Solid waste and recycling
 - Capital outlay
- Grants and entitlements not restricted to specific programs
- Investment income
- Gain on sale of assets
- Miscellaneous
- Total general revenues
- Transfers
 - Total general revenues and transfers
- Change in net position
- Net position, beginning of year
- Net position, end of year

The accompanying notes are an integral part of these financial statements

Net (Expense) Revenues and Changes in Net Position

<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
\$ (2,434,191)	\$ -	\$ (2,434,191)
(13,715,813)	-	(13,715,813)
(225,053)	-	(225,053)
(4,187,286)	-	(4,187,286)
(2,543,410)	-	(2,543,410)
(474,572)	-	(474,572)
(505,393)	-	(505,393)
<u>(394,459)</u>	<u>-</u>	<u>(394,459)</u>
(24,480,177)	-	(24,480,177)
-	208,073	208,073
<u>-</u>	<u>1,482,107</u>	<u>1,482,107</u>
<u>-</u>	<u>1,690,180</u>	<u>1,690,180</u>
<u>(24,480,177)</u>	<u>1,690,180</u>	<u>(22,789,997)</u>
7,826,302	-	7,826,302
1,048,652	-	1,048,652
262,147	-	262,147
282,172	-	282,172
1,820,768	-	1,820,768
14,244,817	-	14,244,817
3,052,461	-	3,052,461
3,052,461	-	3,052,461
2,624,319	-	2,624,319
248,481	-	248,481
352,583	-	352,583
<u>37,514</u>	<u>-</u>	<u>37,514</u>
34,852,677	-	34,852,677
<u>(227,098)</u>	<u>227,098</u>	<u>-</u>
<u>34,625,579</u>	<u>227,098</u>	<u>34,852,677</u>
10,145,402	1,917,278	12,062,680
38,509,613	24,799,839	63,309,452
<u>\$ 48,655,015</u>	<u>\$ 26,717,117</u>	<u>\$ 75,372,132</u>

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Balance Sheet – Governmental Funds

December 31, 2022

	General	General Obligation Bond Retirement	Non-major Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 9,896,251	\$ 4,309,076	\$ 22,745,276	\$ 36,950,603
Income taxes receivable	3,750,322	-	1,607,280	5,357,602
Taxes receivable - property and other	7,039,749	1,439,339	1,583,989	10,063,077
Intergovernmental receivable	959,300	93,318	1,483,305	2,535,923
Accounts receivable	263,117	-	18,142	281,259
Lease receivable	-	-	1,554,749	1,554,749
Interfund receivable	10,992	-	230,000	240,992
Materials and supplies inventory	342,482	-	123,136	465,618
Prepaid items	144,404	-	32,823	177,227
Accrued interest receivable	37,560	-	-	37,560
Advances to other funds	1,418,269	7,004,957	-	8,423,226
Restricted assets:				
Restricted cash and cash equivalents	-	-	831,411	831,411
Total assets	\$ 23,862,446	\$ 12,846,690	\$ 30,210,111	\$ 66,919,247
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts and contracts payable	\$ 176,644	\$ -	\$ 705,351	\$ 881,995
Accrued wages and benefits	915,284	-	113,113	1,028,397
Intergovernmental payable	2,777	-	3,401	6,178
Unearned revenues	-	-	3,199,583	3,199,583
Interfund payable	-	-	240,992	240,992
Deposits held and due to others	-	-	831,261	831,261
Accrued interest payable	-	-	23,726	23,726
Notes payable	-	-	4,027,557	4,027,557
Total liabilities	1,094,705	-	9,144,984	10,239,689
Deferred inflows or resources:				
Property taxes	6,738,613	1,378,289	1,459,363	9,576,265
Payments in lieu of taxes	-	-	412,807	412,807
Unavailable revenues	2,732,666	154,368	1,481,780	4,368,814
Lease	-	-	1,510,463	1,510,463
Total deferred inflows of resources	9,471,279	1,532,657	4,864,413	15,868,349
Fund balances:				
Nonspendable	1,905,155	-	155,959	2,061,114
Restricted	-	11,314,033	15,572,838	26,886,871
Committed	145,392	-	700,583	845,975
Assigned	9,343,305	-	-	9,343,305
Unassigned	1,902,610	-	(228,666)	1,673,944
Total fund balances	13,296,462	11,314,033	16,200,714	40,811,209
Total liabilities, deferred inflows of resources, and fund balances	\$ 23,862,446	\$ 12,846,690	\$ 30,210,111	\$ 66,919,247

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

December 31, 2022

Total governmental funds balances	\$	40,811,209	
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			52,219,616
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.			
Property and other local taxes	\$	423,763	
Municipal income taxes		2,209,019	
Intergovernmental		1,611,671	
Charges for services and sales		124,361	
Total		<u>4,368,814</u>	4,368,814
In the Statement of Activities, interest is accrued on outstanding long-term obligations, whereas in governmental funds, an interest expenditure is reported when due.			(44,223)
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.			
Police pension liability		(48,717)	
Financed purchase		(66,322)	
General obligation bonds		(15,893,011)	
Asset retirement obligations		(50,817)	
Compensated absences		(4,900,245)	
Total		<u>(20,959,112)</u>	(20,959,112)
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.			
Net position		3,405,119	
Internal balances		(509,538)	
Total		<u>2,895,581</u>	2,895,581
The net pension asset / liability is not due or available in the current period; therefore, the asset / liability and related deferred outflows / inflows are not reported in governmental funds.			
Net pension asset		336,481	
Deferred outflows		7,960,028	
Net pension liability		(23,345,184)	
Deferred inflows		(12,574,778)	
Total		<u>(27,623,453)</u>	(27,623,453)
The net OPEB asset/liability is not due or available in the current period; therefore, the asset/liability and related deferred outflows / inflows are not reported in governmental funds.			
Net OPEB asset		1,526,152	
Deferred outflows		1,857,809	
Net OPEB liability		(3,365,566)	
Deferred inflows		(3,031,812)	
Total		<u>(3,013,417)</u>	(3,013,417)
<i>Net position of governmental activities</i>	\$		<u><u>48,655,015</u></u>

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For the Year Ended December 31, 2022

	General	General Obligation Bond Retirement	Non-major Governmental Funds	Total Governmental Funds
Revenues:				
Property and other local taxes	\$ 7,346,185	\$ 1,498,115	\$ 2,487,060	\$ 11,331,360
Municipal income taxes	13,718,929	-	5,879,542	19,598,471
Payments in lieu of taxes	-	-	104,963	104,963
Charges for services and sales	1,668,568	-	2,350,389	4,018,957
Fines, licenses and permits	1,256,410	-	491,865	1,748,275
Intergovernmental	2,279,475	186,635	2,809,784	5,275,894
Special assessments	-	-	4,714	4,714
Investment income	159,752	14,718	75,039	249,509
Miscellaneous	14,166	-	65,291	79,457
Total revenues	<u>26,443,485</u>	<u>1,699,468</u>	<u>14,268,647</u>	<u>42,411,600</u>
Expenditures:				
Current:				
General government	5,121,834	4,748	336,262	5,462,844
Security of persons and property	14,451,308	-	1,719,379	16,170,687
Public health and welfare	680,414	-	74,435	754,849
Transportation	3,689,684	-	4,113,928	7,803,612
Basic utility services	-	-	2,543,410	2,543,410
Leisure time activities	17,554	-	2,609,870	2,627,424
Economic development	480,139	-	39,693	519,832
Capital outlay	-	-	376,667	376,667
Debt service:				
Principal	22,086	2,425,000	1,105,695	3,552,781
Interest and fiscal charges	2,220	605,388	61,865	669,473
Issuance costs	-	-	17,113	17,113
Total expenditures	<u>24,465,239</u>	<u>3,035,136</u>	<u>12,998,317</u>	<u>40,498,692</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,978,246</u>	<u>(1,335,668)</u>	<u>1,270,330</u>	<u>1,912,908</u>
Other financing sources (uses):				
Sale of assets	22,900	-	438,000	460,900
Transfers - in	167,800	1,900,881	100,000	2,168,681
Transfers - out	(100,000)	-	(1,959,881)	(2,059,881)
Total other financing sources (uses)	<u>90,700</u>	<u>1,900,881</u>	<u>(1,421,881)</u>	<u>569,700</u>
Net change in fund balances	2,068,946	565,213	(151,551)	2,482,608
Fund balances, beginning of year	<u>11,227,516</u>	<u>10,748,820</u>	<u>16,352,265</u>	<u>38,328,601</u>
Fund balances, end of year	<u>\$ 13,296,462</u>	<u>\$ 11,314,033</u>	<u>\$ 16,200,714</u>	<u>\$ 40,811,209</u>

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2022

Net change in fund balances – total governmental funds \$ 2,482,608

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

Governmental funds report capital outlay as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which capital outlays differed from depreciation in the current period.

Capital outlay	\$	3,169,224	
Depreciation expense		<u>(3,283,341)</u>	
Total			(114,117)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. (108,317)

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

Property and other local taxes		(91,319)	
Municipal income taxes		751,268	
Charges for services and sales		53,065	
Intergovernmental		<u>36,730</u>	
Total			749,744

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

General obligation bonds		3,505,000	
Police-pension liability		4,685	
Financed purchase		<u>43,096</u>	
Total			3,552,781

(continued)

City of North Olmsted, Ohio

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities (continued)

For the Year Ended December 31, 2022

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.

Accrued interest on bonds	7,279	
Compensated absences	(137,702)	
Asset retirement obligations	(3,705)	
Amortization of premium	325,940	
Amortization of deferred charge on funding	(41,092)	
Total		150,720

Internal service funds used by management to charge the costs of insurance to individual funds are not reported in the entity-wide Statement of Activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among governmental activities.

Change in net position	(342,119)	
Internal balances	43,380	
Total		(298,739)

Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.

2,754,931

Except for amounts reported as deferred outflows/inflows, changes in the net pension/OPEB asset/liability are reported as pension/OPEB expense in the Statement of Activities.

975,791

Change in net position of governmental activities

\$ 10,145,402

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual – General Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 11,137,200	\$ 13,242,200	\$ 13,870,811	\$ 628,611
Property and other local taxes	6,920,577	6,920,577	7,348,059	427,482
Charges for services and sales	1,435,000	1,434,910	1,788,345	353,435
Fees, licenses and permits	1,109,500	1,109,500	1,055,197	(54,303)
Fines and forfeitures	206,000	206,000	219,258	13,258
Intergovernmental	1,750,231	1,800,231	2,065,805	265,574
Investment income	200,000	200,000	568,620	368,620
Miscellaneous	24,000	24,000	22,559	(1,441)
Total revenues	<u>22,782,508</u>	<u>24,937,418</u>	<u>26,938,654</u>	<u>2,001,236</u>
Expenditures:				
Current:				
General government	5,985,381	6,085,670	5,267,990	817,680
Security of persons and property	14,684,491	14,866,291	13,866,493	999,798
Public health and welfare	722,417	722,417	623,847	98,570
Transportation	4,964,314	4,979,314	4,348,386	630,928
Basic utility services	67,500	52,500	9,154	43,346
Economic development	595,527	637,027	484,230	152,797
Total expenditures	<u>27,019,630</u>	<u>27,343,219</u>	<u>24,600,100</u>	<u>2,743,119</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(4,237,122)</u>	<u>(2,405,801)</u>	<u>2,338,554</u>	<u>4,744,355</u>
Other financing (uses) sources:				
Refunds	-	-	(45)	(45)
Sale of assets	5,000	5,000	31,522	26,522
Advances - in	248,000	248,000	248,000	-
Transfers - in	-	100,000	100,000	-
Transfers - out	(732,200)	(882,200)	(882,200)	-
Total other financing (uses) sources	<u>(479,200)</u>	<u>(529,200)</u>	<u>(502,723)</u>	<u>26,477</u>
Net change in fund balance	(4,716,322)	(2,935,001)	1,835,831	4,770,832
Prior year encumbrances	476,721	476,721	476,721	-
Fund balance, beginning of year	<u>5,395,654</u>	<u>5,395,654</u>	<u>5,395,654</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>1,156,053</u></u>	\$ <u><u>2,937,374</u></u>	\$ <u><u>7,708,206</u></u>	\$ <u><u>4,770,832</u></u>

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Fund Net Position Proprietary Funds

December 31, 2022

	Business-Type Activities – Enterprise Funds			Governmental Activities
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Assets:				
Current assets:				
Equity in pooled cash and equivalents	\$ 815,641	\$ 15,790,739	\$ 16,606,380	\$ 3,897,165
Materials and supplies inventory	21,895	296,991	318,886	-
Prepaid items	12,346	84,455	96,801	-
Intergovernmental receivable	-	1,483,370	1,483,370	-
Total current assets	<u>849,882</u>	<u>17,655,555</u>	<u>18,505,437</u>	<u>3,897,165</u>
Non-current assets:				
Non-depreciable capital assets	2,245,811	628,035	2,873,846	-
Depreciable capital assets, net	6,352,736	55,075,713	61,428,449	-
Net pension asset	23,955	83,177	107,132	-
Net OPEB asset	108,651	377,263	485,914	-
Total non-current assets	<u>8,731,153</u>	<u>56,164,188</u>	<u>64,895,341</u>	<u>-</u>
Total assets	<u>9,581,035</u>	<u>73,819,743</u>	<u>83,400,778</u>	<u>3,897,165</u>
Deferred outflows or resources:				
Pension	155,098	538,537	693,635	-
OPEB	5,335	18,521	23,856	-
Total deferred outflows or resources	<u>160,433</u>	<u>557,058</u>	<u>717,491</u>	<u>-</u>
Liabilities:				
Current:				
Accounts and contracts payable	41,038	150,677	191,715	455
Accrued wages and benefits	13,892	99,523	113,415	-
Intergovernmental payable	258	1,859	2,117	2,487
Accrued interest payable	12,433	498,414	510,847	-
Claims payable	-	-	-	476,504
Accrued compensated absences	28,342	149,796	178,138	-
Financed purchase	-	1,784	1,784	-
General obligation bond payable	305,000	70,000	375,000	-
OWDA loan payable	-	2,691,794	2,691,794	-
Total current liabilities	<u>400,963</u>	<u>3,663,847</u>	<u>4,064,810</u>	<u>479,446</u>
Long-term liabilities (net of current portion):				
Advances from other funds	7,054,282	1,368,944	8,423,226	-
Claims payable	-	-	-	12,600
Accrued compensated absences	59,758	220,471	280,229	-
General obligation bonds payable	4,138,802	338,054	4,476,856	-
OWDA loan payable	-	37,132,052	37,132,052	-
Net pension liability	296,326	1,028,910	1,325,236	-
Total long-term liabilities	<u>11,549,168</u>	<u>40,088,431</u>	<u>51,637,599</u>	<u>12,600</u>
Total liabilities	<u>11,950,131</u>	<u>43,752,278</u>	<u>55,702,409</u>	<u>492,046</u>

(continued)

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Fund Net Position Proprietary Funds (continued)

December 31, 2022

	Business-Type Activities – Enterprise Funds			Governmental Activities
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Deferred inflows of resources:				
Pension	375,810	1,304,895	1,680,705	-
OPEB	117,967	409,609	527,576	-
Total deferred inflows of resources	<u>493,777</u>	<u>1,714,504</u>	<u>2,208,281</u>	<u>-</u>
Net position:				
Net investment in capital assets	4,154,745	15,453,437	19,608,182	-
Unrestricted (deficit)	<u>(6,857,185)</u>	<u>13,456,582</u>	<u>6,599,397</u>	<u>3,405,119</u>
Total net position	\$ <u><u>(2,702,440)</u></u>	\$ <u><u>28,910,019</u></u>	26,207,579	\$ <u><u>3,405,119</u></u>
Net position reported for business-type activities in the Statement of Net Position are different because they include accumulated overpayments to the internal service funds:			509,538	
Net position business-type activities			\$ <u><u>26,717,117</u></u>	

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds

For the Year Ended December 31, 2022

	Business-Type Activities – Enterprise Funds			Governmental Activities
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Operating revenues:				
Charges for services and sales	\$ 1,957,466	\$ 9,651,646	\$ 11,609,112	\$ 3,967,463
Miscellaneous	-	-	-	102,059
Total operating revenues	<u>1,957,466</u>	<u>9,651,646</u>	<u>11,609,112</u>	<u>4,069,522</u>
Operating expenses:				
Salaries	481,146	1,800,579	2,281,725	-
Benefits	(129,430)	(622)	(130,052)	-
Contractual services	457,994	1,973,429	2,431,423	946,793
Materials and supplies	395,361	558,853	954,214	-
Claims	-	-	-	3,464,848
Depreciation	420,900	2,837,371	3,258,271	-
Total operating expenses	<u>1,625,971</u>	<u>7,169,610</u>	<u>8,795,581</u>	<u>4,411,641</u>
Operating income (loss)	331,495	2,482,036	2,813,531	(342,119)
Non-operating expenses:				
Interest and fiscal charges	(126,627)	(1,022,923)	(1,149,550)	-
Total non-operating expenses	<u>(126,627)</u>	<u>(1,022,923)</u>	<u>(1,149,550)</u>	<u>-</u>
Income (loss) before capital contributions and transfers	204,868	1,459,113	1,663,981	(342,119)
Capital contributions	-	405,477	405,477	-
Transfers - out	<u>(22,700)</u>	<u>(86,100)</u>	<u>(108,800)</u>	<u>-</u>
Change in net position	182,168	1,778,490	1,960,658	(342,119)
Net position, beginning of year	<u>(2,884,608)</u>	<u>27,131,529</u>		<u>3,747,238</u>
Net position, end of year	\$ <u><u>(2,702,440)</u></u>	\$ <u><u>28,910,019</u></u>		\$ <u><u>3,405,119</u></u>
Some amounts reported for business-type activities in the Statement of Activities are different because a portion of the net expense of the internal service funds are reported with business-type activities:			(43,380)	
Change in net position business-type activities			\$ <u><u>1,917,278</u></u>	

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Cash Flows Proprietary Funds

For the Year Ended December 31, 2022

	Business-Type Activities – Enterprise Funds			Governmental
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Cash flows from operating activities:				
Receipts from customers and users	\$ 1,957,466	\$ 10,041,591	\$ 11,999,057	\$ 4,069,522
Cash paid for goods and services	(427,248)	(1,909,522)	(2,336,770)	(955,161)
Cash paid for materials and supplies	(395,119)	(686,544)	(1,081,663)	-
Cash paid for employee services and benefits	(567,919)	(2,579,534)	(3,147,453)	-
Cash paid for claims	-	-	-	(3,451,415)
Net cash provided (used) by operating activities	<u>567,180</u>	<u>4,865,991</u>	<u>5,433,171</u>	<u>(337,054)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(66,321)	(583,980)	(650,301)	-
Contributed capital	-	69,579	69,579	-
Financed purchase principal paid	-	(1,785)	(1,785)	-
Loan principal paid – OWDA	-	(2,625,665)	(2,625,665)	-
Loan interest paid	-	(1,043,767)	(1,043,767)	-
General obligation bonds principal paid	(295,000)	(70,000)	(365,000)	-
General obligation bonds interest paid	<u>(156,650)</u>	<u>(16,800)</u>	<u>(173,450)</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(517,971)</u>	<u>(4,272,418)</u>	<u>(4,790,389)</u>	<u>-</u>
Cash flows from noncapital financing activities:				
Advances - in	283,995	-	283,995	-
Transfers - out	<u>(22,700)</u>	<u>(86,100)</u>	<u>(108,800)</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>261,295</u>	<u>(86,100)</u>	<u>175,195</u>	<u>-</u>
Net increase (decrease) in cash and	310,504	507,473	817,977	(337,054)
Cash and cash equivalents, beginning of year	<u>505,137</u>	<u>15,283,266</u>	<u>15,788,403</u>	<u>4,234,219</u>
Cash and cash equivalents, end of year	<u>\$ 815,641</u>	<u>\$ 15,790,739</u>	<u>\$ 16,606,380</u>	<u>\$ 3,897,165</u>

(continued)

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Cash Flows Proprietary Funds (continued)

For the Year Ended December 31, 2022

	Business-Type Activities – Enterprise Funds			Governmental
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Reconciliation of operating (loss) income to net cash from operating activities:				
Operating income (loss)	\$ 331,495	\$ 2,482,036	\$ 2,813,531	\$ (342,119)
Adjustments:				
Depreciation	420,900	2,837,371	3,258,271	-
Changes in assets, liabilities, and deferred outflows/inflows:				
Materials and supplies inventory	(766)	(92,178)	(92,944)	-
Intergovernmental receivable	-	390,417	390,417	-
Prepaid items	(1,994)	(7,570)	(9,564)	-
Net pension asset	(7,485)	(25,994)	(33,479)	-
Net OPEB asset	(51,227)	(177,875)	(229,102)	-
Deferred outflows - pension	(83,307)	(289,260)	(372,567)	-
Deferred outflows - OPEB	23,710	82,331	106,041	-
Accounts and contracts payable	33,589	34,054	67,643	-
Accrued wages and benefits	(1,907)	(5,134)	(7,041)	-
Intergovernmental payable	159	1,438	1,597	(8,368)
Claims payable	-	-	-	13,433
Accrued compensated absences	11,329	8,981	20,310	-
Net pension liability	(172,093)	(597,544)	(769,637)	-
Deferred inflows - pension	138,512	480,945	619,457	-
Deferred inflows - OPEB	(73,735)	(256,027)	(329,762)	-
Net cash provided (used) by operating activities	\$ <u>567,180</u>	\$ <u>4,865,991</u>	\$ <u>5,433,171</u>	\$ <u>(337,054)</u>
Non-cash capital financing activities:				
Assets purchased on account	\$ -	\$ 16,627	\$ 16,627	\$ -
Capital assets contributed from governmental activities	-	335,898	335,898	-
Amortization of premium on bonds classified as interest expense	(29,402)	(4,611)	(34,013)	-

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Fiduciary Net Position Fiduciary Funds

December 31, 2022

	<u>Total Custodial Funds</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ <u>111,188</u>
Liabilities:	
Accounts payable	195
Deposits held and due to others	<u>108,653</u>
Total current liabilities	<u>108,848</u>
Net position:	
Restricted for others	<u>2,340</u>
Total net position	\$ <u><u>2,340</u></u>

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Change in Fiduciary Net Position Fiduciary Funds

For the Year Ended December 31, 2022

	<u>Total Custodial Funds</u>
Additions:	
Court deposits	\$ 1,025,777
Deductions:	
Court disbursements	<u>1,023,437</u>
Change in net position	2,340
Net position, beginning of year	<u>-</u>
Net position, end of year	<u>\$ 2,340</u>

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 1: Description of the City and Reporting Entity

The City of North Olmsted, Ohio, (the “City”) was chartered in 1959 under the laws of the State of Ohio. The City operates a Mayor-Council form of government.

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 City’s primary government consists of all funds and departments which are not legally separate from the City. They include police and fire fighting forces, sewer services, a golf course, a street maintenance service, planning and zoning, and a staff to provide necessary support to these service providers.

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

The City is associated with two jointly governed organization, the West Shore Council of Governments and the Regional Income Tax Agency (RITA). These organizations are presented in Note 18 to the basic financial statements.

Note 2: Summary of Significant Accounting Policies

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

A. Basis of Presentation

The City’s basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City as a whole. These Statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type. The activities of the internal service funds are eliminated to avoid “doubling up” revenues and expenses.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 2: Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

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 activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

The following are the City's major governmental funds:

General Fund – The General Fund is the operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City of North Olmsted and/or the general laws of Ohio.

General Obligation Bond Retirement Fund – The General Obligation Bond Retirement Debt Service Fund accounts for resources that are used for payment of principal and interest and fiscal charges on general obligation debt.

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

Proprietary Funds

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

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

Springvale Golf Course and Ballroom Fund – The Springvale Golf Course and Ballroom Fund accounts for revenues and expenses of the City-owned golf course and ballroom facility.

Sewer Revenue Fund – The Sewer Revenue Fund accounts for the revenues and expenses of the sanitary sewer system and wastewater treatment plant facilities.

Internal Service Funds – Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. One internal service fund accounts for a self-insurance program for employee medical, dental and vision benefits. The other internal service fund accounts for assets set aside for claim settlements and related liabilities associated with the workers' compensation self-insurance program.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

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 custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's custodial funds account for the activities of the Mayor's Court.

C. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary 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 outflows/inflows of resources and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (Note 7).

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 nonexchange transactions must also be available before it can be recognized.

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

Unearned Revenue

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements may report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2022, the City had deferred outflows of resources for pension and OPEB (other postemployment benefits) plans reported in the government-wide Statement of Net Position and the proprietary funds Statement of Fund Net Position.

In addition to liabilities, the financial statements may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be a recognized as inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, unavailable revenue, amounts for pension and OPEB plans and leases. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance fiscal year 2023 operations. These amounts along with deferred inflows related to leases have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental funds Balance Sheet. Unavailable revenue is reported only on the governmental funds Balance Sheet, and represents receivables, which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, charges for services and sales, interest and intergovernmental revenues. These amounts 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 plans are reported on the government-wide Statement of Net Position and in the proprietary funds Statement of Fund Net Position. Deferred inflows of resources related to leases are explained in newly adopted accounting pronouncement in Note 3.

The deferred outflows and inflows of resources related to pension and OPEB plans are explained in Note 9 and Note 10.

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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 2: Summary of Significant Accounting Policies (continued)

E. Budgetary Data

All funds, except fiduciary 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 City Council may appropriate. The appropriations resolution is City Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by City Council. The legal level of control has been established by City Council at the category level (salaries, benefits, materials and supplies, contractual services, capital outlay, etc.). Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

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

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 City Council during the year.

F. Pooled Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents". During 2022, investments were limited to STAR Ohio, negotiable certificates of deposit, money market accounts, and U.S. agency securities.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts and nonnegotiable certificate of deposits are reported at cost.

STAR Ohio, is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but the City 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 a NAV per share that approximates fair value.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 2: Summary of Significant Accounting Policies (continued)

F. Pooled Cash and Cash Equivalents (continued)

For the year ended 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice of all deposits and withdrawals exceeding \$100 million is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Investment income credited to the general fund during 2022 amounted to \$159,752, which includes \$119,334 assigned from other City funds.

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

G. Materials and Supplies Inventory

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. Lease Receivable

Lease receivables are measured as the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. Deferred inflows of resources related to lease receivables are recorded initially as equal to the amount of the initial measurement of the lease receivable and subsequently recognized as revenue in a systematic and rational manner over the term of the lease.

J. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 2: Summary of Significant Accounting Policies (continued)

J. Capital Assets (continued)

Purchased capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City 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 not.

All capital assets are depreciated except for land, art, and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	5 to 40 years
Buildings and improvements	8 to 40 years
Furniture and fixtures	3 to 20 years
Vehicles and equipment	2 to 40 years
Roads	5 to 30 years
Bridges and culverts	35 to 50 years
Sanitary sewer lines	50 years

The City's infrastructure consists of roads, bridges, culverts and sanitary sewer lines.

K. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables." Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances. On fund financial statements, long-term interfund loans, reported as "advances to/from other funds", are classified as nonspendable fund balance, which indicate that they are not in spendable form even though it is a component of net current assets. Repayment is expected to be made within a reasonable period of time.

L. Compensated Absences

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 2: Summary of Significant Accounting Policies (continued)

L. *Compensated Absences (continued)*

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 employee wage rates at year-end taking into consideration any limits specified in the City's termination policy.

M. *Accrued Liabilities and Long-Term Obligations*

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

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

N. *Fund Balance*

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

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

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

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 2: Summary of Significant Accounting Policies (continued)

N. Fund Balance (continued)

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are 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: Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance. The City's delegated official is the Finance Director.

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.

The City, through Council ordinance, has established a reserve balance account for the purpose of budget stabilization in accordance with Ohio Revised Code Section 5705.13. The amount reserved may not exceed 5% of the General Fund's revenues in the prior year. Council may appropriate expenditures out of the reserve account to stabilize the City's budget. As the required circumstances determining when the balance can be appropriated are not sufficiently detailed, the balance of \$1,223,000 is reported as unassigned fund balance.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 2: Summary of Significant Accounting Policies (continued)

O. Net Position

Net position represents the difference between assets and liabilities. 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. The government-wide Statement of Net Position reports \$28,934,472 of restricted net position, none of which is restricted by enabling legislation.

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

P. Operating Revenues and Expenses

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

Q. Deferred Charge on Refunding

The difference between the reacquisition price (funds required to refund the old debt) of various refunding bonds and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is being amortized as a component of interest expense over the remaining life of the new debt. During the year ended December 31, 2022, the deferred charge on funding became fully amortized. On fund financial statements, the deferred charge on refunding decreases the fund balance in the year the refunding bonds are issued.

R. Bond Premiums

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an increase of the face amount of the general obligation bonds payable. On fund financial statements, bond premiums increase the fund balance in the year the bonds are issued.

S. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction. The City had \$405,477 contributions of capital for the year ended December 31, 2022.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 2: Summary of Significant Accounting Policies (continued)

T. 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 reported as other financing sources/uses in governmental funds and after non-operating 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.

U. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (asset), 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 systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB systems report investments at fair value.

V. Estimates

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

W. Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the nonmajor governmental funds represent deposits held and due to others.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 3: Change in Accounting Principles

Newly Adopted Accounting Pronouncements

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. GASB Implementation Guide No. 2019-3, *Leases*, provides guidance that clarifies, explains, or elaborates on the requirements for GASB Statement No. 87.

These changes were incorporated in the City's 2022 financial statements. As a result of the implementation of this standard, effective January 1, 2022, the City recorded a lease receivable of \$391,743 and \$1,175,228 with offsetting deferred inflows in the economic development fund and recreation fund, respectively, which led to a lease receivable and offsetting deferred inflows of \$1,566,971 in governmental activities.

GASB Statement No. 91, *Conduit Debt Obligation*. The primary objectives of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation of this GASB pronouncement did not result in any changes to the City's financial statements.

GASB Statement No. 92, *Omnibus 2020*. This statement addresses a variety of topics with objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of this GASB pronouncement did not result in any changes to the City's financial statements.

Newly Issued Accounting Pronouncements, Not Yet Adopted

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued in March 2020. This statement clarifies the accounting and financial reporting surrounding public-private and public-public partnerships and availability payment arrangements. The requirements of this statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023. The City has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued in May 2020. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. The requirements of this statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023. The City has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 3: Change in Accounting Principles (continued)

Newly Issued Accounting Pronouncements, Not Yet Adopted (continued)

GASB Statement No. 99, *Omnibus 2022*, was issued in April 2022. This statement addresses a variety of topics with objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The effective date of this standard to reporting periods beginning after June 15, 2022. The City has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*, was issued in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The effective date of this standard to reporting periods beginning after June 15, 2023. The City has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Statement No. 101, *Compensated Absences*, was issued in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The City has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 4: Fund Balances

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

Fund Balances	General	General Obligation Bond Retirement	Non-major Governmental Funds	Total Governmental Funds
Nonspendable:				
Long-term advances	\$ 1,418,269	\$ -	\$ -	\$ 1,418,269
Inventory	342,482	-	123,136	465,618
Prepays	<u>144,404</u>	-	<u>32,823</u>	<u>177,227</u>
Total nonspendable	<u>1,905,155</u>	<u>-</u>	<u>155,959</u>	<u>2,061,114</u>
Restricted for:				
Community diversion	-	-	2,962	2,962
Recreation	-	-	1,065,066	1,065,066
Court computer	-	-	6,296	6,296
Alcohol education	-	-	37,883	37,883
Drug and law enforcement	-	-	69,537	69,537
Police and fire pension	-	-	252,232	252,232
Emergency medical services	-	-	994,288	994,288
OneOhio	-	-	3,456	3,456
Motor vehicle license tax	-	-	214,848	214,848
State highway	-	-	183,864	183,864
Street maintenance	-	-	1,956,116	1,956,116
Public way management	-	-	24,649	24,649
Sidewalk improvement	-	-	215,435	215,435
Solid waste and recycling	-	-	2,331,901	2,331,901
Great Northern TIF	-	-	2,003,611	2,003,611
Endowments and grants	-	-	248,743	248,743
CDBG	-	-	6,586	6,586
Title III grant	-	-	31,430	31,430
Fair capacity housing	-	-	104,176	104,176
Federal grants	-	-	15,044	15,044
Debt service payments	-	11,314,033	166,500	11,480,533
Permanent improvements	-	-	5,242,525	5,242,525
Capital improvements	<u>-</u>	<u>-</u>	<u>395,690</u>	<u>395,690</u>
Total restricted	<u>-</u>	<u>11,314,033</u>	<u>15,572,838</u>	<u>26,886,871</u>
Committed to:				
Casualty loss	-	-	66,895	66,895
Economic development	-	-	69,879	69,879
Senior center	-	-	7,096	7,096
Hotel/motel tax	-	-	522,390	522,390
STOP program	-	-	34,323	34,323
Purchases on order	<u>145,392</u>	<u>-</u>	<u>-</u>	<u>145,392</u>
Total committed	<u>145,392</u>	<u>-</u>	<u>700,583</u>	<u>845,975</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 4: Fund Balances (continued)

<u>Fund Balances</u>	<u>General</u>	<u>General Obligation Bond Retirement</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assigned to:				
Separation pay	1,601,835	-	-	1,601,835
27th pay	556,000	-	-	556,000
Year 2023 appropriations	6,943,013	-	-	6,943,013
Purchases on order	<u>242,457</u>	<u>-</u>	<u>-</u>	<u>242,457</u>
Total assigned	<u>9,343,305</u>	<u>-</u>	<u>-</u>	<u>9,343,305</u>
Unassigned	<u>1,902,610</u>	<u>-</u>	<u>(228,666)</u>	<u>1,673,944</u>
Total fund balance	\$ <u>13,296,462</u>	\$ <u>11,314,033</u>	\$ <u>16,200,714</u>	\$ <u>40,811,209</u>

Note 5: Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis, as provided by law, is based upon accounting for transactions on a basis of cash receipts, disbursements and encumbrances. A Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual is presented for the general fund on the budgetary basis to provide a meaningful comparison of actual results with the budget and to demonstrate compliance with State statute.

The major difference between the budgetary basis and the GAAP basis are:

- 1) Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- 2) Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP).
- 3) Encumbrances are treated as expenditures (budgetary) rather than as restricted, committed, or assigned fund balance (GAAP).
- 4) Short-term note proceeds, short-term note principal retirements, advances-in, and advances-out for governmental funds are operating transactions (budgetary) as opposed to balance sheet transactions (GAAP).
- 5) Investments are reported at fair value (GAAP) rather than cost (budgetary).
- 6) Budgetary revenues and expenditures of certain funds are classified to general fund for GAAP reporting.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 5: Budgetary Basis of Accounting (continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budget basis statement for the General Fund.

	<u>General</u>
GAAP basis	\$ 2,068,946
Increase (decrease) due to:	
Revenue accruals	89,792
Advances in	248,000
Expenditure accruals	(774,152)
Outstanding encumbrances	(508,083)
Fair value adjustment for investments	513,999
To reclassify the net change in fund balance for funds combined with the General Fund for GASB 54	<u>197,329</u>
Budget basis	\$ <u>1,835,831</u>

Note 6: Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 6: Deposits and Investments (continued)

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40% of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 6: Deposits and Investments (continued)

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it.

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

Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose fair 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 Ohio Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

At year-end, the bank balance of the City's deposits was \$22,349,590. At year-end \$5,296,224 of the City's total bank balance was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. Two of the City's financial institutions participate in the Ohio Pooled Collateral System (OPCS) and were approved by the Ohio Treasurer of State for a reduced collateral floor of 50% and 60%, respectively, resulting in the uninsured and uncollateralized balance. The City also has cash on hand of \$4,550.

Investments

As of December 31, 2022, the City had the following investments:

	<u>Fair Value</u>	<u>Maturities (in years) Less than 1</u>	<u>Maturities (in years) More than 1</u>
Money market	\$ 128,363	\$ 128,363	\$ -
U.S. agency securities:			
Federal Farm Credit Bank	144,165	144,165	-
Federal Home Loan Bank Bond	1,985,472	271,939	1,713,533
Federal Home Loan Bank Note	248,160	248,160	-
Federal National Mortgage Association	216,421	-	216,421
Freddie Mac Bond	244,440	244,440	-
U.S. Treasury Note	2,470,288	1,752,125	718,163
Negotiable certificates of deposit	5,132,098	2,310,267	2,821,831
STAR Ohio	<u>25,965,673</u>	<u>25,965,673</u>	<u>-</u>
Total	\$ <u>36,535,080</u>	\$ <u>31,065,132</u>	\$ <u>5,469,948</u>

The entire balance of the negotiable certificates of deposit is covered by FDIC insurance.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 6: Deposits and Investments (continued)

Investments (continued)

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of December 31, 2022:

- Money market is valued at amortized costs, which approximates fair value.
- U.S. agency securities are valued based on Level 2 inputs using matrix pricing techniques.
- Negotiable certificates of deposit are measure based on Level 2 inputs, using a matrix or model pricing method.
- STAR Ohio is measured based on amortized cost.

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk requiring that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The City's investment policy also limits security purchases to those that mature no later than five years from purchase unless specifically matched to a specific cash flow.

Custodial Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The securities underlying the repurchase agreements are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that requires securities shall be delivered into the custody of the Finance Director or governing board or an agent designated by the Finance Director or governing board. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed.

Credit Risk is addressed by the City's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that the portfolio be diversified both by types of investment and issuer. The City's investment in Star Ohio and money market carry an "AAAm" money market rating by Standard & Poor's. The U.S. agency securities carry an "Aaa" rating by Moody's and the negotiable certificate of deposits is unrated.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 6: Deposits and Investments (continued)

Investments (continued)

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as 5% or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City's allocation as of December 31, 2022:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Money market	0.35%
U.S. agency securities:	
Federal Farm Credit Bank	0.39%
Federal Home Loan Bank Bond	5.43%
Federal Home Loan Bank Note	0.68%
Federal National Mortgage Association	0.59%
Freddie Mac Bond	0.67%
U.S. Treasury Note	6.76%
Negotiable certificates of deposit	14.05%
STAR Ohio	71.08%

Note 7: Receivables

Receivables at December 31, 2022, consisted primarily of municipal income taxes, property and other taxes, accounts (billings for user charged services and court fines), lease receivables, and intergovernmental receivables arising from grants, entitlements and shared revenues.

The general fund accounts receivable is net of a \$151,339 allowance for doubtful accounts. All remaining receivables are considered fully collectible.

A. Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2022 for real and public utility property taxes represents collections of the 2021 taxes.

Real property taxes are levied after October 1, 2022, on the assessed value as of January 1, 2022, the lien date. Assessed values are established by State law at 35% of appraised market value. 2022 real property taxes are collected in and intended to finance 2023. Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2022 public utility property taxes which became a lien on December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 7: Receivables (continued)

A. Property Taxes (continued)

The full tax rate for all City operations for the year ended December 31, 2022, was \$12.20 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2022 property tax receipts were based as follows:

Real estate	
Residential/agriculture	\$ 717,636,720
Commercial/industrial/mineral	239,041,250
Public utility tangible personal property	<u>21,839,250</u>
Total valuation	\$ <u>978,517,220</u>

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

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of North Olmsted. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2022 and for which there is an enforceable legal claim. In the General Fund; Recreation, Fire Pension and Police Pension Special Revenue Funds; and General Obligation Bond Retirement Debt Service Funds; the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2022 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, delinquent property taxes have been recorded as revenue while the remainder of the receivable is offset by deferred inflows of resources.

B. Income Taxes

The City levies and collects an income tax of 2% on all income earned within the City as well as income of residents earned outside the City. The City allows a credit of 100% of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file an annual return.

Income tax revenues are distributed by a 1991 vote of the people as follows: 70% to the General Fund; 15% for solid waste management, recycling and disposal (Solid Waste and Recycling Fund); and 15% for maintaining and equipping streets, storm water drainage systems and other permanent improvements, including debt charges on obligations issued after 1990 for those purposes (Permanent Improvements Fund).

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 7: Receivables (continued)

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental activities:	
Local government	\$ 471,616
Homestead and rollback	669,692
Gasoline tax	809,681
Permissive tax	16,830
Auto registration	105,122
Miscellaneous	24,815
Peace officer training reimbursement	10,360
Community diversion grant	15,000
Payments in lieu of taxes	<u>412,807</u>
Total governmental activities	2,535,923
Business-type activities:	
Sewer charges	<u>1,483,370</u>
Total business-type activities	<u>1,483,370</u>
Total	\$ <u><u>4,019,293</u></u>

D. Lease Receivable

The City has entered into various lease agreement for towers with AT&T, T-Mobile and Tower Co. at varying years and terms. The City recognized lease revenue of \$56,509 and interest revenue of \$52,426 in 2022 related to lease payments received. A summary of future lease revenues is as follows:

Governmental activities:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 9,503	\$ 56,900	\$ 66,403
2024	11,687	56,522	68,209
2025	14,002	56,061	70,063
2026	16,458	55,512	71,970
2027	19,059	54,871	73,930
2028-2032	139,910	261,122	401,032
2033-2037	231,173	227,795	458,968
2038-2042	322,426	175,805	498,231
2043-2047	340,245	116,916	457,161
2048-2052	<u>450,286</u>	<u>41,498</u>	<u>491,784</u>
Total	\$ <u><u>1,554,749</u></u>	\$ <u><u>1,103,002</u></u>	\$ <u><u>2,657,751</u></u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 8: Capital Assets

A summary of changes in capital assets during 2022 follows:

	Balance 12/31/21	Additions	Disposals	Balance 12/31/22
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,664,882	\$ -	\$ -	\$ 4,664,882
Art	33,000	-	-	33,000
Construction in progress	<u>3,704,263</u>	<u>337,042</u>	<u>(3,063,583)</u>	<u>977,722</u>
Total capital assets not being depreciated	<u>8,402,145</u>	<u>337,042</u>	<u>(3,063,583)</u>	<u>5,675,604</u>
Capital assets, being depreciated:				
Land improvements	2,657,334	-	-	2,657,334
Buildings and improvements	39,138,415	334,216	-	39,472,631
Furniture and fixtures	630,049	-	-	630,049
Vehicles and equipment	14,396,363	1,341,847	(435,565)	15,302,645
Infrastructure:				
Roads	151,780,684	4,219,702	-	156,000,386
Bridges and culverts	<u>3,948,693</u>	<u>-</u>	<u>-</u>	<u>3,948,693</u>
Total capital assets, being depreciated	<u>212,551,538</u>	<u>5,895,765</u>	<u>(435,565)</u>	<u>218,011,738</u>
Less accumulated depreciation:				
Land improvements	(1,453,172)	(97,001)	-	(1,550,173)
Buildings and improvements	(22,111,158)	(856,954)	-	(22,968,112)
Furniture and fixtures	(526,613)	(11,092)	-	(537,705)
Vehicles and equipment	(9,335,979)	(637,503)	327,248	(9,646,234)
Infrastructure:				
Roads	(132,628,340)	(1,586,154)	-	(134,214,494)
Bridges and culverts	<u>(2,456,371)</u>	<u>(94,637)</u>	<u>-</u>	<u>(2,551,008)</u>
Total accumulated depreciation	<u>(168,511,633)</u>	<u>(3,283,341)</u>	<u>327,248</u>	<u>(171,467,726)</u>
Total capital assets, being depreciated, net	<u>44,039,905</u>	<u>2,612,424</u>	<u>(108,317)</u>	<u>46,544,012</u>
Total governmental capital assets, net	\$ <u>52,442,050</u>	\$ <u>2,949,466</u>	\$ <u>(3,171,900)</u>	\$ <u>52,219,616</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 475,802
Security of persons and property	604,991
Transportation	1,897,514
Public health and welfare	11,634
Leisure time activities	289,140
Economic development	<u>4,260</u>
Total depreciation expense	\$ <u>3,283,341</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 8: Capital Assets (continued)

	Balance 12/31/21	Additions	Disposals	Balance 12/31/22
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,340,714	\$ -	\$ -	\$ 2,340,714
Construction in progress	<u>111,574</u>	<u>421,558</u>	<u>-</u>	<u>533,132</u>
Total capital assets not being depreciated	<u>2,452,288</u>	<u>421,558</u>	<u>-</u>	<u>2,873,846</u>
Capital assets, being depreciated:				
Land improvements	4,255,665	32,646	-	4,288,311
Buildings and improvements	51,931,189	33,675	-	51,964,864
Furniture and fixtures	81,047	-	-	81,047
Vehicles and equipment	36,134,101	508,949	-	36,643,050
Sanitary sewer lines	<u>18,333,579</u>	<u>-</u>	<u>-</u>	<u>18,333,579</u>
Total capital assets, being depreciated	<u>110,735,581</u>	<u>575,270</u>	<u>-</u>	<u>111,310,851</u>
Less accumulated depreciation:				
Land improvements	(2,234,363)	(102,053)	-	(2,336,416)
Buildings and improvements	(19,455,669)	(1,279,174)	-	(20,734,843)
Furniture and fixtures	(72,837)	(782)	-	(73,619)
Vehicles and equipment	(13,242,231)	(1,551,773)	-	(14,794,004)
Sanitary sewer lines	<u>(11,619,031)</u>	<u>(324,489)</u>	<u>-</u>	<u>(11,943,520)</u>
Total accumulated depreciation	<u>(46,624,131)</u>	<u>(3,258,271)</u>	<u>-</u>	<u>(49,882,402)</u>
Total capital assets, being depreciated, net	<u>64,111,450</u>	<u>(2,683,001)</u>	<u>-</u>	<u>61,428,449</u>
Total business-type capital assets, net	\$ <u>66,563,738</u>	\$ <u>(2,261,443)</u>	\$ <u>-</u>	\$ <u>64,302,295</u>

Note 9: Defined Benefit Pension Plans

A. Net Pension/Other Post-Employment (OPEB) Liability (Asset)

The net pension/OPEB liability (asset) reported on the Statement of Net Position represents a liability (asset) to employees for pensions/OPEB. Pensions/OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions/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 obligation to sacrifice resources for pensions/OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

Due to changes in the pension systems, the enterprise funds reported negative expenses in the benefits operating expense.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 9: Defined Benefit Pension Plans (continued)

A. Net Pension/OPEB Liability (Asset) (continued)

The net pension/OPEB liabilities (assets) represents 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 (asset) 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 and 75 assumes the liability (asset) is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for OPEB benefits including primarily health care. In most cases, 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/OPEB liabilities within 30 years. If the pension/OPEB 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 (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective 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 proportionate share of each plan's unfunded benefits is presented as a long-term net pension/OPEB liability on the accrual basis of accounting. Funded benefits is presented as a long-term net pension/OPEB asset. Any liability for the contractually required contribution outstanding at the end of the year is included as accrued wages and benefits on the accrual basis of accounting. The remainder of this note includes the required pension disclosures. See Note 10 for the required OPEB disclosures.

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

Plan Description – City employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer public employee retirement system comprised of three separate pension plans: the traditional pension plan, a defined benefit plan; the combined plan, a hybrid defined benefit/defined contribution plan; and the member-directed plan, a defined contribution plan. Effective January 1, 2022 the combined plan is no longer available for member selection. While members (e.g., City employees) may elect the member-directed plan, substantially all employee members are in OPERS' traditional or combined plans; therefore, the following disclosure focuses on the traditional and combined plans.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 9: Defined Benefit Pension Plans (continued)

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

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 614-222-5601 or 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. Final average salary (FAS) represents the average of the three highest years of earnings over the member's career for Groups A and B. Group C is based on the average of the five highest years of earning 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.

The traditional plan is a defined benefit plan in which a member's retirement benefits are calculated on a formula that considers years of service and FAS. Pension benefits are funded by both member and employer contributions and investment earnings on those contributions.

The following table provides age and service requirements for retirement and the retirement formula applied to the FAS for the three member groups under the traditional plan (see OPERS ACFR referenced above for additional information):

Group A	Group B	Group C
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
State and Local Age and Service Requirements: Age 60 with 5 years of service credit or Age 55 with 25 years of service credit	State and Local Age and Service Requirements: Age 60 with 5 years of service credit or Age 55 with 25 years of service credit	State and Local Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

When a benefit recipient retiring under the traditional pension plan has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided on the member's base benefit. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring on or after 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%.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 9: Defined Benefit Pension Plans (continued)

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

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

The combined plan is a hybrid defined benefit/defined contribution plan. Members earn a formula benefit similar to, but at a factor less than the traditional pension plan benefit. This defined benefit is funded by employer contributions and associated investment earnings. Member contributions are deposited into a defined contribution account in which the member self-directs the investment. Upon retirement, the member may choose a defined contribution distribution that is equal to the member’s contributions to the plan and investment earnings (or losses). Members may also elect to use their defined contribution account balances to purchase a defined benefit annuity administered by OPERS. Effective January 1, 2022, members may no longer select this plan.

Benefits in the combined plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the combined plan is the same as the traditional pension plan.

Members retiring under the combined plan receive a 3% COLA on the defined benefit portion of their benefit. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring on or after 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%.

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

The subsequent table provides age and service requirements for retirement and the retirement formula applied to the FAS for the three member groups under the combined plan (see OPERS ACFR referenced above for additional information):

Group A	Group B	Group C
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
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 5 years of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 5 years of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Formula: 1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Formula: 1.0% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 9: Defined Benefit Pension Plans (continued)

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS Board. Both member-directed plan and combined plan members who have met the eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans.

Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year.

At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of their benefit account (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance (net of taxes withheld), or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14% of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10% of covered payroll for members in the state and local classifications.

The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0% for 2022 for the traditional plan. For the combined plan, the portion of the employer contributions allocated to healthcare was 0% from January 1, 2022 to June 30, 2022 and 2% from July 1, 2022 to December 31, 2022. The portion of the employer contributions allocated to health care for members in the member directed plan was 4% for 2022. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution for the traditional plan, net of postemployment health care benefits, for 2022 was \$1,283,769. The contractually required contribution for the combined plan, net of postemployment health care benefits, for 2022 was \$66,693. For the 2022 amounts, \$155,980 is reported as accrued wages and benefits at December 31, 2022.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 9: Defined Benefit Pension Plans (continued)

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5% for each of the first 20 years of service credit, 2.0% for each of the next five years of service credit and 1.5% for each year of service credit in excess of 25 years. The maximum pension of 72% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report 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 OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 9: Defined Benefit Pension Plans (continued)

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

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3% percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 19.5% of covered payroll for police employer units and 24.0% for fire employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 12.25% of covered payroll for police and fire. The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0.5% for 2022 for police and fire employer units. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

In 2022, the City's contractually required contribution, net of postemployment health care benefits, was \$1,673,075. Of this amount, \$213,893 is reported as accrued wages and benefits at December 31, 2022.

D. Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability (asset) for OPERS was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 9: Defined Benefit Pension Plans (continued)

D. Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Following is information related to the proportionate share and pension expense:

	<u>OPERS Traditional</u>	<u>OPERS Combined</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.058580%	0.105650%	0.320942%	
Proportion of the net pension liability/asset current measurement date	<u>0.063072%</u>	<u>0.112591%</u>	<u>0.307053%</u>	
Change in proportionate share	0.004492%	0.006941%	(0.013889%)	
Proportionate share of the net pension liability	\$ 5,487,519	\$ -	\$ 19,182,901	\$ 24,670,420
Proportionate share of the net pension asset	\$ -	\$ 443,613	\$ -	\$ 443,613
(Reduction) of pension expense	\$ (919,351)	\$ (33,406)	\$ 903,027	\$ (49,730)

The 2022 pension expense for the member-directed defined contribution plan was \$44,582. The aggregate pension expense for all pension plans was \$(5,148) for 2022.

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS Traditional</u>	<u>OPERS Combined</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflow of resources				
Difference between expected and actual experience	\$ 279,746	\$ 2,752	\$ 553,122	\$ 835,620
Change in assumptions	686,208	22,292	3,505,811	4,214,311
Differences in employer contributions and change in proportionate share	530,734	-	49,461	580,195
City contributions subsequent to the measurement date	<u>1,283,769</u>	<u>66,693</u>	<u>1,673,075</u>	<u>3,023,537</u>
Total deferred outflow of resources	\$ <u>2,780,457</u>	\$ <u>91,737</u>	\$ <u>5,781,469</u>	\$ <u>8,653,663</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 9: Defined Benefit Pension Plans (continued)

D. Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

	OPERS Traditional	OPERS Combined	OP&F	Total
Deferred inflow of resources				
Difference between expected and actual experience	\$ 120,355	\$ 49,617	\$ 997,247	\$ 1,167,219
Net difference between projected and actual earnings on pension plan investments	6,527,205	95,104	5,029,461	11,651,770
Differences in employer contributions and change in proportionate share	<u>167,161</u>	<u>-</u>	<u>1,269,333</u>	<u>1,436,494</u>
Total deferred inflow of resources	\$ <u>6,814,721</u>	\$ <u>144,721</u>	\$ <u>7,296,041</u>	\$ <u>14,255,483</u>

The \$3,023,537 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 or an increase of the net pension asset in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional	OPERS Combined	OP&F	Total
Fiscal Year Ending December 31:				
2023	\$ (651,963)	\$ (29,151)	\$ (363,725)	\$ (1,044,839)
2024	(2,092,934)	(40,300)	(1,688,664)	(3,821,898)
2025	(1,534,810)	(26,434)	(798,868)	(2,360,112)
2026	(1,038,326)	(19,541)	(605,425)	(1,663,292)
2027	-	(2,589)	269,035	266,446
2028-2030	-	(1,662)	-	(1,662)
	\$ <u>(5,318,033)</u>	\$ <u>(119,677)</u>	\$ <u>(3,187,647)</u>	\$ <u>(8,625,357)</u>

E. Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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 active member population which consists of members in the Traditional and Combined plans is assumed to remain constant. For purposes of financing the unfunded actuarial accrued liabilities, total payroll is assumed to grow at the wage inflation rate indicated below.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 9: Defined Benefit Pension Plans (continued)

E. Actuarial Assumptions – OPERS (continued)

Key methods and assumptions used in valuation of total pension liability/asset - 2021

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>
Valuation date	December 31, 2021	December 31, 2021
Experience study	5-year period ended December 31, 2020	5-year period ended December 31, 2020
Actuarial cost method	Individual entry age	Individual entry age
Actuarial assumptions:		
Investment rate of return	6.90%	6.90%
Wage inflation	2.75%	2.75%
Projected salary increases, including 2.75% wage inflation	2.75 to 10.75%	2.75 to 8.25%
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 retirees	3.00% Simple	3.00% Simple
Post-Jan 7, 2013 retirees	3.00% Simple through 2022 then 2.05% Simple	3.00% Simple through 2022 then 2.05% Simple

OPERS conducts an experience study every five years in accordance with Ohio Revised Code Section 145.22. The study for the five-year period ended December 31, 2020 and methods and assumptions were approved and adopted by the OPERS Board of Trustees.

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females). Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

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

During 2021, 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 of the traditional plan, the defined benefit component of the combined plan and the annuitized accounts of the member-directed plan. The money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for changing amounts actually invested for the Defined Benefit portfolio was a gain of 15.3% for 2021.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 9: Defined Benefit Pension Plans (continued)

E. Actuarial Assumptions – OPERS (continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board 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 long-term expected 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. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. The table below displays the Board-approved asset allocation policy and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed income	24.00%	1.03%
Domestic equities	21.00	3.78
Real estate	11.00	3.66
Private equity	12.00	7.43
International equities	23.00	4.88
Risky parity	5.00	2.92
Other investments	4.00	2.85
Total	<u>100.00%</u>	<u>4.21%</u>

Discount Rate The discount rate used to measure the total pension liability for measurement year 2021 was 6.9%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 9: Defined Benefit Pension Plans (continued)

E. Actuarial Assumptions – OPERS (continued)

Sensitivity of the City’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9%, as well as what the City’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9%) or one-percentage-point higher (7.9%) than the current rate:

	1% Decrease (5.9%)	Discount Rate (6.9%)	1% Increase (7.9%)
City’s proportionate share of the net pension liability (asset) – Traditional	\$ 14,468,086	\$ 5,487,519	\$ (1,985,507)
City’s proportionate share of the net pension asset – Combined	\$ 331,018	\$ 443,613	\$ 531,430

F. Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2021 is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value 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 are: 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 calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2021, are presented below:

Actuarial cost method	Entry age normal
Investment rate of return	7.50%
Projected salary increases	3.75% - 10.50%
Payroll growth	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 9: Defined Benefit Pension Plans (continued)

F. Actuarial Assumptions – OP&F (continued)

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 Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

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

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

<u>Age</u>	<u>Police</u>	<u>Fire</u>
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 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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 9: Defined Benefit Pension Plans (continued)

F. Actuarial Assumptions – OP&F (continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and cash equivalents	0.0%	0.0%
Domestic equity	21.0	3.6
International equity	14.0	4.4
Private markets	8.0	6.8
Core fixed income*	23.0	1.1
High yield fixed income	7.0	3.0
Private credit	5.0	4.5
U.S. inflation linked bonds*	17.0	0.8
Midstream energy infrastructure	5.0	5.0
Real assets	8.0	5.9
Gold	5.0	2.4
Private real estate	12.0	4.8
Total	<u>125.00%</u>	

Note: Assumptions are geometric.

*Levered 2x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 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 7.50%. 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 7.50%. 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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 9: Defined Benefit Pension Plans (continued)

F. Actuarial Assumptions – OP&F (continued)

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 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease <u>(6.50%)</u>	Discount Rate <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
City’s proportionate share of the net pension liability	\$ 28,447,976	\$ 19,182,901	\$ 11,467,383

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions

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

Plan Description – OPERS administers three separate pension plans: the traditional pension plan, a defined benefit plan; the combined plan, a hybrid defined benefit/defined contribution plan; and the member-directed plan, a defined contribution plan. Effective January 1, 2022 the combined plan is no longer available for member selection. While members (e.g. City employees) may elect the member-directed plan, substantially all employee members are in OPERS’ traditional or combined plans; therefore, the following disclosure focuses on the traditional and combined plans.

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 (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans.

Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree’s years of service and age when they first enrolled in OPERS coverage.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

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

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The health care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

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 with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. 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' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of the employer's contributions allocated to health care was 0% for 2022 for the traditional plan. For the combined plan, the portion of the employer contributions allocated to healthcare was 0% from January 1, 2022 to June 30, 2022 and 2% from July 1, 2022 to December 31, 2022. The portion of the employer contributions allocated to health care for members in the Member Directed plan was 4% for 2022. 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. In 2022, the City's contractually required contribution for postemployment health care benefits was \$23,485.

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

Plan Description – the City's full-time police and fire participate in the OP&F sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care 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. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

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

OP&F maintains funds for health care in two separate accounts: 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. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5% of covered payroll for police and 24.0% of covered payroll for fire. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of covered payroll for police and 24.0% for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.5% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$39,718 for 2022. Of this amount, \$5,054 is reported as accrued wages and benefits at December 31, 2022.

C. OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB asset for OPERS as of December 31, 2022 was measured as of December 31, 2021. The total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020 and rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The City's proportion of the net OPEB asset was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating entities.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

C. OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

OP&F's total OPEB liability was measured as of December 31, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. 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:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.059689%	0.320942%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.064239%</u>	<u>0.307053%</u>	
Change in proportionate share	0.004550%	(0.013889%)	
Proportionate share of the net OPEB liability	\$ -	\$ 3,365,566	\$ 3,365,566
Proportionate share of the net OPEB asset	\$ 2,012,066	\$ -	\$ 2,012,066
(Reduction) of OPEB expense	\$ (1,851,556)	\$ 248,254	\$ (1,603,302)

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflow of resources			
Difference between expected and actual experience	\$ -	\$ 153,103	\$ 153,103
Change in assumptions	-	1,489,703	1,489,703
Differences in employer contributions and change in proportionate share	75,297	100,359	175,656
City contributions subsequent to the measurement date	<u>23,485</u>	<u>39,718</u>	<u>63,203</u>
Total deferred outflow of resources	\$ <u><u>98,782</u></u>	\$ <u><u>1,782,883</u></u>	\$ <u><u>1,881,665</u></u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

C. OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred inflow of resources			
Difference between expected and actual experience	\$ 305,199	\$ 444,807	\$ 750,006
Change in assumptions	814,461	390,891	1,205,352
Net difference between projected and actual earnings on OPEB plan investments	959,210	304,023	1,263,233
Differences in employer contributions and change in proportionate share	<u>105,712</u>	<u>235,085</u>	<u>340,797</u>
Total deferred inflow of resources	\$ <u>2,184,582</u>	\$ <u>1,374,806</u>	\$ <u>3,559,388</u>

The \$63,203 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability or an increase of the net OPEB asset in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2023	\$ (1,341,993)	\$ 111,546	\$ (1,230,447)
2024	(419,955)	66,411	(353,544)
2025	(209,582)	87,624	(121,958)
2026	(137,755)	7,302	(130,453)
2027	-	51,857	51,857
2028-2029	<u>-</u>	<u>43,619</u>	<u>43,619</u>
	\$ <u>(2,109,285)</u>	\$ <u>368,359</u>	\$ <u>(1,740,926)</u>

D. Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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 health care costs 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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB asset was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021. 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:

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

D. Actuarial Assumptions – OPERS (continued)

	<u>Assumptions</u>
Valuation date	December 31, 2020
Rolled-forward measurement date	December 31, 2021
Experience study	5-year period ended December 31, 2020
Actuarial cost method	Individual entry age normal
Projected salary increases, including 2.75% wage inflation	2.75 to 10.75%
Investment rate of return	6.00%
Municipal bond rate	1.84%
Single discount rate of return	6.00%
Health care cost trend	Initial 5.50% to 3.50% ultimate in 2034

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality Tables (males and females). Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

During 2021, 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 was a gain of 14.30% for 2021.

The allocation of investment assets within 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 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. The table below displays the Board-approved asset allocation policy and the long-term expected real rates of return:

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

D. Actuarial Assumptions – OPERS (continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	34.00%	0.91%
Domestic equities	25.00	3.78
Real estate	7.00	3.71
International equities	25.00	4.88
Risk parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00%	3.45%

Discount Rate A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. 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 6.00% and a municipal bond rate of 1.84% for the measurement date of December 31, 2021. 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 the year 2121. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City’s Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate The following table presents the City’s proportionate share of the net OPEB asset calculated using the single discount rate of 6.00%, as well as what the City’s proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.00%) or one-percentage-point higher (7.00%) than the current rate:

	1% Decrease (5.00%)	Discount Rate (6.00%)	1% Increase (7.00%)
City’s proportionate share of the net OPEB asset	\$ 1,183,282	\$ 2,012,066	\$ 2,699,965

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

D. Actuarial Assumptions – OPERS (continued)

Sensitivity of the City’s Proportionate Share of the Net OPEB Asset 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 asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0 % higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	<u>1% Decrease</u>	<u>Cost Trend Rate</u>	<u>1% Increase</u>
City’s proportionate share of the net OPEB asset	\$ 2,033,807	\$ 2,012,066	\$ 1,986,270

Assumption Changes Since the Prior Measurement Date Municipal bond rate decreased from 2.00% to 1.84%. The health care cost trend rate decreased from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.

E. Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

E. Actuarial Assumptions – OP&F (continued)

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:

Actuarial cost method	Entry age normal
Investment rate of return	7.50%
Salary increases	3.75% – 10.50%
Payroll growth	3.25%
Municipal bond index rate	
Prior measurement date	2.12%
Current measurement date	2.05%
Single equivalent interest rate, net of plan investment expense, including price inflation	
Prior measurement date	2.96%
Current measurement date	2.84%

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 Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

E. Actuarial Assumptions – OP&F (continued)

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 Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
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 long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and cash equivalents	0.0%	0.0%
Domestic equity	21.0	3.6
International equity	14.0	4.4
Private markets	8.0	6.8
Core fixed income*	23.0	1.1
High yield fixed income	7.0	3.0
Private credit	5.0	4.5
U.S. inflation linked bonds*	17.0	0.8
Midstream energy infrastructure	5.0	5.0
Real assets	8.0	5.9
Gold	5.0	2.4
Private real estate	12.0	4.8
Total	<u>125.00%</u>	

Note: Assumptions are geometric.

*Levered 2x

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

E. Actuarial Assumptions – OP&F (continued)

OP&F’s Board of Trustees has incorporated the risk parity concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2021, the total OPEB liability was calculated using the discount rate of 2.84%. 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 of 7.50%. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.05% at December 31, 2021 and 2.12% at December 31, 2020 was blended with the long-term rate of 7.50%, which resulted in a blended discount rate of 2.84% for 2021.

The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, 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 2.84%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.84%), or one percentage point higher (3.84%) than the current rate.

	1% Decrease <u>(1.84%)</u>	Discount Rate <u>(2.84%)</u>	1% Increase <u>(3.84%)</u>
City’s proportionate share of the net OPEB liability	\$ 4,230,591	\$ 3,365,566	\$ 2,654,513

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 11: Risk Management

A. Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. By maintaining comprehensive insurance coverage with private carriers, the City has addressed these various types of risk. There were no reductions in insurance coverage from the previous year. Settled claims have not exceeded this commercial coverage in any of the past three years.

B. Health Insurance Benefits

The City provides health, dental and vision insurance to its employees through a self-insurance plan. The City pays a monthly premium for the self-insurance plan. The City contracts with a third-party administrator to direct this program. During 2022, self-insurance was in effect for claims up to \$100,000 per covered individual and \$5,271,690 in aggregate. This aggregate includes both medical and drug coverage. Claims in excess of this aggregated amount are insured by private carriers.

The claims liability of \$438,702 as estimated by the third-party administrator and reported in the Hospitalization Internal Service Fund at December 31, 2022, is based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the Fund's claims liability amount in 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Unpaid claims, beginning of year	\$ 436,296	\$ 467,885
Incurred claims and adjustments	3,392,760	2,981,596
Claims payments	<u>(3,390,354)</u>	<u>(3,013,185)</u>
Unpaid claims, end of year	\$ <u>438,702</u>	\$ <u>436,296</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 11: Risk Management (continued)

C. Workers' Compensation Program

On January 1, 2009, the City was approved for self-insurance status by the Bureau of Workers' Compensation and began to administer its own workers' compensation program (the program). The City established the Workers' Compensation Self-Insurance Internal Service Fund to account for assets set aside for claim settlements and related liabilities associated with the program. Liabilities of the fund are reported when an employee injury has occurred, it is probable that a claim will be filed under the program, and the amount of the claim can be reasonably estimated. The City utilizes the services of a third-party administrator, to review, process, and pay employee claims. The City also maintains excess insurance coverage which would pay the portion of claims that exceed \$500,000 per occurrence, up to a maximum of an additional \$1,000,000 per occurrence.

The claims liability of \$50,402 reported in the Workers' Compensation Self-Insurance Internal Service Fund is based on the requirements of Governmental Standards Board No. 30, which requires a liability for the unpaid claims costs, including estimates of costs relating to incurred but not report claims, be reported.

Changes in the Fund's claims liability amount in 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Unpaid claims, beginning of year	\$ 39,375	\$ 48,506
Incurred claims and adjustments	72,088	66,454
Claims payments	<u>(61,061)</u>	<u>(75,585)</u>
Unpaid claims, end of year	<u>\$ 50,402</u>	<u>\$ 39,375</u>

Note 12: Short-Term Obligations

Changes in the City's note activity for the year ended December 31, 2022, were as follows:

	<u>Balance</u> <u>12/31/21</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/22</u>
Economic development				
non-tax revenue	\$ -	\$ 2,180,000	\$ -	\$ 2,180,000
Premium	-	10,311	-	10,311
Land acquisition	-	1,825,000	-	1,825,000
Premium	<u>-</u>	<u>12,246</u>	<u>-</u>	<u>12,246</u>
Total	<u>\$ -</u>	<u>\$ 4,027,557</u>	<u>\$ -</u>	<u>\$ 4,027,557</u>

On November 22, 2022, the City issued \$1,825,000 in land acquisition notes at an annual interest rate of 5.0%. The proceeds are to be used to provide funds to pay costs of acquiring real estate.

On November 22, 2022, the City issued \$2,180,000 in economic development non-tax revenue notes at an annual interest rate of 6.0%. The proceeds are to be used to create or preserve jobs and employment opportunities as well as to improve the economic welfare of the City and its residents.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 12: Short-Term Obligations (continued)

The notes are backed by the full faith and credit of the City and mature within one year. The notes liability is reflected in the funds which received the proceeds. By Ohio law, notes can be issued in anticipation of bond proceeds, special assessment bond proceeds and levies, or for up to 50 percent of anticipated revenue collections. There are limitations on the number of times a note can be renewed.

Note 13: Long-Term Obligations

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

	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
Governmental activities:				
General obligation bonds:				
Capital improvement and equipment bonds	2013	2023	2.00-2.125	\$ 4,770,000
Capital improvement and refunding bonds	2015	2030	3.00-3.50	6,120,000
Fire station improvement refunding bonds	2015	2025	3.00-3.25	2,260,000
Capital improvement bonds	2017	2027	2.00-4.00	4,735,000
Capital improvement and equipment bonds	2021	2031	2.00-4.00	9,795,000
Police pension	1968	2031	4.25	272,250
Business-type activities:				
General obligation bonds:				
Capital improvement bonds	2017	2037	2.00-4.00	3,970,000
Capital improvement and equipment bonds	2021	2031	2.00-4.00	1,280,000
OWDA sanitary sewer loan	2012	2034	2.80	9,448,575
OWDA sanitary sewer loan	2013	2035	2.44	45,900,266

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 13: Long-Term Obligations (continued)

Changes in long-term obligations during the year ended December 31, 2022, consisted of the following:

	Balance 12/31/21	Increase	Decrease	Balance 12/31/22	Amounts Due in One Year
Governmental activities:					
General obligation bonds:					
Capital improvement and equipment bonds	\$ 990,000	\$ -	\$ 520,000	\$ 470,000	\$ 470,000
Premium on capital improvement and equipment bonds	24,082	-	12,039	12,043	-
Capital improvement and refunding bonds	2,705,000	-	455,000	2,250,000	475,000
Premium on capital improvement and refunding bonds	214,327	-	23,814	190,513	-
Fire station improvement refunding bonds	1,080,000	-	1,080,000	-	-
Premium on fire station improvement refunding bonds	64,541	-	64,541	-	-
Capital improvement bonds	3,005,000	-	460,000	2,545,000	480,000
Premium on capital improvement bonds	182,504	-	30,417	152,087	-
Capital improvement and equipment bonds	9,795,000	-	990,000	8,805,000	1,010,000
Premium on capital improvement and equipment bonds	1,663,497	-	195,129	1,468,368	-
Total general obligation bonds	19,723,951	-	3,830,940	15,893,011	2,435,000
Police pension liability*	53,402	-	4,685	48,717	4,886
Financed purchase*	109,418	-	43,096	66,322	44,198
Claims payable	475,671	3,464,848	3,451,415	489,104	476,504
Compensated absences payable	4,762,543	1,054,202	916,500	4,900,245	2,196,520
Asset retirement obligations	47,112	3,705	-	50,817	-
Net pension liability	28,458,447	-	5,113,263	23,345,184	-
Net OPEB liability	3,400,432	-	34,866	3,365,566	-
Total governmental activities	\$ 57,030,976	\$ 4,522,755	\$ 13,394,765	\$ 48,158,966	\$ 5,157,108

* Long-term obligation is a direct placement.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 13: Long-Term Obligations (continued)

	Balance 12/31/21	Increase	Decrease	Balance 12/31/22	Amounts Due in One Year
Business-type activities:					
General obligation bonds:					
Capital improvement bonds	\$ 3,685,000	\$ -	\$ 225,000	\$ 3,460,000	\$ 230,000
Premium on capital improvement bonds	77,456	-	7,723	69,733	-
Capital improvement and equipment bonds	1,280,000	-	140,000	1,140,000	145,000
Premium on capital improvement and equipment bonds	<u>208,413</u>	<u>-</u>	<u>26,290</u>	<u>182,123</u>	<u>-</u>
Total general obligation bonds	5,250,869	-	399,013	4,851,856	375,000
OWDA sanitary sewer loans*	42,449,511	-	2,625,665	39,823,846	2,691,794
Financed purchase*	3,569	-	1,785	1,784	1,784
Compensated absences payable	438,057	127,825	107,515	458,367	178,138
Net pension liability	<u>2,094,873</u>	<u>-</u>	<u>769,637</u>	<u>1,325,236</u>	<u>-</u>
Total business-type activities	\$ <u>50,236,879</u>	\$ <u>127,825</u>	\$ <u>3,903,615</u>	\$ <u>46,461,089</u>	\$ <u>3,246,716</u>

* Long-term obligation is a direct placement.

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. General obligation bonds are to be repaid from both voted and unvoted general property taxes levied on all taxable property located within the City, sewer user charges and golf fees. Tax monies will be received in and the debt will be retired from the General Obligation Fund.

Compensated absences are generally paid from the General Fund, Recreation Fund, Springvale Golf Course and Ballroom Fund and Sewer Revenue Fund. The OWDA loan liabilities are payable semi-annually from the Sewer Revenue Fund.

The City's outstanding OWDA loans contain provisions that in an event of default (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within 30 days, in addition to the interest calculated at the default rate, a late charge of 1% on the amount of each default shall be paid to the OWDA, and (3) for each additional 30 days during which the charges remain unpaid, the City shall continue to pay an additional late charge of 1% on the amount of the default until such charges are paid.

In 1973, the City financed its police and fire pension liability with OP&F. The liability is payable in semi-annual installments of \$3,453 until it is fully repaid in May 2031. The liability is paid from the General Fund.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 13: Long-Term Obligations (continued)

For governmental activities net pension and OPEB liabilities are generally paid from the General Fund, Community Diversion Fund, Recreation Fund, STOP Program Fund, Street Maintenance Fund, and Title III Fund.

In December 2015, the City issued \$8,620,000 in general obligation bonds for the purpose of making capital improvements and advance refunding general obligation bonds outstanding to take advantage of lower interest rates. The interest rates of the bonds ranged from 2.0% to 3.5% and the bonds were sold at a premium of \$530,194. Proceeds and premium of \$3,593,275 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the general obligation bonds. The refunded bonds were called and redeemed in full in December 2016. The City decreased its total debt service payments by \$338,632 as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old and new debt service payments) of \$311,060.

The City paid off the 2015 fire station improvement refunding bonds early during the year, resulting in the elimination of \$23,449 of deferred outflows and premium. This resulted in a gain of \$17,586. Due to insignificance, it is reported within interest expense for the year ended December 31, 2022.

In January 2017, the City issued \$11,765,000 in capital improvement and refunding bonds, for the purpose of financing certain permanent improvements and to refund certain outstanding general obligation bonds and bond anticipation notes previously issued. The bonds mature on December 1, 2037 and have an interest rate between 2.0% and 4.0%. The bonds were sold at a premium of \$555,361. Proceeds and premium of \$3,099,763 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the general obligation bonds. The refunded bonds were called and redeemed in full in February 2017. The City decreased its total debt service payments by \$155,203 as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old and new debt service payments) of \$143,908.

In March 2021, the City issued \$11,075,000 in capital improvement and equipment bonds, for the purposes of improving designated streets, improvements to the recreation center, Springvale Golf Course, City Hall and providing funds for acquiring computer hardware and software equipment. The final maturity on the bonds is December 10, 2031, and they have an interest rate between 2.0% - 4.0%. The bonds were sold at a premium of \$2,056,427.

The City's overall legal debt margin was \$88,796,337 at December 31, 2022.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 13: Long-Term Obligations (continued)

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2022, are as follows:

Year	Governmental Activities			
	General Obligation Bonds		Police Pension*	
	Principal	Interest	Principal	Interest
2023	\$ 2,435,000	\$ 524,151	\$ 4,886	\$ 2,019
2024	2,015,000	454,025	5,096	1,809
2025	1,880,000	377,100	5,315	1,590
2026	1,560,000	305,725	5,543	1,362
2027	1,620,000	244,050	5,781	1,124
2028-2032	4,560,000	449,950	22,096	1,908
Totals	\$ 14,070,000	\$ 2,355,001	\$ 48,717	\$ 9,812

Year	Governmental Activities (continued)	
	Total	
	Principal	Interest
2023	\$ 2,439,886	\$ 526,170
2024	2,020,096	455,834
2025	1,885,315	378,690
2026	1,565,543	307,087
2027	1,625,781	245,174
2028-2032	4,582,096	451,858
Totals	\$ 14,118,717	\$ 2,364,813

Year	Business-Type Activities			
	General Obligation Bonds		OWDA Loans*	
	Principal	Interest	Principal	Interest
2023	\$ 375,000	\$ 163,900	\$ 2,691,794	\$ 977,638
2024	385,000	152,650	2,759,593	909,839
2025	400,000	137,250	2,829,105	840,326
2026	360,000	121,250	2,900,374	769,058
2027	380,000	106,850	2,973,443	695,989
2028-2032	1,505,000	343,850	16,029,545	2,317,613
2033-2037	1,195,000	123,981	9,639,992	401,683
Totals	\$ 4,600,000	\$ 1,149,731	\$ 39,823,846	\$ 6,912,146

* Long-term obligation is a direct placement.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 13: Long-Term Obligations (continued)

Year	Business-Type Activities (continued)	
	Total	
	Principal	Interest
2023	\$ 3,066,794	\$ 1,141,538
2024	3,144,593	1,062,489
2025	3,229,105	977,576
2026	3,260,374	890,308
2027	3,353,443	802,839
2028-2032	17,534,545	2,661,463
2033-2037	<u>10,834,992</u>	<u>525,664</u>
Totals	\$ <u>44,423,846</u>	\$ <u>8,061,877</u>

Note 14: Financed purchase

The City entered into agreements for several copiers and equipment. The City’s obligations are recorded on the government-wide statements and the proprietary financial statements. Payments for governmental fund-type obligations has been reclassified and are reflected as debt service expenses in the fund financial statements for the General Fund. These expenditures are reflected as capital outlay expenditures on a budgetary basis.

Amortization of financed purchased items are included in depreciation expense.

Principal and interest requirements to retire the obligations outstanding at December 31, 2022, are as follows:

Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 44,198	\$ 2,389	\$ 1,784	\$ -
2024	<u>22,124</u>	<u>1,227</u>	<u>-</u>	<u>-</u>
Totals	\$ <u>66,322</u>	\$ <u>3,616</u>	\$ <u>1,784</u>	\$ <u>-</u>

Note 15: Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. City employees are paid for earned, unused vacation leave at the time of termination of employment if the employee has acquired at least one year of service to the City. Sick leave is earned at the rate of 4.6 hours for every eighty (80) hours paid. Fire Department employees are an exception and earn sick leave at the rate of 5.8 hours per pay. Each employee who has at least five years of service upon retirement is paid for a portion of the employee’s earned unused sick leave balances, from 1,000 hours to 1,500 hours, depending upon the union contract and termination with the City.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 16: Construction and Other Significant Commitments

At December 31, 2022, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid/Accrued	Remaining on Contract
Fire Station Exhaust System	\$ 153,993	\$ 82,137	\$ 71,856
Land Purchase – School Property	4,000,000	-	4,000,000
Two F550 Dump Trucks	164,192	-	164,192
Salt Trucks	359,868	-	359,868
Lorain Rd. Transportation and Land Use Analysis	<u>142,000</u>	<u>12,113</u>	<u>129,887</u>
Total commitments	<u>\$ 4,820,053</u>	<u>\$ 94,250</u>	<u>\$ 4,725,803</u>

Other significant commitments include the encumbrances outstanding at year-end. The amount of the encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

	<u>Encumbrances</u>
General Fund	\$ 387,849
General Obligation Bond Retirement Fund	12,000
Non-major Governmental Funds	<u>5,958,194</u>
Total other significant commitments	<u>\$ 6,358,043</u>

Note 17: Interfund Activity

Interfund Transfers

Interfund transfers for the year ended December 31, 2022 consisted of the following:

	Transfer to			Total
	General Fund	General Obligation Bond Retirement Fund	Non-major Governmental Funds	
Transfer from:				
General Fund	\$ -	\$ -	\$ 100,000	\$ 100,000
Non-major Governmental Funds	59,000	1,900,881	-	1,959,881
Springvale Golf and Ballroom Fund	22,700	-	-	22,700
Sewer Revenue Fund	<u>86,100</u>	<u>-</u>	<u>-</u>	<u>86,100</u>
Total	<u>\$ 167,800</u>	<u>\$ 1,900,881</u>	<u>\$ 100,000</u>	<u>\$ 2,168,681</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The transfers to the General Fund were made in accordance with Ohio Revised Code Section 5705.13(B).

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 17: Interfund Activity (continued)

Interfund Transfers (continued)

No transfers were inconsistent with the purpose of the fund making the transfer. In addition, the above transfers are in compliance with the Ohio Revised Code.

Interfund Balances

As of December 31, 2022, interfund balances were as follows:

	<u>Receivable</u>	<u>Payable</u>
	Advance to	Advance from
	<u>Other Funds</u>	<u>Other Funds</u>
Governmental Activities:		
General Fund	\$ 1,418,269	\$ -
General Obligation Bond Retirement Fund	<u>7,004,957</u>	<u>-</u>
Total Governmental Activities	<u>8,423,226</u>	<u>-</u>
Business-Type Activities:		
Springvale Golf Course and Ballroom Fund	-	7,054,282
Sewer Revenue Fund	<u>-</u>	<u>1,368,944</u>
Total Business-Type Activities	<u>-</u>	<u>8,423,226</u>
Total	<u>\$ 8,423,226</u>	<u>\$ 8,423,226</u>

The General Obligation Bond Retirement Fund loaned the Springvale Golf Course and Ballroom Fund and the Sewer Revenue Fund additional resources to meet debt service requirements. The General Fund loaned the Springvale Golf Course and Ballroom Fund and Sewer Revenue Fund operating monies that will be paid back in future years.

Interfund receivables/payables for the year ended December 31, 2022 consisted of the following:

	<u>Interfund</u>
	<u>Payable</u>
	Non-major
	Governmental
	<u>Funds</u>
Interfund Receivable:	
General Fund	\$ 10,992
Non-major Governmental Funds	<u>230,000</u>
Total	<u>\$ 240,992</u>

Interfund balances are expected to be repaid within one year.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 18: Jointly Governed Organizations

West Shore Council of Governments

The West Shore Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Board is comprised of one member from each of the six participating entities. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. In 2022, the City contributed \$72,786. Complete financial information can be obtained from the City of Bay Village 350 Dover Center Road, Bay Village, Ohio 44140.

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

RITA

RITA is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collection of income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments.

The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council.

Note 19: Contingent Liabilities

Grants

The City has received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2022.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 19: Contingent Liabilities (continued)

Litigation

The City is unaware of any un-asserted claims pending against it as of December 31, 2022. During the normal course of business, the City is subject to occasional legal proceedings, claims, and contract disputes. In the opinion of management, the eventual outcome of any current proceedings and claims against the City will not materially affect its financial condition or operations.

Note 20: Tax Abatements

As of December 31, 2022, the City provides tax incentives under three programs: the Community Reinvestment Area (CRA), known as the North Olmsted Community Reinvestment Area (NOCRA), the Job Retention Grant Program, and the Job Creation Grant Program.

Pursuant to Ohio Revised Code 3735, the City established a CRA in 1992, and later amended it in 2014, which included all land within the boundaries of the City. The City authorizes incentives through the passage of ordinances. The abatement equals an agreed-upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements, not to exceed 100% of the increase in the assessed value resulting from the improvements. The amount of the abatement is deducted from the recipient's property tax bill.

Within the NOCRA, the percentage of tax exemption of the increase valuation resulting from improvements to commercial and industrial real property and the term of those exemptions are negotiated on a case-by-case basis in advance of signing the agreement.

For residential properties, a tax exemption on the increase in the assessed valuation resulting from improvements shall be granted upon application by the property owner and certification of the Housing Officer for the following periods:

- Ten years, for the construction of dwellings containing not more than three housing units, with such exemption being 75% for each of the 10 years.
- Up to, and including, 12 years, and up to, and including, 100% for the remodeling of existing commercial and industrial facilities and upon which the cost of remodeling is at least \$5,000, the term and percentage of which shall be negotiated on a case-by-case basis in advance of remodeling occurring.
- Up to, and including, 15 years, and up to, and including, 100% of the construction of new commercial or industrial facilities, the term and percentage of which shall be negotiated on a case-by-case basis in advance of remodeling occurring.

For the year ended December 31, 2022, the City abated property taxes totaling \$89,157 under this program.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 20: Tax Abatements (continued)

The City created the Job Retention Grant Program. The purpose of the program is to maintain the City's competitiveness as a site for location of new businesses and the expansion of existing businesses. Pursuant to Article XVIII, Section 3 and Article VIII, Section 13 of the Ohio Constitution (Ordinance #2016-76), the City provides an incentive to the company based upon the company's gross annual payroll, the amount of income tax generated annually and the number of jobs created or retained by the business. The abatement is administered as a refund based upon the company's payroll taxes. Also, the time period of the incentive in years, is determined by how many new jobs are to be created by the company. The total amount of taxes abated under this program for the year ended December 31, 2022 was \$152,035.

The City created the Job Creation Grant Program. The purpose of the program is to provide an economic incentive for businesses to locate or expand within the City. The City provides an incentive to a business constructing, buying or leasing property that has not had employees located in the City of North Olmsted within the preceding one (1) year and that will create a new annual payroll in excess of \$500,000.

An existing business already located in the City that is expanding and that will create new annual payroll in excess of \$500,000 while maintaining its pre-application work-force and annual payroll would also be eligible. The abatement is administered as a refund based upon the company's payroll taxes for a time period not to exceed ten (10) years. The total amount of taxes abated under this program for the year ended December 31, 2022 was \$52,085.

Note 21: Accountability

There were deficits in the FEMA Grant fund of \$51,291, Capital Improvement fund of \$177,375, and business-type Springvale Golf Course and Ballroom Fund for \$2,702,440. These deficits were caused by the application of accounting principles generally accepted in the United States of America. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

Note 22: Asset Retirement Obligations

Ohio Administrative Code Section 1301-7-9 requires a City classified as an "owner" or "operator," to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must first be obtained for that year it is not being used. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination. This asset retirement obligation (ARO) of \$50,817 associated with the City's underground storage tanks was estimated by the City engineer. The remaining useful life of these USTs are 0 years. The City maintains insurance related to any potential pollution remediation associated with the USTs.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 22: Asset Retirement Obligations (continued)

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewage system to the Ohio EPA for approval. Through this review process, the City would be responsible to address any public safety issues associated with their wastewater treatment facilities. At this time, due to limitations associated with the existing plant's age and building materials within the plant, the engineer consulted would not have a reasonable estimate to calculate a liability as of December 31, 2022.

City of North Olmsted, Ohio

Required Supplementary Information Schedule of the City's Proportionate Share of the Net Pension Liability Ohio Public Employee Retirement System – Traditional Plan

For the Last Nine Years

	<u>2022 (1)</u>	<u>2021 (1)</u>	<u>2020 (1)</u>	<u>2019 (1)</u>	
City's proportion of the net pension liability	0.063072%	0.058580%	0.062230%	0.063334%	
City's proportionate share of the net pension liability	\$ 5,487,519	\$ 8,674,424	\$ 12,300,181	\$ 17,345,899	
City's covered payroll	\$ 8,864,483	\$ 8,341,121	\$ 8,801,900	\$ 8,284,775	
City's proportionate share of the net pension liability as a percentage of its covered payroll	61.90%	104.00%	139.74%	209.37%	
Plan fiduciary net position as a percentage of the total pension liability	92.62%	86.88%	82.17%	74.70%	
	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
City's proportion of the net pension liability	0.062255%	0.062881%	0.061367%	0.062146%	0.062146%
City's proportionate share of the net pension liability	\$ 9,766,604	\$ 14,279,205	\$ 10,629,538	\$ 7,495,502	\$ 7,326,204
City's covered payroll	\$ 8,262,335	\$ 8,270,612	\$ 8,170,779	\$ 7,635,146	\$ 7,193,840
City's proportionate share of the net pension liability as a percentage of its covered payroll	118.21%	172.65%	130.09%	98.17%	101.84%
Plan fiduciary net position as a percentage of the total pension liability	84.66%	77.25%	81.08%	86.45%	n/a

(1) Information prior to 2014 is not available. Amounts presented for each year were determined as of the City's measurement date which is December 31 of the prior year.

City of North Olmsted, Ohio

Required Supplementary Information Schedule of the City's Proportionate Share of the Net Pension Asset Ohio Public Employee Retirement System – Combined Plan

For the Last Nine Years

	<u>2022 (1)</u>	<u>2021 (1)</u>	<u>2020 (1)</u>	<u>2019 (1)</u>	
City's proportion of the net pension asset	0.112591%	0.105650%	0.093795%	0.093477%	
City's proportion of the net pension asset	\$ 443,613	\$ 304,974	\$ 195,586	\$ 104,529	
City's covered payroll	\$ 495,721	\$ 474,550	\$ 420,500	\$ 385,547	
City's proportionate share of the net pension asset as a percentage of its covered payroll	89.49%	64.27%	46.51%	27.11%	
Plan fiduciary net position as a percentage of the total pension liability	169.88%	157.67%	145.28%	126.64%	
	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
City's proportion of the net pension asset	0.098962%	0.096272%	0.098960%	0.117384%	0.117384%
City's proportion of the net pension asset	\$ 134,718	\$ 53,583	\$ 48,157	\$ 45,196	\$ 12,318
City's covered payroll	\$ 402,822	\$ 380,227	\$ 385,862	\$ 413,399	\$ 339,946
City's proportionate share of the net pension asset as a percentage of its covered payroll	33.44%	14.09%	12.48%	10.93%	3.62%
Plan fiduciary net position as a percentage of the total pension liability	137.28%	116.55%	116.90%	114.83%	n/a

(1) Information prior to 2014 is not available. Amounts presented for each year were determined as of the City's measurement date which is December 31 of the prior year.

The accompanying notes are an integral part of the required supplementary information

City of North Olmsted, Ohio

Required Supplementary Information Schedule of the City's Proportionate Share of the Net Pension Liability Ohio Police and Fire Pension Fund

For the Last Nine Years

	<u>2022 (1)</u>	<u>2021 (1)</u>	<u>2020 (1)</u>	<u>2019 (1)</u>	
City's proportion of the net pension liability	0.307053%	0.320942%	0.323067%	0.332782%	
City's proportion of the net pension liability	\$ 19,182,901	\$ 21,878,896	\$ 21,763,546	\$ 27,163,803	
City's covered payroll	\$ 7,555,175	\$ 8,040,410	\$ 7,761,669	\$ 7,338,794	
City's proportionate share of the net pension liability as a percentage of its covered payroll	253.90%	272.11%	280.40%	370.14%	
Plan fiduciary net position as a percentage of the total pension liability	75.03%	70.65%	69.89%	63.07%	
	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
City's proportion of the net pension liability	0.328291%	0.332860%	0.337684%	0.341655%	0.341646%
City's proportion of the net pension liability	\$ 20,153,276	\$ 21,084,664	\$ 21,723,448	\$ 17,699,133	\$ 16,639,651
City's covered payroll	\$ 7,235,102	\$ 7,292,482	\$ 7,387,575	\$ 6,699,634	\$ 6,712,291
City's proportionate share of the net pension liability as a percentage of its covered payroll	278.55%	289.13%	294.05%	264.18%	247.90%
Plan fiduciary net position as a percentage of the total pension liability	70.91%	68.36%	66.77%	71.71%	73.00%

(1) Information prior to 2014 is not available. Amounts presented for each year were determined as of the City's measurement date which is December 31 of the prior year.

The accompanying notes are an integral part of the required supplementary information

City of North Olmsted, Ohio

Required Supplementary Information Schedule of the City's Pension Contributions Ohio Public Employee Retirement System – Traditional Plan

For the Last Ten Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 1,283,769	\$ 1,241,027	\$ 1,167,757	\$ 1,232,266	\$ 1,159,869
Contributions in relation to the contractually required contribution	<u>(1,283,769)</u>	<u>(1,241,027)</u>	<u>(1,167,757)</u>	<u>(1,232,266)</u>	<u>(1,159,869)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 9,169,779	\$ 8,864,483	\$ 8,341,121	\$ 8,801,900	\$ 8,284,775
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 1,074,104	\$ 992,473	\$ 980,493	\$ 916,217	\$ 935,199
Contributions in relation to the contractually required contribution	<u>(1,074,104)</u>	<u>(992,473)</u>	<u>(980,493)</u>	<u>(916,217)</u>	<u>(935,199)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 8,262,335	\$ 8,270,612	\$ 8,170,779	\$ 7,635,146	\$ 7,193,840
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%	13.00%

The accompanying notes are an integral part of the required supplementary information

City of North Olmsted, Ohio

Required Supplementary Information Schedule of the City's Pension Contributions Ohio Public Employee Retirement System – Combined Plan

For the Last Ten Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 66,693	\$ 69,400	\$ 66,436	\$ 58,869	\$ 53,977
Contributions in relation to the contractually required contribution	<u>(66,693)</u>	<u>(69,400)</u>	<u>(66,436)</u>	<u>(58,869)</u>	<u>(53,977)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 516,750	\$ 495,721	\$ 474,550	\$ 420,500	\$ 385,547
Contributions as a percentage of covered payroll	12.91%	14.00%	14.00%	14.00%	14.00%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 52,367	\$ 45,627	\$ 46,303	\$ 49,608	\$ 44,193
Contributions in relation to the contractually required contribution	<u>(52,367)</u>	<u>(45,627)</u>	<u>(46,303)</u>	<u>(49,608)</u>	<u>(44,193)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 402,822	\$ 380,227	\$ 385,862	\$ 413,399	\$ 339,946
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%	13.00%

The accompanying notes are an integral part of the required supplementary information

City of North Olmsted, Ohio

Required Supplementary Information Schedule of the City's Pension Contributions Ohio Police and Fire Pension Fund

For the Last Ten Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 1,673,075	\$ 1,591,221	\$ 1,688,221	\$ 1,629,823	\$ 1,543,225
Contributions in relation to the contractually required contribution	<u>(1,673,075)</u>	<u>(1,591,221)</u>	<u>(1,688,221)</u>	<u>(1,629,823)</u>	<u>(1,543,225)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 7,943,646	\$ 7,555,175	\$ 8,040,410	\$ 7,761,669	\$ 7,338,794
Contributions as a percentage of covered payroll	21.06%	21.06%	21.00%	21.00%	21.03%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 1,522,576	\$ 1,534,192	\$ 1,552,780	\$ 1,413,097	\$ 1,209,419
Contributions in relation to the contractually required contribution	<u>(1,522,576)</u>	<u>(1,534,192)</u>	<u>(1,552,780)</u>	<u>(1,413,097)</u>	<u>(1,209,419)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 7,235,102	\$ 7,292,482	\$ 7,387,575	\$ 6,699,634	\$ 6,712,291
Contributions as a percentage of covered payroll	21.04%	21.04%	21.02%	21.09%	18.02%

The accompanying notes are an integral part of the required supplementary information

City of North Olmsted, Ohio

Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)
 Ohio Public Employee Retirement System

For the Last Six Years

	<u>2022 (1)</u>				
City's proportion of the net OPEB liability/asset	0.064239%				
City's proportionate share of the net OPEB liability (asset)	\$ (2,012,066)				
City's covered payroll	\$ 9,719,828				
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-19.86%				
Plan fiduciary net position as a percentage of the total OPEB liability	128.23%				
	<u>2021 (1)</u>	<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>
City's proportion of the net OPEB liability/asset	0.059689%	0.062902%	0.063813%	0.063020%	0.063332%
City's proportionate share of the net OPEB liability (asset)	\$ (1,063,406)	\$ 8,688,401	\$ 8,319,709	\$ 6,843,509	\$ 6,396,753
City's covered payroll	\$ 9,125,957	\$ 9,556,893	\$ 8,966,207	\$ 8,951,607	\$ 8,904,621
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-11.65%	90.91%	92.79%	76.45%	71.84%
Plan fiduciary net position as a percentage of the total OPEB liability	115.57%	47.80%	46.33%	54.14%	54.04%

(1) Information prior to 2017 is not available. Amounts presented for each year were determined as of the City's measurement date which is December 31 of the prior year.

The accompanying notes are an integral part of the required supplementary information

City of North Olmsted, Ohio

Required Supplementary Information Schedule of the City's Proportionate Share of the Net OPEB Liability Ohio Police and Fire Pension Fund

For the Last Six Years

	<u>2022 (1)</u>				
City's proportion of the net OPEB liability	0.307053%				
City's proportionate share of the net OPEB liability	\$ 3,365,566				
City's covered payroll	\$ 7,555,175				
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	44.55%				
Plan fiduciary net position as a percentage of the total OPEB liability	46.90%				
	<u>2021 (1)</u>	<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>
City's proportion of the net OPEB liability	0.320942%	0.323067%	0.332782%	0.328291%	0.332886%
City's proportionate share of the net OPEB liability	\$ 3,400,432	\$ 3,191,171	\$ 3,030,491	\$ 18,600,508	\$ 15,801,350
City's covered payroll	\$ 8,040,410	\$ 7,761,669	\$ 7,338,794	\$ 7,235,102	\$ 7,292,482
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	42.29%	41.11%	41.29%	257.09%	216.68%
Plan fiduciary net position as a percentage of the total OPEB liability	45.40%	47.10%	46.57%	14.13%	15.96%

(1) Information prior to 2017 is not available. Amounts presented for each year were determined as of the City's measurement date which is December 31 of the prior year.

The accompanying notes are an integral part of the required supplementary information

City of North Olmsted, Ohio

Required Supplementary Information Schedule of the City's OPEB Contributions Ohio Public Employee Retirement System

For the Last Seven Years (1)

	<u>2022</u>	<u>2021</u>			
Contractually required contribution	\$ 23,485	\$ 14,385			
Contributions in relation to the contractually required contribution	<u>(23,485)</u>	<u>(14,385)</u>			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>			
City covered payroll	\$ 10,132,350	\$ 9,719,828			
Contributions as a percentage of covered payroll	0.23%	0.15%			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 12,411	\$ 13,381	\$ 12,071	\$ 89,516	\$ 178,092
Contributions in relation to the contractually required contribution	<u>(12,411)</u>	<u>(13,381)</u>	<u>(12,071)</u>	<u>(89,516)</u>	<u>(178,092)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 9,125,957	\$ 9,556,893	\$ 8,966,207	\$ 8,951,607	\$ 8,904,621
Contributions as a percentage of covered payroll	0.14%	0.14%	0.13%	1.00%	2.00%

(1) Information prior to 2016 is not available.

City of North Olmsted, Ohio

Required Supplementary Information Schedule of the City's OPEB Contributions Ohio Police and Fire Pension Fund

For the Last Ten Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 39,718	\$ 37,776	\$ 40,202	\$ 38,808	\$ 36,694
Contributions in relation to the contractually required contribution	<u>(39,718)</u>	<u>(37,776)</u>	<u>(40,202)</u>	<u>(38,808)</u>	<u>(36,694)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 7,943,646	\$ 7,555,175	\$ 8,040,410	\$ 7,761,669	\$ 7,338,794
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%	0.50%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 36,175	\$ 36,462	\$ 36,938	\$ 33,498	\$ 242,985
Contributions in relation to the contractually required contribution	<u>(36,175)</u>	<u>(36,462)</u>	<u>(36,938)</u>	<u>(33,498)</u>	<u>(242,985)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 7,235,102	\$ 7,292,482	\$ 7,387,575	\$ 6,699,634	\$ 6,712,291
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%	3.62%

The accompanying notes are an integral part of the required supplementary information

City of North Olmsted, Ohio

Notes to Required Supplementary Information

For the Year Ended December 31, 2022

Note 1: Net Pension Liability/Asset

Changes in Assumptions – OPERS

Amounts reported in the required supplementary information for OPERS Traditional and Combined Plans incorporate changes in assumptions used by OPERS in calculating the pension liability. These assumptions are presented below for the periods indicated:

Key Methods and Assumptions in Valuing Total Pension Liability – 2022

	OPERS <u>Traditional plan</u>	OPERS <u>Combined plan</u>
Experience Study	5-year period ended December 31, 2020	5-year period ended December 31, 2020
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	6.90%	6.90%
Wage Inflation	2.75%	2.75%
Projected Salary Increases, including 2.75% inflation	2.75 to 10.75%	2.75 to 8.25%
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3% Simple	3% Simple
Post-Jan 7, 2013 Retirees	3% Simple through 2022 then 2.05% Simple	3% Simple though 2022 then 2.05% Simple

Key Methods and Assumptions in Valuing Total Pension Liability – 2021

	OPERS <u>Traditional plan</u>	OPERS <u>Combined plan</u>
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	7.20%	7.20%
Wage Inflation	3.25%	3.25%
Projected Salary Increases, including 3.25% inflation	3.25 to 10.75%	3.25 to 8.25%
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3% Simple	3% Simple
Post-Jan 7, 2013 Retirees	0.50% Simple through 2021 then 2.15% Simple	0.50% Simple though 2021 then 2.15% Simple

City of North Olmsted, Ohio

Notes to Required Supplementary Information (continued)

For the Year Ended December 31, 2022

Note 1: Net Pension Liability/Asset (continued)

Changes in Assumptions – OPERS (continued)

Key Methods and Assumptions in Valuing Total Pension Liability – 2020

	OPERS <u>Traditional plan</u>	OPERS <u>Combined plan</u>
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	7.20%	7.20%
Wage Inflation	3.25%	3.25%
Projected Salary Increases, including 3.25% inflation	3.25 to 10.75%	3.25 to 8.25%
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3% Simple	3% Simple
Post-Jan 7, 2013 Retirees	1.40% Simple through 2020 then 2.15% Simple	1.40% Simple through 2020 then 2.15% Simple

Key Methods and Assumptions in Valuing Total Pension Liability – 2019

	OPERS <u>Traditional plan</u>	OPERS <u>Combined plan</u>
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	7.20%	7.20%
Wage Inflation	3.25%	3.25%
Projected Salary Increases, including 3.25% inflation	3.25 to 10.75%	3.25 to 8.25%
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3% Simple	3% Simple
Post-Jan 7, 2013 Retirees	3% Simple through 2018 then 2.15% Simple	3% Simple through 2018 then 2.15% Simple

City of North Olmsted, Ohio

Notes to Required Supplementary Information (continued)

For the Year Ended December 31, 2022

Note 1: Net Pension Liability/Asset (continued)

Changes in Assumptions – OPERS (continued)

Key Methods and Assumptions in Valuing Total Pension Liability – 2017-2018

	OPERS <u>Traditional plan</u>	OPERS <u>Combined plan</u>
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	7.50%	7.50%
Wage Inflation	3.25%	3.25%
Projected Salary Increases, including 3.25% inflation	3.25 to 10.75%	3.25 to 8.25%
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3% Simple	3% Simple
Post-Jan 7, 2013 Retirees	3% Simple through 2018 then 2.15% Simple	3% Simple though 2018 then 2.15% Simple

Key Methods and Assumptions in Valuing Total Pension Liability – 2016 and prior

	OPERS <u>Traditional plan</u>	OPERS <u>Combined plan</u>
Experience Study	5-year period ended December 31, 2010	5-year period ended December 31, 2010
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	8.00%	8.00%
Wage Inflation	3.75%	3.75%
Projected Salary Increases, including 3.75% inflation	4.25 to 10.05%	4.25 to 8.05%
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3% Simple	3% Simple
Post-Jan 7, 2013 Retirees	3% Simple through 2018 then 2.8% Simple	3% Simple though 2018 then 2.8% Simple

Mortality rates – For amounts reported beginning in 2022, the 2021 measurement use pre-retirement mortality rates based on 130% of the Pub-2010 General Employee Mortality tables (males and females). Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

City of North Olmsted, Ohio

Notes to Required Supplementary Information (continued)

For the Year Ended December 31, 2022

Note 1: Net Pension Liability/Asset (continued)

Changes in Assumptions – OPERS (continued)

Amounts reported beginning in 2017 use mortality rates based on the RP-2014. Healthy Annuitant Mortality Table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

Changes in Assumptions – OP&F

Amounts reported for 2022 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used from 2018 to 2021 and 2017 and prior are presented below:

	Beginning in 2022	2018 to 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.50%	8.00%
Projected Salary Increases	3.75% to 10.50%	3.75% to 10.50%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.50%	Inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of Living Adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3%	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3%

City of North Olmsted, Ohio

Notes to Required Supplementary Information (continued)

For the Year Ended December 31, 2022

Note 1: Net Pension Liability/Asset (continued)

Changes in Assumptions – OP&F (continued)

	<u>2017 and Prior</u>
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25%
Projected Salary Increases	4.25% to 11.00%
Payroll Growth	Inflation rate of 3.25% plus productivity increase rate of 0.50%
Cost of Living Adjustments	3.00% simple; 2.60% simple for increases based on the lesser of the increase in CPI and 3%

Beginning with the 2018 actuarial 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%.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105%	87%
79 and up	115%	120%

Beginning with the 2018 actuarial 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.

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

Actuarial valuation amounts reported for 2017 and prior 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.

City of North Olmsted, Ohio

Notes to Required Supplementary Information (continued)

For the Year Ended December 31, 2022

Note 2: Net OPEB Liability/Asset

Changes in Assumptions – OPERS

For fiscal year 2022, the municipal bond rate decreased from 2.00% to 1.84% and wage inflation decreased from 3.25% to 2.75%. The single discount rate remained 6.00%. The health care cost trend rate decreased from 8.5% initial, 3.5% ultimate in 2035 to 5.5% initial, 3.5% ultimate in 2034.

For 2021, the single discount rate changed from 3.16% in 2020 to 6.00%. For 2021, the municipal bond rate changed from 2.75% to 2.00%. For 2021, the health care cost trend rate changed from 10.5% initial, 3.5%, ultimate in 2030 to 8.5% initial, 3.5% ultimate in 2035.

For 2020, the single discount rate changed from 3.96% in 2019 to 3.16%. For 2020, the municipal bond rate changed from 3.71% to 2.75%. For 2020, the health care cost trend rate changed from 10% initial, 3.25%, ultimate in 2029 to 10.5% initial, 3.5% ultimate in 2030.

For 2019, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5% to 6.0%. For 2019, the single discount rate changed from 3.85% in 2018 to 3.96%. Prior to 2018, the single discount rate was 4.23%. For 2019, the municipal bond rate changed from 3.31% to 3.71%. For 2019, the health care cost trend rate changed from 7.5% initial, 3.25%, ultimate in 2028 to 10% initial, 3.25% ultimate in 2029.

Changes in Assumptions – OP&F

For 2022, the single discount rate changed from 2.96% to 2.84%.

For 2021, the single discount rate changed from 3.56% to 2.96%.

For 2020, the single discount rate changed from 4.66% to 3.56%.

For 2019, the single discount rate changed from 3.24% to 4.66%.

For 2018, the single discount rate changed from 3.79% to 3.24%.

Changes in Benefit Terms – OP&F

Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). 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.

As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%.

City of North Olmsted, Ohio

Combining Statements
Fund Descriptions

For the Year Ended December 31, 2022

Non-Major Special Revenue Funds

To account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes.

Casualty Loss Fund – Accounts for resources designated to pay for property damages that are not covered by insurance.

Community Development Block Grant Fund (CDBG) – Accounts for block grants received and grant reimbursable expenditures.

Alcohol Education Fund – Accounts for court fees obtained from DUI cases and approved alcohol education related expenditures.

Economic Development Fund – Accounts for the revenues generated from annual fees paid by new development agreements through tax abatement and community reinvestment incentives and expenditures in promoting economic development and compliance.

FEMA Grant Fund – Accounts for revenues received from the federal government and expenditures as prescribed under the Federal Emergency Management Agency’s Assistance to Firefighters and Staffing for Adequate Fire and Emergency Response Grant Programs.

Federal Grants Fund – Accounts for revenues received for federal grants and the expenditures for those grants when the terms of the grant do not require that the grant be tracked in another fund.

OneOhio Opioid Settlement Fund – This fund is used to account for the receipt of revenues received from the State of Ohio’s OneOhio Opioid Settlement.

Sidewalk Improvement Fund – Accounts for and reports amounts restricted for the maintenance of sidewalks throughout the City.

Motor Vehicle License Tax Fund – Accounts for the additional motor vehicle registration fees designated for maintenance and repair of streets within the City.

Recreation Fund – Accounts for real and personal property taxes and program revenues and expenditures for the operation and maintenance of recreation programs, services, parks and the recreation center facility.

Clague Park Fund – Accounts for the proceeds from the sale of land as well as Clague Park wireless communication tower upfront proceeds and the expenditures related to revitalizing and improving Clague Park.

Hotel/Motel Tax Fund – Accounts for the City’s hotel and motel tax revenues and related authorized expenditures of the police and fire divisions. Authorized expenditures from the fund shall be limited to the purchase of vehicles and equipment for police and fire division staff and the repair or replacement of buildings and other capital items or improvements at the police and fire stations.

City of North Olmsted, Ohio

Combining Statements
Fund Descriptions

For the Year Ended December 31, 2022

Non-Major Special Revenue Funds (continued)

Emergency Medical Services Fund – Accounts for a portion of the resident emergency medical service’s receipts. Expenditures are restricted to capital expenditures for the Fire Division of the Department of Public Safety.

State Highway Fund – Accounts for the portion of the state gasoline tax and motor vehicle registration fees designated for maintenance and repair of state highways within the City.

Street Maintenance Fund – Accounts for the portion of state gasoline tax and motor vehicle registration fees designated for maintenance and repair of streets within the City.

Great Northern TIF Fund – This fund accounts for the receipt of service payments in lieu of taxes (PILOTs) that are legally restricted for the payment of public improvements described in City ordinance 2012-72. The general area affected by this TIF is Great Northern Boulevard and Country Club Boulevard.

Court Computerization Fund – Accounts for the receipt of funds collected by the City’s Mayor’s Court designated to computerize the court and the clerk of court’s office.

Solid Waste and Recycling Fund – Accounts for 15% of the municipal income tax receipts and expenditures associated with tax collection, solid waste removal, and costs of recycling services provided to residents.

Community Diversion Fund – Accounts for the federal grant receipts, county and local program fees and expenditures related to the youth community diversion program contracted with the county juvenile court system.

Drug Enforcement Fund – Accounts for fines and forfeitures from drug court cases and expenditures for use in drug enforcement.

Endowment and Grant Fund – Accounts for donations restricted for a specific purpose and expenditures for those specific restricted uses.

Fair Capacity Housing Fund – Accounts for revenue and expenditures related to the Housing and Urban Development (HUD) Fair Capacity Housing Grant.

Local Fiscal Recovery Fund – This fund is used to account for financial resources to cover costs that are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).

Fire Pension Fund – Accounts for property taxes levied for the payment of current employer contributions for fire disability and pension benefits.

Law Enforcement Fund – Accounts for other monies seized from criminals by law enforcement officers or the sale of contraband in the course of their work restricted for expenditures that would enhance the police services.

City of North Olmsted, Ohio

Combining Statements
Fund Descriptions

For the Year Ended December 31, 2022

Non-Major Special Revenue Funds (continued)

STOP Program Fund – Accounts for fines on traffic violations restricted to paying overtime wages and benefits to officers issuing tickets under this program, wages of the prosecuting attorney and police equipment used in the STOP program. Surplus monies from this fund can be used to pay any other operational expenditure that meets the need of the police and dispatch divisions, with the exception of wages and benefits unrelated to STOP.

Police Pension Fund – Accounts for property taxes levied for the payment of current employer contributions for police disability and pension benefits.

Senior Center Fund – Accounts for the daily operations of the senior center and its programs and the services provided on a cost reimbursement basis to senior citizens.

Title III Fund – Accounts for the hot lunch program which provides lunch to senior citizens on a cost reimbursement basis.

Public Way Management Fund – Accounts for fees that are levied by the City on service providers that install above ground facilities in public right of way areas and the expenditures associated with maintaining the right of way areas.

Deposits Fund – Accounts for deposits held by the City from contractors, developers and individuals to ensure compliance with City ordinances. These monies net of inspection charges are returned when the work is properly completed.

Separation Pay Fund – Accounts for resources set aside for the payment of accumulated sick and vacation leave upon termination. This fund is combined with the General Fund on the governmental fund financial statements but remains a separate fund in the budgetary schedules because it has a legally adopted budget.

27th Pay Fund – Accounts for resource set aside for the payment of the 27th payrolls that are experienced every 13 years. This fund is combined with the General Fund on the governmental fund financial statements but remains a separate fund in the budgetary schedules because it has a legally adopted budget.

Non-Major Debt Service Fund

Fire Station Bond Retirement Fund – Accounts for resources restricted to pay the principal, interest and related fiscal charges on the fire station bonded debt.

City of North Olmsted, Ohio

Combining Statements
Fund Descriptions

For the Year Ended December 31, 2022

Non-Major Capital Projects Funds

Permanent Improvements Fund – Accounts for 15% of the municipal income tax receipts and expenditures for the permanent improvement of streets and the storm sewer system.

Capital Improvement Fund – Accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by a proprietary fund).

Building and Land Acquisition and Improvement Fund – Accounts for financial resources for acquiring real property, constructing improvements, including additions to buildings, upon lands owned by the City, or for substantially rehabilitating or renovating existing City-owned buildings.

City of North Olmsted, Ohio

Combining Statements
Fund Descriptions

For the Year Ended December 31, 2022

Internal Service Funds

Hospitalization Fund – Accounts for a self-insurance program for employee medical, dental and vision benefits.

Workers' Compensation Self-Insurance Fund – Accounts for assets set aside for claim settlements and related liabilities associated with the workers' compensation self-insurance program.

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Government Funds

December 31, 2022

	Non-Major Special Revenue Funds	Non-Major Debt Service Fund	Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 12,936,432	\$ 166,500	\$ 9,642,344	\$ 22,745,276
Income taxes receivable	803,640	-	803,640	1,607,280
Taxes receivable - property and other	1,583,989	-	-	1,583,989
Intergovernmental receivable	1,459,798	21,957	1,550	1,483,305
Accounts receivable	18,142	-	-	18,142
Lease receivable	1,554,749	-	-	1,554,749
Interfund receivable	230,000	-	-	230,000
Inventories and supplies	123,136	-	-	123,136
Prepaid items	32,823	-	-	32,823
Restricted assets:				
Restricted cash and cash equivalents	831,411	-	-	831,411
Total assets	<u>\$ 19,574,120</u>	<u>\$ 188,457</u>	<u>\$ 10,447,534</u>	<u>\$ 30,210,111</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts and contracts payable	\$ 332,843	\$ -	\$ 372,508	\$ 705,351
Accrued wages and benefits	113,113	-	-	113,113
Intergovernmental payable	3,401	-	-	3,401
Unearned revenues	3,199,583	-	-	3,199,583
Interfund payable	10,992	-	230,000	240,992
Notes payable	-	-	4,027,557	4,027,557
Accrued interest payable	-	-	23,726	23,726
Deposits held and due to others	831,261	-	-	831,261
Total liabilities	<u>4,491,193</u>	<u>-</u>	<u>4,653,791</u>	<u>9,144,984</u>
Deferred inflows of resources:				
Property taxes	1,459,363	-	-	1,459,363
Payments in lieu of taxes	412,807	-	-	412,807
Unavailable revenues	1,126,920	21,957	332,903	1,481,780
Lease	1,510,463	-	-	1,510,463
Total deferred inflows of resources	<u>4,509,553</u>	<u>21,957</u>	<u>332,903</u>	<u>4,864,413</u>
Fund balances:				
Nonspendable	155,959	-	-	155,959
Restricted	9,768,123	166,500	5,638,215	15,572,838
Committed	700,583	-	-	700,583
Unassigned	(51,291)	-	(177,375)	(228,666)
Total fund balances	<u>10,573,374</u>	<u>166,500</u>	<u>5,460,840</u>	<u>16,200,714</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 19,574,120</u>	<u>\$ 188,457</u>	<u>\$ 10,447,534</u>	<u>\$ 30,210,111</u>

City of North Olmsted, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Governmental Funds

For the Year Ended December 31, 2022

	Non-Major Special Revenue Funds	Non-Major Debt Service Fund	Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
Revenues:				
Property and other local taxes	\$ 2,134,553	\$ 352,507	\$ -	\$ 2,487,060
Municipal income taxes	2,939,771	-	2,939,771	5,879,542
Payments in lieu of taxes	104,963	-	-	104,963
Charges for services and sales	2,350,389	-	-	2,350,389
Fines, licenses and permits	491,865	-	-	491,865
Intergovernmental	2,664,769	43,914	101,101	2,809,784
Special assessments	4,714	-	-	4,714
Investment income	75,039	-	-	75,039
Miscellaneous	65,291	-	-	65,291
Total revenues	<u>10,831,354</u>	<u>396,421</u>	<u>3,040,872</u>	<u>14,268,647</u>
Expenditures:				
Current:				
General government	325,891	-	10,371	336,262
Security of persons and property	1,719,379	-	-	1,719,379
Public health and welfare	74,435	-	-	74,435
Transportation	2,076,255	-	2,037,673	4,113,928
Basic utility services	2,543,410	-	-	2,543,410
Leisure time activities	2,609,870	-	-	2,609,870
Economic development	39,693	-	-	39,693
Capital outlay	-	-	376,667	376,667
Debt service:				
Principal	25,695	1,080,000	-	1,105,695
Interest and fiscal charges	-	38,139	23,726	61,865
Issuance costs	-	-	17,113	17,113
Total expenditures	<u>9,414,628</u>	<u>1,118,139</u>	<u>2,465,550</u>	<u>12,998,317</u>
Excess (deficiency) of revenues over expenditures	<u>1,416,726</u>	<u>(721,718)</u>	<u>575,322</u>	<u>1,270,330</u>
Other financing sources (uses):				
Sale of assets	-	-	438,000	438,000
Transfers - in	100,000	-	-	100,000
Transfers - out	(520,050)	-	(1,439,831)	(1,959,881)
Total other financing sources (uses)	<u>(420,050)</u>	<u>-</u>	<u>(1,001,831)</u>	<u>(1,421,881)</u>
Net change in fund balances	996,676	(721,718)	(426,509)	(151,551)
Fund balances, beginning of year	<u>9,576,698</u>	<u>888,218</u>	<u>5,887,349</u>	<u>16,352,265</u>
Fund balances, end of year	<u>\$ 10,573,374</u>	<u>\$ 166,500</u>	<u>\$ 5,460,840</u>	<u>\$ 16,200,714</u>

City of North Olmsted, Ohio

Combining Balance Sheet
Non-Major Special Revenue Funds

December 31, 2022

	Casualty Loss	CDBG	Alcohol Education	Economic Development	FEMA Grant	Federal Grants	OneOhio Opioid Settlement	Sidewalk Improvement
Assets:								
Equity in pooled cash and cash equivalents	\$ 79,025	\$ 6,586	\$ 37,758	\$ 58,807	\$ 18,500	\$ 15,044	\$ 3,456	\$ 215,435
Income taxes receivable	-	-	-	-	-	-	-	-
Taxes receivable - property and other	-	-	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	-	-	-
Accounts receivable	-	-	125	-	-	-	-	-
Lease receivable	-	-	-	388,688	-	-	-	-
Interfund receivable	-	-	-	-	-	-	-	-
Inventories and supplies	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
Restricted assets:								
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-
Total assets	\$ 79,025	\$ 6,586	\$ 37,883	\$ 447,495	\$ 18,500	\$ 15,044	\$ 3,456	\$ 215,435
Liabilities, deferred inflows of resources and fund balances:								
Liabilities:								
Accounts and contracts payable	\$ 12,130	\$ -	\$ -	\$ -	\$ 69,791	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	-	-
Deposits held and due to others	-	-	-	-	-	-	-	-
Total liabilities	12,130	-	-	-	69,791	-	-	-
Deferred inflows of resources:								
Property taxes	-	-	-	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-	-	-
Unavailable revenues	-	-	-	-	-	-	-	-
Lease	-	-	-	377,616	-	-	-	-
Total deferred inflows of resources	-	-	-	377,616	-	-	-	-
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	6,586	37,883	-	-	15,044	3,456	215,435
Committed	66,895	-	-	69,879	-	-	-	-
Unassigned	-	-	-	-	(51,291)	-	-	-
Total fund balances	66,895	6,586	37,883	69,879	(51,291)	15,044	3,456	215,435
Total liabilities, deferred inflows of resources, and fund balances	\$ 79,025	\$ 6,586	\$ 37,883	\$ 447,495	\$ 18,500	\$ 15,044	\$ 3,456	\$ 215,435

Motor Vehicle License Tax	Recreation	Clague Park	Hotel / Motel Tax	Emergency Medical Services	State Highway	Street Maintenance	Great Northern TIF
\$ 198,018	\$ 907,836	\$ -	\$ 484,275	\$ 1,010,992	\$ 208,037	\$ 1,744,234	\$ 2,003,611
-	-	-	-	-	-	-	-
-	1,016,005	-	59,984	-	-	-	-
16,830	65,871	-	-	-	68,610	846,194	412,807
-	-	-	-	-	-	-	-
-	1,166,061	-	-	-	-	-	-
-	230,000	-	-	-	-	-	-
6,157	-	-	-	-	25,243	91,736	-
-	32,823	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 221,005</u>	<u>\$ 3,418,596</u>	<u>\$ -</u>	<u>\$ 544,259</u>	<u>\$ 1,010,992</u>	<u>\$ 301,890</u>	<u>\$ 2,682,164</u>	<u>\$ 2,416,418</u>
\$ -	\$ 34,951	\$ -	\$ 8,842	\$ 16,704	\$ 46,468	\$ 25,371	\$ -
-	67,632	-	-	-	-	37,715	-
-	3,401	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>105,984</u>	<u>-</u>	<u>8,842</u>	<u>16,704</u>	<u>46,468</u>	<u>63,086</u>	<u>-</u>
-	972,911	-	-	-	-	-	-
-	-	-	-	-	-	-	412,807
-	108,965	-	13,027	-	46,315	571,226	-
-	1,132,847	-	-	-	-	-	-
<u>-</u>	<u>2,214,723</u>	<u>-</u>	<u>13,027</u>	<u>-</u>	<u>46,315</u>	<u>571,226</u>	<u>412,807</u>
6,157	32,823	-	-	-	25,243	91,736	-
214,848	1,065,066	-	-	994,288	183,864	1,956,116	2,003,611
-	-	-	522,390	-	-	-	-
-	-	-	-	-	-	-	-
<u>221,005</u>	<u>1,097,889</u>	<u>-</u>	<u>522,390</u>	<u>994,288</u>	<u>209,107</u>	<u>2,047,852</u>	<u>2,003,611</u>
<u>\$ 221,005</u>	<u>\$ 3,418,596</u>	<u>\$ -</u>	<u>\$ 544,259</u>	<u>\$ 1,010,992</u>	<u>\$ 301,890</u>	<u>\$ 2,682,164</u>	<u>\$ 2,416,418</u>

City of North Olmsted, Ohio

Combining Balance Sheet
Non-Major Special Revenue Funds (continued)

December 31, 2022

	Court Computerization	Solid Waste and Recycling	Community Diversion	Drug Enforcement	Endowment and Grant	Fair Capacity Housing	Local Fiscal Recovery
Assets:							
Equity in pooled cash and cash equivalents	\$ 5,839	\$ 1,956,797	\$ -	\$ 17,571	\$ 250,627	\$ 104,176	\$ 3,217,545
Income taxes receivable	-	803,640	-	-	-	-	-
Taxes receivable - property and other	-	-	-	-	-	-	-
Intergovernmental receivable	-	1,550	15,000	-	-	-	-
Accounts receivable	457	-	-	-	-	-	-
Lease receivable	-	-	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-	-
Inventories and supplies	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Restricted assets:							
Restricted cash and cash equivalents	-	-	-	-	-	-	-
Total assets	<u>\$ 6,296</u>	<u>\$ 2,761,987</u>	<u>\$ 15,000</u>	<u>\$ 17,571</u>	<u>\$ 250,627</u>	<u>\$ 104,176</u>	<u>\$ 3,217,545</u>
Liabilities, deferred inflows of resources and fund balances:							
Liabilities:							
Accounts and contracts payable	\$ -	\$ 97,183	\$ 46	\$ -	\$ 1,884	\$ -	\$ 17,962
Accrued wages and benefits	-	-	1,000	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	3,199,583
Interfund payable	-	-	10,992	-	-	-	-
Deposits held and due to others	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>97,183</u>	<u>12,038</u>	<u>-</u>	<u>1,884</u>	<u>-</u>	<u>3,217,545</u>
Deferred inflows of resources:							
Property taxes	-	-	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-	-
Unavailable revenues	-	332,903	-	-	-	-	-
Lease	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>332,903</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	6,296	2,331,901	2,962	17,571	248,743	104,176	-
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>6,296</u>	<u>2,331,901</u>	<u>2,962</u>	<u>17,571</u>	<u>248,743</u>	<u>104,176</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,296</u>	<u>\$ 2,761,987</u>	<u>\$ 15,000</u>	<u>\$ 17,571</u>	<u>\$ 250,627</u>	<u>\$ 104,176</u>	<u>\$ 3,217,545</u>

	Fire Pension	Law Enforcement	STOP Program	Police Pension	Senior Center	Title III	Public Way Management	Deposits	Total
\$	126,116	\$ 51,966	\$ 22,303	\$ 126,116	\$ 8,457	\$ 32,656	\$ 24,649	\$ -	\$ 12,936,432
	-	-	-	-	-	-	-	-	803,640
	254,000	-	-	254,000	-	-	-	-	1,583,989
	16,468	-	-	16,468	-	-	-	-	1,459,798
	-	-	17,560	-	-	-	-	-	18,142
	-	-	-	-	-	-	-	-	1,554,749
	-	-	-	-	-	-	-	-	230,000
	-	-	-	-	-	-	-	-	123,136
	-	-	-	-	-	-	-	-	32,823
	-	-	-	-	-	-	-	831,411	831,411
\$	<u>396,584</u>	<u>51,966</u>	<u>39,863</u>	<u>396,584</u>	<u>8,457</u>	<u>32,656</u>	<u>24,649</u>	<u>831,411</u>	<u>19,574,120</u>
\$	-	\$ -	\$ -	\$ -	\$ 1,361	\$ -	\$ -	\$ 150	\$ 332,843
	-	-	5,540	-	-	1,226	-	-	113,113
	-	-	-	-	-	-	-	-	3,401
	-	-	-	-	-	-	-	-	3,199,583
	-	-	-	-	-	-	-	-	10,992
	-	-	-	-	-	-	-	831,261	831,261
	-	-	5,540	-	1,361	1,226	-	831,411	4,491,193
	243,226	-	-	243,226	-	-	-	-	1,459,363
	-	-	-	-	-	-	-	-	412,807
	27,242	-	-	27,242	-	-	-	-	1,126,920
	-	-	-	-	-	-	-	-	1,510,463
	270,468	-	-	270,468	-	-	-	-	4,509,553
	-	-	-	-	-	-	-	-	155,959
	126,116	51,966	-	126,116	-	31,430	24,649	-	9,768,123
	-	-	34,323	-	7,096	-	-	-	700,583
	-	-	-	-	-	-	-	-	(51,291)
	126,116	51,966	34,323	126,116	7,096	31,430	24,649	-	10,573,374
\$	<u>396,584</u>	<u>51,966</u>	<u>39,863</u>	<u>396,584</u>	<u>8,457</u>	<u>32,656</u>	<u>24,649</u>	<u>831,411</u>	<u>19,574,120</u>

City of North Olmsted, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds

For the Year Ended December 31, 2022

	Casualty Loss	CDBG	Alcohol Education	Economic Development	FEMA Grant	Federal Grants	OneOhio Opioid Settlement	Sidewalk Improvement
Revenues:								
Property and other								
local income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	-	-	-	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-	-	-
Charges for services and sales	38,278	-	-	-	-	-	-	-
Fines, licenses, and permits	-	-	2,169	-	-	-	-	-
Intergovernmental	-	300,000	-	-	-	-	3,456	-
Special assessments	-	-	-	-	-	-	-	4,714
Investment income	-	-	-	13,107	-	-	-	-
Miscellaneous	-	-	-	22,188	-	-	-	-
Total revenues	<u>38,278</u>	<u>300,000</u>	<u>2,169</u>	<u>35,295</u>	<u>-</u>	<u>-</u>	<u>3,456</u>	<u>4,714</u>
Expenditures:								
Current:								
General government	39,377	-	-	-	-	-	-	-
Security of persons and property	34,247	-	-	-	69,791	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Transportation	12,130	150,000	-	-	-	-	-	-
Basic utility services	-	-	-	-	-	-	-	-
Leisure time activities	-	-	-	-	-	-	-	-
Economic development	-	-	-	10,000	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total liabilities	<u>85,754</u>	<u>150,000</u>	<u>-</u>	<u>10,000</u>	<u>69,791</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Deficiency) excess of revenues over expenditures	<u>(47,476)</u>	<u>150,000</u>	<u>2,169</u>	<u>25,295</u>	<u>(69,791)</u>	<u>-</u>	<u>3,456</u>	<u>4,714</u>
Other financing sources (uses):								
Transfers - in	100,000	-	-	-	-	-	-	-
Transfers - out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	52,524	150,000	2,169	25,295	(69,791)	-	3,456	4,714
Fund balances, beginning of year	<u>14,371</u>	<u>(143,414)</u>	<u>35,714</u>	<u>44,584</u>	<u>18,500</u>	<u>15,044</u>	<u>-</u>	<u>210,721</u>
Fund balance, end of year	<u>\$ 66,895</u>	<u>\$ 6,586</u>	<u>\$ 37,883</u>	<u>\$ 69,879</u>	<u>\$ (51,291)</u>	<u>\$ 15,044</u>	<u>\$ 3,456</u>	<u>\$ 215,435</u>

Motor Vehicle License Tax	Recreation	Clague Park	Hotel / Motel Tax	Emergency Medical Services	State Highway	Street Maintenance	Great Northern TIF
\$ -	\$ 1,057,503	\$ -	\$ 548,332	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	1,801,197	-	-	482,376	-	-	104,963
-	-	-	-	-	-	-	-
225,900	131,743	-	-	-	136,527	1,683,844	-
-	-	-	-	-	-	-	-
2,488	39,319	-	-	-	2,616	17,452	-
-	-	-	-	-	-	-	-
<u>228,388</u>	<u>3,029,762</u>	<u>-</u>	<u>548,332</u>	<u>482,376</u>	<u>139,143</u>	<u>1,701,296</u>	<u>104,963</u>
-	-	-	-	-	-	-	-
-	-	-	392,308	408,866	-	-	-
205,451	-	-	-	-	237,267	1,438,830	32,577
-	-	-	-	-	-	-	-
-	2,582,432	3,065	-	-	-	-	-
-	-	-	-	-	-	-	-
-	23,139	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>205,451</u>	<u>2,605,571</u>	<u>3,065</u>	<u>392,308</u>	<u>408,866</u>	<u>237,267</u>	<u>1,438,830</u>	<u>32,577</u>
<u>22,937</u>	<u>424,191</u>	<u>(3,065)</u>	<u>156,024</u>	<u>73,510</u>	<u>(98,124)</u>	<u>262,466</u>	<u>72,386</u>
-	-	-	-	-	-	-	-
-	(59,000)	-	(51,000)	(108,150)	-	-	(301,900)
-	(59,000)	-	(51,000)	(108,150)	-	-	(301,900)
22,937	365,191	(3,065)	105,024	(34,640)	(98,124)	262,466	(229,514)
198,068	732,698	3,065	417,366	1,028,928	307,231	1,785,386	2,233,125
<u>\$ 221,005</u>	<u>\$ 1,097,889</u>	<u>\$ -</u>	<u>\$ 522,390</u>	<u>\$ 994,288</u>	<u>\$ 209,107</u>	<u>\$ 2,047,852</u>	<u>\$ 2,003,611</u>

City of North Olmsted, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds (continued)

For the Year Ended December 31, 2022

	Court Computerization	Solid Waste and Recycling	Community Diversion	Drug Enforcement	Endowment and Grant	Fair Capacity Housing	Local Fiscal Recovery
Revenues:							
Property and other							
local income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	-	2,939,771	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-	-
Charges for services and sales	5,993	-	4,650	-	-	-	-
Fines, licenses, and permits	-	-	-	217	-	-	-
Intergovernmental	-	3,101	17,800	-	-	-	96,526
Special assessments	-	-	-	-	-	-	-
Investment income	-	-	-	-	57	-	-
Miscellaneous	-	-	-	-	36,385	-	-
Total revenues	<u>5,993</u>	<u>2,942,872</u>	<u>22,450</u>	<u>217</u>	<u>36,442</u>	<u>-</u>	<u>96,526</u>
Expenditures:							
Current:							
General government	7,696	-	-	-	-	-	50,729
Security of persons and property	-	-	-	-	6,007	-	504
Public health and welfare	-	-	27,120	-	15,894	-	15,600
Transportation	-	-	-	-	-	-	-
Basic utility services	-	2,543,410	-	-	-	-	-
Leisure time activities	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	29,693
Debt service:							
Principal	-	-	-	-	-	-	-
Total liabilities	<u>7,696</u>	<u>2,543,410</u>	<u>27,120</u>	<u>-</u>	<u>21,901</u>	<u>-</u>	<u>96,526</u>
(Deficiency) excess of revenues over expenditures	<u>(1,703)</u>	<u>399,462</u>	<u>(4,670)</u>	<u>217</u>	<u>14,541</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Transfers - in	-	-	-	-	-	-	-
Transfers - out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,703)	399,462	(4,670)	217	14,541	-	-
Fund balances, beginning of year	<u>7,999</u>	<u>1,932,439</u>	<u>7,632</u>	<u>17,354</u>	<u>234,202</u>	<u>104,176</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,296</u>	<u>\$ 2,331,901</u>	<u>\$ 2,962</u>	<u>\$ 17,571</u>	<u>\$ 248,743</u>	<u>\$ 104,176</u>	<u>\$ -</u>

	Fire Pension	Law Enforcement	STOP Program	Police Pension	Senior Center	Title III	Public Way Management	Deposits	Total
\$	264,359	\$ -	\$ -	\$ 264,359	\$ -	\$ -	\$ -	\$ -	\$ 2,134,553
	-	-	-	-	-	-	-	-	2,939,771
	-	-	-	-	-	-	-	-	104,963
	-	-	-	-	4,923	12,972	-	-	2,350,389
	-	9,909	236,722	-	1,165	-	-	241,683	491,865
	32,936	-	-	32,936	-	-	-	-	2,664,769
	-	-	-	-	-	-	-	-	4,714
	-	-	-	-	-	-	-	-	75,039
	-	-	-	-	6,718	-	-	-	65,291
	<u>297,295</u>	<u>9,909</u>	<u>236,722</u>	<u>297,295</u>	<u>12,806</u>	<u>12,972</u>	<u>-</u>	<u>241,683</u>	<u>10,831,354</u>
	-	-	-	-	-	-	-	228,089	325,891
	264,360	7,676	271,260	264,360	-	-	-	-	1,719,379
	-	-	-	-	-	15,821	-	-	74,435
	-	-	-	-	-	-	-	-	2,076,255
	-	-	-	-	-	-	-	-	2,543,410
	-	-	-	-	10,779	-	-	13,594	2,609,870
	-	-	-	-	-	-	-	-	39,693
	-	-	-	-	2,556	-	-	-	25,695
	<u>264,360</u>	<u>7,676</u>	<u>271,260</u>	<u>264,360</u>	<u>13,335</u>	<u>15,821</u>	<u>-</u>	<u>241,683</u>	<u>9,414,628</u>
	<u>32,935</u>	<u>2,233</u>	<u>(34,538)</u>	<u>32,935</u>	<u>(529)</u>	<u>(2,849)</u>	<u>-</u>	<u>-</u>	<u>1,416,726</u>
	-	-	-	-	-	-	-	-	100,000
	-	-	-	-	-	-	-	-	(520,050)
	-	-	-	-	-	-	-	-	(420,050)
	32,935	2,233	(34,538)	32,935	(529)	(2,849)	-	-	996,676
	93,181	49,733	68,861	93,181	7,625	34,279	24,649	-	9,576,698
\$	<u>126,116</u>	<u>51,966</u>	<u>34,323</u>	<u>126,116</u>	<u>7,096</u>	<u>31,430</u>	<u>24,649</u>	<u>-</u>	<u>10,573,374</u>

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Capital Projects Funds

December 31, 2022

	Permanent Improvement	Capital Improvement	Building and Land Acquisition and Improvement	Total
Assets:				
Equity in pooled cash and cash equivalents	\$ 5,106,136	\$ 89,235	\$ 4,446,973	\$ 9,642,344
Income taxes receivable	803,640	-	-	803,640
Intergovernmental receivable	1,550	-	-	1,550
Total assets	<u>\$ 5,911,326</u>	<u>\$ 89,235</u>	<u>\$ 4,446,973</u>	<u>\$ 10,447,534</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts and contracts payable	\$ 335,898	\$ 36,610	\$ -	\$ 372,508
Interfund payable	-	230,000	-	230,000
Notes payable	-	-	4,027,557	4,027,557
Accrued interest payable	-	-	23,726	23,726
Total liabilities	<u>335,898</u>	<u>266,610</u>	<u>4,051,283</u>	<u>4,653,791</u>
Deferred inflows of resources:				
Unavailable revenues	<u>332,903</u>	<u>-</u>	<u>-</u>	<u>332,903</u>
Total deferred inflows of resources	<u>332,903</u>	<u>-</u>	<u>-</u>	<u>332,903</u>
Fund balances:				
Restricted	5,242,525	-	395,690	5,638,215
Unassigned	<u>-</u>	<u>(177,375)</u>	<u>-</u>	<u>(177,375)</u>
Total fund balances	<u>5,242,525</u>	<u>(177,375)</u>	<u>395,690</u>	<u>5,460,840</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,911,326</u>	<u>\$ 89,235</u>	<u>\$ 4,446,973</u>	<u>\$ 10,447,534</u>

City of North Olmsted, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Capital Projects Funds

For the Year Ended December 31, 2022

	Permanent Improvement	Capital Improvement	Building and Land Acquisition and Improvement	Total
Revenues:				
Municipal income taxes	\$ 2,939,771	\$ -	\$ -	\$ 2,939,771
Intergovernmental	3,101	98,000	-	101,101
Total revenues	<u>2,942,872</u>	<u>98,000</u>	<u>-</u>	<u>3,040,872</u>
Expenditures:				
Current:				
General government	-	6,900	3,471	10,371
Transportation	2,001,063	36,610	-	2,037,673
Capital outlay	-	376,667	-	376,667
Debt service:				
Interest and fiscal charges	-	-	23,726	23,726
Issuance costs	-	-	17,113	17,113
Total expenditures	<u>2,001,063</u>	<u>420,177</u>	<u>44,310</u>	<u>2,465,550</u>
Excess (deficiency) of revenues over expenditures	<u>941,809</u>	<u>(322,177)</u>	<u>(44,310)</u>	<u>575,322</u>
Other financing sources (uses):				
Sale of assets	-	-	438,000	438,000
Transfers - out	(1,439,831)	-	-	(1,439,831)
Total other financing sources (uses):	<u>(1,439,831)</u>	<u>-</u>	<u>438,000</u>	<u>(1,001,831)</u>
Net change in funds balances	(498,022)	(322,177)	393,690	(426,509)
Fund balances, beginning of year	<u>5,740,547</u>	<u>144,802</u>	<u>2,000</u>	<u>5,887,349</u>
Fund balances, end of year	<u>\$ 5,242,525</u>	<u>\$ (177,375)</u>	<u>\$ 395,690</u>	<u>\$ 5,460,840</u>

City of North Olmsted, Ohio

Combining Statement of Fund Net Position Internal Service Funds

December 31, 2022

	<u>Hospitalization</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ <u>2,640,357</u>	\$ <u>1,256,808</u>	\$ <u>3,897,165</u>
Liabilities:			
Current liabilities:			
Accounts payable	-	455	455
Intergovernmental payable	-	2,487	2,487
Claims payable	<u>438,702</u>	<u>37,802</u>	<u>476,504</u>
Total current liabilities	438,702	40,744	479,446
Long-term liabilities:			
Claims payable	<u>-</u>	<u>12,600</u>	<u>12,600</u>
Total liabilities	<u>438,702</u>	<u>53,344</u>	<u>492,046</u>
Net position:			
Unrestricted	\$ <u><u>2,201,655</u></u>	\$ <u><u>1,203,464</u></u>	\$ <u><u>3,405,119</u></u>

City of North Olmsted, Ohio

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Funds

For the Year Ended December 31, 2022

	<u>Hospitalization</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Charges for services and sales	\$ 3,582,127	\$ 385,336	\$ 3,967,463
Miscellaneous	<u>102,059</u>	<u>-</u>	<u>102,059</u>
Total operating revenues	<u>3,684,186</u>	<u>385,336</u>	<u>4,069,522</u>
Operating expenses:			
Contractual services	820,751	126,042	946,793
Claims	<u>3,392,760</u>	<u>72,088</u>	<u>3,464,848</u>
Total operating expenses	<u>4,213,511</u>	<u>198,130</u>	<u>4,411,641</u>
Change in net position	(529,325)	187,206	(342,119)
Net position, beginning of year	<u>2,730,980</u>	<u>1,016,258</u>	<u>3,747,238</u>
Net position, end of year	<u>\$ 2,201,655</u>	<u>\$ 1,203,464</u>	<u>\$ 3,405,119</u>

City of North Olmsted, Ohio

Combining Statement of Cash Flows Internal Service Funds

For the Year Ended December 31, 2022

	<u>Hospitalization</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Cash flow from operating activities:			
Receipts from customers and users	\$ 3,684,186	\$ 385,336	\$ 4,069,522
Cash paid for goods and services	(820,751)	(134,410)	(955,161)
Cash paid for claims	<u>(3,390,354)</u>	<u>(61,061)</u>	<u>(3,451,415)</u>
Net cash (used) provided by operating activities	<u>(526,919)</u>	<u>189,865</u>	<u>(337,054)</u>
Net (decrease) increase in cash and cash equivalents	(526,919)	189,865	(337,054)
Cash and cash equivalents, beginning of year	<u>3,167,276</u>	<u>1,066,943</u>	<u>4,234,219</u>
Cash and cash equivalents, end of year	<u>\$ 2,640,357</u>	<u>\$ 1,256,808</u>	<u>\$ 3,897,165</u>
Reconciliation of operating (loss) income to net cash from operating activities:			
Operating (loss) income	\$ (529,325)	\$ 187,206	\$ (342,119)
Adjustments:			
Changes in assets/liabilities:			
Intergovernmental payable	-	(8,368)	(8,368)
Claims payable	<u>2,406</u>	<u>11,027</u>	<u>13,433</u>
Net cash (used) provided by operating activities	<u>\$ (526,919)</u>	<u>\$ 189,865</u>	<u>\$ (337,054)</u>

**Individual Fund
Schedules of Revenues, Expenditures/Expenses and
Changes in Fund Balances/Equities -
Budget (Non – GAAP Basis) and Actual**

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – General Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Municipal income tax	\$ 11,137,200	\$ 13,242,200	\$ 13,870,811	\$ 628,611
Property and other taxes	6,920,577	6,920,577	7,348,059	427,482
Charges for services and sales	1,435,000	1,434,910	1,788,345	353,435
Licenses and permits	1,109,500	1,109,500	1,055,197	(54,303)
Fines and forfeitures	206,000	206,000	219,258	13,258
Intergovernmental revenue	1,750,231	1,800,231	2,065,805	265,574
Investment income	200,000	200,000	568,620	368,620
Miscellaneous	24,000	24,000	22,559	(1,441)
Total revenue	<u>22,782,508</u>	<u>24,937,418</u>	<u>26,938,654</u>	<u>2,001,236</u>
Expenditures:				
Current:				
General government:				
Council				
Salaries	175,713	175,713	165,282	10,431
Benefits	50,997	50,997	49,458	1,539
Materials and supplies	1,480	1,480	1,438	42
Contractual services	55,095	55,095	31,386	23,709
Capital outlay	4,000	4,000	1,450	2,550
Total council	<u>287,285</u>	<u>287,285</u>	<u>249,014</u>	<u>38,271</u>
Office of the mayor				
Salaries	309,631	309,631	284,670	24,961
Benefits	115,746	115,746	87,932	27,814
Materials and supplies	29,600	31,700	1,007	30,693
Contractual services	68,400	66,516	61,088	5,428
Capital outlay	8,000	8,000	7,059	941
Total office of the mayor	<u>531,377</u>	<u>531,593</u>	<u>441,756</u>	<u>89,837</u>
Mayor's court				
Salaries	169,856	169,856	156,499	13,357
Benefits	79,355	79,355	75,837	3,518
Materials and supplies	12,170	12,170	8,227	3,943
Contractual services	12,423	12,423	4,863	7,560
Capital outlay	800	800	638	162
Total mayor's court	<u>274,604</u>	<u>274,604</u>	<u>246,064</u>	<u>28,540</u>
Department of finance				
Salaries	375,549	375,549	358,197	17,352
Benefits	164,453	164,453	149,778	14,675
Materials and supplies	11,163	11,163	10,056	1,107
Contractual services	771,607	867,607	841,128	26,479
Capital outlay	800	800	-	800
Total department of finance	<u>1,323,572</u>	<u>1,419,572</u>	<u>1,359,159</u>	<u>60,413</u>

(Continued)

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – General Fund (continued)

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Law Department				
Salaries	210,699	212,139	210,429	1,710
Benefits	120,003	120,852	120,091	761
Materials and supplies	875	875	131	744
Contractual services	13,723	13,723	10,720	3,003
Capital outlay	500	500	-	500
Total law department	<u>345,800</u>	<u>348,089</u>	<u>341,371</u>	<u>6,718</u>
Department of human resources				
Salaries	232,034	232,034	219,826	12,208
Benefits	105,504	105,504	93,697	11,807
Materials and supplies	3,380	3,380	2,590	790
Contractual services	279,703	279,487	202,965	76,522
Total department of human resources	<u>620,621</u>	<u>620,405</u>	<u>519,078</u>	<u>101,327</u>
Civil service				
Materials and supplies	400	400	61	339
Contractual services	48,910	48,910	20,737	28,173
Total civil service	<u>49,310</u>	<u>49,310</u>	<u>20,798</u>	<u>28,512</u>
Division of information technology				
Salaries	162,236	162,236	162,083	153
Benefits	29,859	29,859	29,789	70
Materials and supplies	6,350	6,350	-	6,350
Contractual services	419,975	419,975	413,263	6,712
Capital outlay	195,242	195,242	56,237	139,005
Total division of information technology	<u>813,662</u>	<u>813,662</u>	<u>661,372</u>	<u>152,290</u>
Boards and commissions				
Materials and supplies	5,611	5,611	5,546	65
Contractual services	20,020	20,020	1,390	18,630
Total boards and commissions	<u>25,631</u>	<u>25,631</u>	<u>6,936</u>	<u>18,695</u>
Division of building				
Salaries	834,223	850,003	735,291	114,712
Benefits	358,270	360,990	322,274	38,716
Materials and supplies	15,500	19,500	16,144	3,356
Contractual services	128,958	128,958	93,820	35,138
Capital outlay	30,000	26,000	1,973	24,027
Total division of building	<u>1,366,951</u>	<u>1,385,451</u>	<u>1,169,502</u>	<u>215,949</u>
Division of engineering				
Salaries	120,680	120,730	120,552	178
Benefits	21,951	22,071	22,041	30
Materials and supplies	1,000	1,000	444	556
Contractual services	202,937	186,267	109,903	76,364
Total division of engineering	<u>346,568</u>	<u>330,068</u>	<u>252,940</u>	<u>77,128</u>
Total general government	<u>5,985,381</u>	<u>6,085,670</u>	<u>5,267,990</u>	<u>817,680</u>

(Continued)

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – General Fund (continued)

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Security of persons and property:				
Department of public safety				
Salaries	108,002	108,002	96,834	11,168
Benefits	55,974	55,974	35,673	20,301
Materials and supplies	10,400	10,400	3,939	6,461
Contractual services	10,530	10,530	4,358	6,172
Capital outlay	1,200	71,200	70,919	281
Total department of public safety	<u>186,106</u>	<u>256,106</u>	<u>211,723</u>	<u>44,383</u>
Division of fire				
Salaries	3,849,043	3,922,043	3,808,811	113,232
Benefits	1,675,404	1,689,204	1,610,291	78,913
Materials and supplies	148,149	148,149	106,509	41,640
Contractual services	348,372	348,372	232,246	116,126
Capital outlay	44,455	44,455	37,310	7,145
Total division of fire	<u>6,065,423</u>	<u>6,152,223</u>	<u>5,795,167</u>	<u>357,056</u>
Division of police				
Salaries	4,723,999	4,587,249	4,447,873	139,376
Benefits	1,787,857	1,751,857	1,596,217	155,640
Materials and supplies	178,288	214,288	189,777	24,511
Contractual services	477,123	477,123	351,633	125,490
Capital outlay	23,400	23,400	16,450	6,950
Total division of police	<u>7,190,667</u>	<u>7,053,917</u>	<u>6,601,950</u>	<u>451,967</u>
Central dispatch				
Salaries	664,620	768,370	763,124	5,246
Benefits	238,306	296,306	267,545	28,761
Materials and supplies	2,000	2,000	-	2,000
Contractual services	62,706	62,706	14,588	48,118
Total central dispatch	<u>967,632</u>	<u>1,129,382</u>	<u>1,045,257</u>	<u>84,125</u>
Corrections				
Salaries	107,148	109,648	106,252	3,396
Benefits	50,209	47,709	45,429	2,280
Materials and supplies	3,500	3,500	432	3,068
Contractual services	108,806	108,806	60,283	48,523
Capital outlay	5,000	5,000	-	5,000
Total corrections	<u>274,663</u>	<u>274,663</u>	<u>212,396</u>	<u>62,267</u>
Total security of persons and property	<u>14,684,491</u>	<u>14,866,291</u>	<u>13,866,493</u>	<u>999,798</u>

(Continued)

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – General Fund (continued)

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Public health and welfare:				
Division of recreation and public engagement				
Salaries	108,002	108,002	91,798	16,204
Benefits	55,816	55,616	33,772	21,844
Materials and supplies	500	700	505	195
Contractual services	37,880	44,248	41,956	2,292
Capital outlay	1,500	1,500	1,474	26
Total division of recreation and public engagement	<u>203,698</u>	<u>210,066</u>	<u>169,505</u>	<u>40,561</u>
Division of youth and family services				
Salaries	111,110	111,110	86,363	24,747
Benefits	30,295	30,295	22,976	7,319
Materials and supplies	3,425	3,425	2,311	1,114
Contractual services	18,181	18,181	11,500	6,681
Capital outlay	13,000	13,000	1,640	11,360
Total division of youth and family services	<u>176,011</u>	<u>176,011</u>	<u>124,790</u>	<u>51,221</u>
Division of aging				
Salaries	193,113	188,613	186,393	2,220
Benefits	85,983	90,483	89,099	1,384
Materials and supplies	13,725	7,825	6,896	929
Contractual services	49,887	49,419	47,164	2,255
Total division of aging	<u>342,708</u>	<u>336,340</u>	<u>329,552</u>	<u>6,788</u>
Total public health and welfare	<u>722,417</u>	<u>722,417</u>	<u>623,847</u>	<u>98,570</u>
Transportation:				
Department of public service				
Salaries	131,002	131,002	93,487	37,515
Benefits	71,898	71,898	34,228	37,670
Materials and supplies	2,069	2,069	1,502	567
Contractual services	611,801	611,801	587,902	23,899
Capital outlay	3,109	3,109	259	2,850
Total department of public service	<u>819,879</u>	<u>819,879</u>	<u>717,378</u>	<u>102,501</u>
Division of public works				
Salaries	1,541,313	1,524,193	1,356,314	167,879
Benefits	691,293	708,413	648,681	59,732
Materials and supplies	200,492	215,492	147,537	67,955
Contractual services	463,209	463,209	382,925	80,284
Capital outlay	24,000	24,000	19,280	4,720
Total division of public works	<u>2,920,307</u>	<u>2,935,307</u>	<u>2,554,737</u>	<u>380,570</u>

(Continued)

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – General Fund (continued)

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Division of fleet				
Salaries	509,053	509,053	463,978	45,075
Benefits	218,736	218,736	215,599	3,137
Materials and supplies	430,593	430,593	347,150	83,443
Contractual services	43,246	43,246	31,510	11,736
Capital outlay	22,500	22,500	18,034	4,466
Total division of fleet	<u>1,224,128</u>	<u>1,224,128</u>	<u>1,076,271</u>	<u>147,857</u>
Total transportation	<u>4,964,314</u>	<u>4,979,314</u>	<u>4,348,386</u>	<u>630,928</u>
Basic utility services:				
Service department				
Contractual services	<u>67,500</u>	<u>52,500</u>	<u>9,154</u>	<u>43,346</u>
Economic development:				
Division of economic and community development				
Salaries	200,940	200,940	157,128	43,812
Benefits	110,964	110,964	87,824	23,140
Materials and supplies	4,000	4,000	1,042	2,958
Contractual services	278,623	320,123	237,336	82,787
Capital outlay	<u>1,000</u>	<u>1,000</u>	<u>900</u>	<u>100</u>
Total division of economic and community development	<u>595,527</u>	<u>637,027</u>	<u>484,230</u>	<u>152,797</u>
Total expenditures	<u>27,019,630</u>	<u>27,343,219</u>	<u>24,600,100</u>	<u>2,743,119</u>
(Deficiency) excess of revenues over expenditures	(4,237,122)	(2,405,801)	2,338,554	4,744,355
Other financing (uses) sources:				
Refunds	-	-	(45)	(45)
Proceeds from sale of assets	5,000	5,000	31,522	26,522
Advances - in	248,000	248,000	248,000	-
Transfers - in	-	100,000	100,000	-
Transfers - out	<u>(732,200)</u>	<u>(882,200)</u>	<u>(882,200)</u>	<u>-</u>
Total other financing (uses) sources	<u>(479,200)</u>	<u>(529,200)</u>	<u>(502,723)</u>	<u>26,477</u>
Net change in fund balance	(4,716,322)	(2,935,001)	1,835,831	4,770,832
Prior year encumbrances appropriated	476,721	476,721	476,721	-
Fund balance, beginning of year	<u>5,395,654</u>	<u>5,395,654</u>	<u>5,395,654</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,156,053</u>	<u>\$ 2,937,374</u>	<u>\$ 7,708,206</u>	<u>\$ 4,770,832</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Separation Pay Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Expenditures:				
Current:				
General government:				
Division of economic and community development				
Salaries	\$ 21,329	\$ 27,034	\$ 27,033	\$ 1
Benefits	310	390	390	-
Total division of economic and community development	<u>21,639</u>	<u>27,424</u>	<u>27,423</u>	<u>1</u>
Engineering				
Salaries	2,017	2,017	2,016	1
Benefits	30	30	29	1
Total engineering	<u>2,047</u>	<u>2,047</u>	<u>2,045</u>	<u>2</u>
Office of the mayor				
Salaries	-	5,701	5,701	-
Benefits	-	82	82	-
Total office of the mayor	<u>-</u>	<u>5,783</u>	<u>5,783</u>	<u>-</u>
General clerical				
Salaries	-	25,139	25,139	-
Benefits	-	363	363	-
Total general clerical	<u>-</u>	<u>25,502</u>	<u>25,502</u>	<u>-</u>
Mayor's court				
Salaries	1,308	1,308	1,307	1
Benefits	19	19	19	-
Total mayor's court	<u>1,327</u>	<u>1,327</u>	<u>1,326</u>	<u>1</u>
Department of human resources				
Salaries	24,464	24,464	24,463	1
Benefits	355	355	355	-
Total department of human resources	<u>24,819</u>	<u>24,819</u>	<u>24,818</u>	<u>1</u>

(Continued)

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Separation Pay Fund (continued)

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Division of building				
Salaries	19,000	19,000	18,809	191
Benefits	1,468	1,468	271	1,197
Total division of building	20,468	20,468	19,080	1,388
Total general government	70,300	107,370	105,977	1,393
Security of persons and property:				
Department of public safety				
Salaries	6,530	6,530	6,530	-
Benefits	95	95	95	-
Total department of public safety	6,625	6,625	6,625	-
Division of fire				
Salaries	195,730	267,777	71,952	195,825
Benefits	2,839	3,938	1,040	2,898
Total division of fire	198,569	271,715	72,992	198,723
Division of police				
Salaries	498,000	341,647	120,364	221,283
Benefits	7,222	4,901	1,743	3,158
Total division of police	505,222	346,548	122,107	224,441
Central dispatch				
Salaries	76,000	76,000	21,278	54,722
Benefits	1,102	1,102	-	1,102
Total central dispatch	77,102	77,102	21,278	55,824
Total security of persons and property	787,518	701,990	223,002	478,988
Public health and welfare:				
Division of youth and family services				
Salaries	52,128	55,502	55,502	-
Benefits	756	791	791	-
Total public health and welfare	52,884	56,293	56,293	-

(Continued)

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Separation Pay Fund (continued)

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Leisure time activities:				
Recreation department				
Salaries	-	9,000	9,000	-
Benefits	-	129	129	-
Total leisure time activities	-	9,129	9,129	-
Transportation:				
Department of public service				
Salaries	5,698	13,754	13,754	-
Benefits	83	199	198	1
Total department of public service	5,781	13,953	13,952	1
Division of fleet				
Salaries	-	1,301	1,301	-
Benefits	-	19	19	-
Total division of fleet	-	1,320	1,320	-
Total transportation	5,781	15,273	15,272	1
Sewer:				
Salaries	-	16,611	16,562	49
Benefits	-	262	236	26
Total sewer	-	16,873	16,798	75
Total expenditures	916,483	906,928	426,471	480,457
(Deficiency) excess of revenues over expenditures	(916,483)	(906,928)	(426,471)	480,457
Other financing sources:				
Transfers - in	750,000	750,000	750,000	-
Net change in fund balance	(166,483)	(156,928)	323,529	480,457
Fund balance, beginning of year	1,278,306	1,278,306	1,278,306	-
Fund balance, end of year	\$ 1,111,823	\$ 1,121,378	\$ 1,601,835	\$ 480,457

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – 27th Pay Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Other financing sources:				
Transfers - in	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Net change in fund balance	100,000	100,000	100,000	-
Fund balance, beginning of year	456,000	456,000	456,000	-
Fund balance, end of year	<u>\$ 556,000</u>	<u>\$ 556,000</u>	<u>\$ 556,000</u>	<u>\$ -</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – General Obligation Bond Retirement Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property and other taxes	\$ 1,411,087	\$ 1,411,087	\$ 1,498,115	\$ 87,028
Intergovernmental revenue	177,702	177,702	186,636	8,934
Investment income	500	500	14,718	14,218
Total revenue	<u>1,589,289</u>	<u>1,589,289</u>	<u>1,699,469</u>	<u>110,180</u>
Expenditures:				
Debt service:				
Contractual services	42,000	42,000	16,750	25,250
Principal	5,415,665	5,415,665	5,415,665	-
Interest and fiscal charges	1,795,605	1,795,605	1,795,605	-
Issuance cost	-	27,000	27,000	-
Total expenditures	<u>7,253,270</u>	<u>7,280,270</u>	<u>7,255,020</u>	<u>25,250</u>
(Deficiency) excess of revenues over expenditures	(5,663,981)	(5,690,981)	(5,555,551)	135,430
Other financing sources:				
Transfers - in	<u>5,908,763</u>	<u>5,914,207</u>	<u>5,908,763</u>	<u>(5,444)</u>
Net change in fund balance	244,782	223,226	353,212	129,986
Prior year encumbrances appropriated	12,000	12,000	12,000	-
Fund balance, beginning of year	<u>3,931,864</u>	<u>3,931,864</u>	<u>3,931,864</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,188,646</u>	<u>\$ 4,167,090</u>	<u>\$ 4,297,076</u>	<u>\$ 129,986</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Casualty Loss Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services and sales	\$ 20,000	\$ 38,500	\$ 38,278	\$ (222)
Expenditures:				
Current:				
General government:				
Department of human resources				
Contractual services	25,000	23,800	23,208	592
Division of engineering				
Contractual services	28,438	30,438	30,421	17
Total general government	53,438	54,238	53,629	609
Security of persons and property:				
Division of fire				
Contractual services	9,350	3,350	3,350	-
Division of police				
Contractual services	4,000	43,700	41,307	2,393
Total security of persons and property	13,350	47,050	44,657	2,393
Total expenditures	66,788	101,288	98,286	3,002
(Deficiency) excess of revenues over expenditures	(46,788)	(62,788)	(60,008)	2,780
Other financing sources:				
Transfers - in	50,000	100,000	100,000	-
Net change in fund balance	3,212	37,212	39,992	2,780
Prior year encumbrances appropriated	16,788	16,788	16,788	-
Fund balance, beginning of year	4,642	4,642	4,642	-
Fund balance, end of year	\$ 24,642	\$ 58,642	\$ 61,422	\$ 2,780

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – CDBG Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 150,000	\$ 300,000	\$ 300,000	\$ -
Expenditures:				
Current:				
Transportation:				
Department of planning and development				
Capital outlay	-	150,000	150,000	-
Total expenditures	-	150,000	150,000	-
Excess of revenues over expenditures	150,000	150,000	150,000	-
Other financing uses:				
Advances - out	(150,000)	(150,000)	(150,000)	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	6,586	6,586	6,586	-
Fund balance, end of year	\$ 6,586	\$ 6,586	\$ 6,586	\$ -

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Alcohol Education Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 2,094	\$ 2,094
Net change in fund balance	-	-	2,094	2,094
Fund balance, beginning of year	35,664	35,664	35,664	-
Fund balance, end of year	<u>\$ 35,664</u>	<u>\$ 35,664</u>	<u>\$ 37,758</u>	<u>\$ 2,094</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Economic Development Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Miscellaneous	\$ 18,800	\$ 18,800	\$ 24,222	\$ 5,422
Expenditures:				
Current:				
Economic development:				
Division of economic and community development				
Contractual services	10,000	10,000	10,000	-
Excess of revenues over expenditures	8,800	8,800	14,222	5,422
Other financing sources:				
Transfers - in	34,000	34,000	-	(34,000)
Net change in fund balance	42,800	42,800	14,222	(28,578)
Fund balance, beginning of year	44,585	44,585	44,585	-
Fund balance, end of year	<u>\$ 87,385</u>	<u>\$ 87,385</u>	<u>\$ 58,807</u>	<u>\$ (28,578)</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – FEMA Grant Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ -	\$ 139,582	\$ -	\$ (139,582)
Expenditures:				
Current:				
Security of persons and property:				
Division of fire				
Capital outlay	-	139,582	139,581	1
Net change in fund balance	-	-	(139,581)	(139,581)
Fund balance, beginning of year	18,500	18,500	18,500	-
Fund balance (deficit), end of year	\$ 18,500	\$ 18,500	\$ (121,081)	\$ (139,581)

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Federal Grants Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Fund balance, beginning of year	\$ 15,044	\$ 15,044	\$ 15,044	\$ -
Fund balance, end of year	\$ 15,044	\$ 15,044	\$ 15,044	\$ -

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – OneOhio Opioid Settlement

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ -	\$ -	\$ 3,456	\$ 3,456
Net change in fund balance	-	-	3,456	3,456
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,456</u>	<u>\$ 3,456</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Sidewalk Improvement Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services and sales	\$ 20,000	\$ 20,000	\$ 4,714	\$ (15,286)
Expenditures:				
Current:				
Transportation:				
Public service and properties				
Contractual services	16,185	16,185	-	16,185
Net change in fund balance	3,815	3,815	4,714	899
Prior year encumbrances appropriated	11,185	11,185	11,185	-
Fund balance, beginning of year	199,535	199,535	199,535	-
Fund balance, end of year	<u>\$ 214,535</u>	<u>\$ 214,535</u>	<u>\$ 215,434</u>	<u>\$ 899</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Motor Vehicle License Tax Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 234,000	\$ 234,000	\$ 226,012	\$ (7,988)
Miscellaneous	500	500	2,488	1,988
Total revenue	<u>234,500</u>	<u>234,500</u>	<u>228,500</u>	<u>(6,000)</u>
Expenditures:				
Current:				
Transportation:				
Department of public service				
Materials and supplies	48,000	48,000	25,453	22,547
Contractual services	169,015	182,025	177,214	4,811
Total expenditures	<u>217,015</u>	<u>230,025</u>	<u>202,667</u>	<u>27,358</u>
Net change in fund balance	17,485	4,475	25,833	21,358
Prior year encumbrances appropriated	1,010	1,010	1,010	-
Fund balance, beginning of year	<u>171,175</u>	<u>171,175</u>	<u>171,175</u>	<u>-</u>
Fund balance, end of year	<u>\$ 189,670</u>	<u>\$ 176,660</u>	<u>\$ 198,018</u>	<u>\$ 21,358</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Recreation Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property and other taxes	\$ 996,058	\$ 996,058	\$ 1,057,503	\$ 61,445
Charges for services and sales	1,684,220	1,678,220	1,808,254	130,034
Intergovernmental revenue	125,440	125,440	130,792	5,352
Total revenue	<u>2,805,718</u>	<u>2,799,718</u>	<u>2,996,549</u>	<u>196,831</u>
Expenditures:				
Current:				
Leisure time activities:				
Recreation department				
Salaries	1,338,259	1,306,259	1,181,679	124,580
Benefits	427,388	427,388	406,987	20,401
Materials and supplies	184,987	190,987	186,440	4,547
Contractual services	991,873	998,628	899,133	99,495
Capital outlay	80,000	383,277	347,914	35,363
Total expenditures	<u>3,022,507</u>	<u>3,306,539</u>	<u>3,022,153</u>	<u>284,386</u>
(Deficiency) excess of revenues over expenditures	(216,789)	(506,821)	(25,604)	481,217
Other financing uses:				
Transfers - out	<u>(59,000)</u>	<u>(59,000)</u>	<u>(59,000)</u>	<u>-</u>
Net change in fund balance	(275,789)	(565,821)	(84,604)	481,217
Prior year encumbrances appropriated	83,010	83,010	83,010	-
Fund balance, beginning of year	<u>486,374</u>	<u>486,374</u>	<u>486,374</u>	<u>-</u>
Fund balance, end of year	<u>\$ 293,595</u>	<u>\$ 3,563</u>	<u>\$ 484,780</u>	<u>\$ 481,217</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Clague Park Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Expenditures:				
Current:				
Leisure time activities:				
Recreation department				
Capital outlay	\$ 3,065	\$ 3,065	\$ 3,065	\$ -
Net change in fund balance	(3,065)	(3,065)	(3,065)	-
Prior year encumbrances appropriated	3,065	3,065	3,065	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Hotel/Motel Tax Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property and other taxes	\$ 375,000	\$ 375,000	\$ 528,307	\$ 153,307
Expenditures:				
Current:				
Security of persons and property:				
Fire department				
Materials and supplies	35,558	35,558	27,720	7,838
Contractual services	43,300	43,300	38,248	5,052
Capital outlay	158,857	158,857	121,887	36,970
Total fire department	<u>237,715</u>	<u>237,715</u>	<u>187,855</u>	<u>49,860</u>
Police department				
Materials and supplies	52,984	52,984	33,956	19,028
Contractual services	12,000	12,000	10,320	1,680
Capital outlay	378,253	378,253	366,759	11,494
Total police department	<u>443,237</u>	<u>443,237</u>	<u>411,035</u>	<u>32,202</u>
Total expenditures	<u>680,952</u>	<u>680,952</u>	<u>598,890</u>	<u>82,062</u>
(Deficiency) excess of revenues over expenditures	(305,952)	(305,952)	(70,583)	235,369
Other financing uses:				
Transfers - out	<u>(51,000)</u>	<u>(51,000)</u>	<u>(51,000)</u>	<u>-</u>
Net change in fund equity	(356,952)	(356,952)	(121,583)	235,369
Prior year encumbrances appropriated	81,313	81,313	81,313	-
Fund balance, beginning of year	<u>319,141</u>	<u>319,141</u>	<u>319,141</u>	<u>-</u>
Fund balance, end of year	<u>\$ 43,502</u>	<u>\$ 43,502</u>	<u>\$ 278,871</u>	<u>\$ 235,369</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Emergency Medical Service Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services and sales	\$ 430,000	\$ 430,000	\$ 482,376	\$ 52,376
Expenditures:				
Current:				
Security of persons and property:				
Fire department				
Contractual services	37,742	40,484	36,394	4,090
Capital outlay	433,442	817,302	444,415	372,887
Total expenditures	471,184	857,786	480,809	376,977
(Deficiency) excess of revenues over expenditures	(41,184)	(427,786)	1,567	429,353
Other financing uses:				
Transfers - out	(108,150)	(108,150)	(108,150)	-
Net change in fund balance	(149,334)	(535,936)	(106,583)	429,353
Prior year encumbrances appropriated	356,184	356,184	356,184	-
Fund balance, beginning of year	672,746	672,746	672,746	-
Fund balance, end of year	\$ 879,596	\$ 492,994	\$ 922,347	\$ 429,353

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – State Highway Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 142,450	\$ 142,450	\$ 137,220	\$ (5,230)
Investment income	1,300	1,300	2,616	1,316
Total revenue	<u>143,750</u>	<u>143,750</u>	<u>139,836</u>	<u>(3,914)</u>
Expenditures:				
Current:				
Transportation:				
Service department				
Materials and supplies	293,000	382,050	216,947	165,103
Contractual services	130,340	148,630	146,767	1,863
Total expenditures	<u>423,340</u>	<u>530,680</u>	<u>363,714</u>	<u>166,966</u>
Net change in fund balance	(279,590)	(386,930)	(223,878)	163,052
Prior year encumbrances appropriated	100,340	100,340	100,340	-
Fund balance, beginning of year	<u>194,441</u>	<u>194,441</u>	<u>194,441</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 15,191</u>	<u>\$ (92,149)</u>	<u>\$ 70,903</u>	<u>\$ 163,052</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Street Maintenance Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 1,757,000	\$ 1,757,000	\$ 1,692,388	\$ (64,612)
Investment income	4,600	4,600	17,452	12,852
Total revenue	<u>1,761,600</u>	<u>1,761,600</u>	<u>1,709,840</u>	<u>(51,760)</u>
Expenditures:				
Current:				
Transportation:				
Service department				
Salaries	377,580	377,580	346,928	30,652
Benefits	163,957	163,957	155,431	8,526
Materials and supplies	554,489	585,228	507,053	78,175
Contractual services	210,401	221,902	156,561	65,341
Capital outlay	983,451	1,207,902	814,447	393,455
Total expenditures	<u>2,289,878</u>	<u>2,556,569</u>	<u>1,980,420</u>	<u>576,149</u>
Net change in fund balance	(528,278)	(794,969)	(270,580)	524,389
Prior year encumbrances appropriated	266,691	266,691	266,691	-
Fund balance, beginning of year	<u>1,173,267</u>	<u>1,173,267</u>	<u>1,173,267</u>	<u>-</u>
Fund balance, end of year	<u>\$ 911,680</u>	<u>\$ 644,989</u>	<u>\$ 1,169,378</u>	<u>\$ 524,389</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Great Northern TIF Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property and other taxes	\$ 400,000	\$ 400,000	\$ 104,963	\$ (295,037)
Expenditures:				
Current:				
General government:				
Contractual services	15,000	210,000	175,999	34,001
Excess (deficiency) of revenues over expenditures	385,000	190,000	(71,036)	(261,036)
Other financing uses:				
Transfers - out	(301,900)	(301,900)	(301,900)	-
Net change in fund balance	83,100	(111,900)	(372,936)	(261,036)
Fund balance, beginning of year	2,233,124	2,233,124	2,233,124	-
Fund balance, end of year	\$ 2,316,224	\$ 2,121,224	\$ 1,860,188	\$ (261,036)

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Court Computerization Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services and sales	\$ 6,000	\$ 6,000	\$ 5,939	\$ (61)
Expenditures:				
Current:				
General government:				
Materials and supplies	500	1,000	479	521
Contractual services	10,879	10,879	7,043	3,836
Capital outlay	1,350	850	188	662
Total expenditures	<u>12,729</u>	<u>12,729</u>	<u>7,710</u>	<u>5,019</u>
Net change in fund balance	(6,729)	(6,729)	(1,771)	4,958
Prior year encumbrances appropriated	1,179	1,179	1,179	-
Fund balance, beginning of year	<u>6,431</u>	<u>6,431</u>	<u>6,431</u>	<u>-</u>
Fund balance, end of year	<u>\$ 881</u>	<u>\$ 881</u>	<u>\$ 5,839</u>	<u>\$ 4,958</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Solid Waste and Recycling Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Municipal income tax	\$ 2,386,800	\$ 2,837,800	\$ 2,972,317	\$ 134,517
Intergovernmental revenue	7,000	7,000	3,101	(3,899)
Total revenue	<u>2,393,800</u>	<u>2,844,800</u>	<u>2,975,418</u>	<u>130,618</u>
Expenditures:				
Current:				
Basic utility services:				
Service department				
Contractual services	2,707,522	2,707,522	2,640,712	66,810
Capital outlay	92,000	122,000	120,712	1,288
Total expenditures	<u>2,799,522</u>	<u>2,829,522</u>	<u>2,761,424</u>	<u>68,098</u>
Net change in fund balance	(405,722)	15,278	213,994	198,716
Prior year encumbrances appropriated	4,422	4,422	4,422	-
Fund balance, beginning of year	<u>1,611,406</u>	<u>1,611,406</u>	<u>1,611,406</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,210,106</u>	<u>\$ 1,631,106</u>	<u>\$ 1,829,822</u>	<u>\$ 198,716</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Community Diversion Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services and sales	\$ 12,500	\$ 12,500	\$ 7,450	\$ (5,050)
Intergovernmental revenue	15,000	15,000	-	(15,000)
Total revenue	<u>27,500</u>	<u>27,500</u>	<u>7,450</u>	<u>(20,050)</u>
Expenditures:				
Current:				
Public health and welfare:				
Division of youth services				
Salaries	24,700	24,700	21,838	2,862
Benefits	4,271	4,271	3,789	482
Materials and supplies	950	950	776	174
Contractual services	3,280	3,280	859	2,421
Total expenditures	<u>33,201</u>	<u>33,201</u>	<u>27,262</u>	<u>5,939</u>
Net change in fund balance	(5,701)	(5,701)	(19,812)	(14,111)
Prior year encumbrances appropriated	80	80	80	-
Fund balance, beginning of year	<u>8,694</u>	<u>8,694</u>	<u>8,694</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 3,073</u>	<u>\$ 3,073</u>	<u>\$ (11,038)</u>	<u>\$ (14,111)</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Drug Enforcement Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 217	\$ 217
Net change in fund balance	-	-	217	217
Fund balance, beginning of year	17,354	17,354	17,354	-
Fund balance, end of year	<u>\$ 17,354</u>	<u>\$ 17,354</u>	<u>\$ 17,571</u>	<u>\$ 217</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Endowment and Grant Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Miscellaneous	\$ 25,000	\$ 25,000	\$ 36,441	\$ 11,441
Expenditures:				
Current:				
Security of persons and property:				
Division of fire				
Contractual services	30	30	24	6
Division of police				
Materials and supplies	6,200	6,200	5,982	218
Contractual services	29,862	29,862	15,450	14,412
Total division of police	<u>36,062</u>	<u>36,062</u>	<u>21,432</u>	<u>14,630</u>
Total security of persons and property	<u>36,092</u>	<u>36,092</u>	<u>21,456</u>	<u>14,636</u>
Public health and welfare:				
Division of youth and family services				
Materials and supplies	114,584	114,584	17,886	96,698
Contractual services	19,150	19,150	-	19,150
Total public health and welfare	<u>133,734</u>	<u>133,734</u>	<u>17,886</u>	<u>115,848</u>
Total expenditures	<u>169,826</u>	<u>169,826</u>	<u>39,342</u>	<u>130,484</u>
Net change in fund balance	(144,826)	(144,826)	(2,901)	141,925
Prior year encumbrances appropriated	3,293	3,293	3,293	-
Fund balance, beginning of year	<u>233,935</u>	<u>233,935</u>	<u>233,935</u>	<u>-</u>
Fund balance, end of year	<u>\$ 92,402</u>	<u>\$ 92,402</u>	<u>\$ 234,327</u>	<u>\$ 141,925</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Fair Capacity Housing Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Fund balance, beginning of year	\$ 104,176	\$ 104,176	\$ 104,176	\$ -
Fund balance, end of year	\$ 104,176	\$ 104,176	\$ 104,176	\$ -

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Local Fiscal Recovery Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 1,641,502	\$ 1,641,502	\$ 1,654,608	\$ 13,106
Expenditures:				
Current:				
General government:				
Office of the mayor				
Contractual services	-	179,000	179,000	-
Economic and community development				
Contractual services	-	795,000	65,007	729,993
Total general government	-	974,000	244,007	729,993
Public health and welfare:				
Division of aging				
Capital outlay	-	326,500	69,000	257,500
Total public health and welfare	-	326,500	69,000	257,500
Security of persons and property:				
Department of public safety				
Capital outlay	-	1,000	534	466
Division of police				
Contractual services	-	15,001	-	15,001
Total security of persons and property	-	16,001	534	15,467
Total expenditures	-	1,316,501	313,541	1,002,960
Net change in fund balance	1,641,502	325,001	1,341,067	1,016,066
Fund balance, beginning of year	1,641,501	1,641,501	1,641,501	-
Fund balance, end of year	\$ 3,283,003	\$ 1,966,502	\$ 2,982,568	\$ 1,016,066

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Fire Pension Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property and other taxes	\$ 280,375	\$ 280,375	\$ 264,359	\$ (16,016)
Intergovernmental revenue	31,361	31,361	32,936	1,575
Total revenue	<u>311,736</u>	<u>311,736</u>	<u>297,295</u>	<u>(14,441)</u>
Expenditures:				
Current:				
Security of persons and property:				
Fire department				
Benefits	<u>300,000</u>	<u>300,000</u>	<u>264,359</u>	<u>35,641</u>
Net change in fund balance	11,736	11,736	32,936	21,200
Fund balance, beginning of year	<u>93,180</u>	<u>93,180</u>	<u>93,180</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 104,916</u></u>	<u><u>\$ 104,916</u></u>	<u><u>\$ 126,116</u></u>	<u><u>\$ 21,200</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Law Enforcement Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ 10,000	\$ 9,909	\$ (91)
Expenditures:				
Current:				
Security of persons and property:				
Police department				
Contractual services	-	2,000	850	1,150
Capital outlay	47,000	52,000	48,134	3,866
Total expenditures	47,000	54,000	48,984	5,016
Net change in fund balance	(47,000)	(44,000)	(39,075)	4,925
Fund balance, beginning of year	49,733	49,733	49,733	-
Fund balance, end of year	\$ 2,733	\$ 5,733	\$ 10,658	\$ 4,925

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – STOP Program Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 224,000	\$ 254,000	\$ 235,112	\$ (18,888)
Expenditures:				
Current:				
Security of persons and property:				
Law department				
Salaries	39,568	39,568	37,091	2,477
Benefits	17,289	17,289	16,899	390
Total law department	<u>56,857</u>	<u>56,857</u>	<u>53,990</u>	<u>2,867</u>
Police department				
Salaries	131,220	156,220	149,581	6,639
Benefits	49,315	55,516	54,401	1,115
Materials and supplies	24,300	24,300	4,877	19,423
Contractual services	21,000	16,000	8,652	7,348
Capital outlay	-	-	-	-
Total police department	<u>225,835</u>	<u>252,036</u>	<u>217,511</u>	<u>34,525</u>
Total expenditures	<u>282,692</u>	<u>308,893</u>	<u>271,501</u>	<u>37,392</u>
Net change in fund balance	(58,692)	(54,893)	(36,389)	18,504
Fund balance, beginning of year	<u>58,692</u>	<u>58,692</u>	<u>58,692</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 3,799</u>	<u>\$ 22,303</u>	<u>\$ 18,504</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Police Pension Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property and other taxes	\$ 280,375	\$ 280,375	\$ 264,359	\$ (16,016)
Intergovernmental revenue	31,361	31,361	32,936	1,575
Total revenue	<u>311,736</u>	<u>311,736</u>	<u>297,295</u>	<u>(14,441)</u>
Expenditures:				
Current:				
Security of persons and property:				
Police department				
Benefits	<u>300,000</u>	<u>300,000</u>	<u>264,359</u>	<u>35,641</u>
Net change in fund balance	11,736	11,736	32,936	21,200
Fund balance, beginning of year	<u>93,180</u>	<u>93,180</u>	<u>93,180</u>	<u>-</u>
Fund balance, end of year	<u>\$ 104,916</u>	<u>\$ 104,916</u>	<u>\$ 126,116</u>	<u>\$ 21,200</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Senior Center Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services and sales	\$ 400	\$ 700	\$ 4,922	\$ 4,222
Fines and forfeitures	2,000	2,000	1,165	(835)
Miscellaneous	6,300	7,800	6,718	(1,082)
Total revenue	<u>8,700</u>	<u>10,500</u>	<u>12,805</u>	<u>2,305</u>
Expenditures:				
Current:				
Leisure time activities:				
Department of community life services				
Materials and supplies	15,408	2,231	15,350	(13,119)
Contractual services	-	2,030	2,030	-
Total expenditures	<u>15,408</u>	<u>4,261</u>	<u>17,380</u>	<u>(13,119)</u>
Net change in fund balance	(6,708)	6,239	(4,575)	(10,814)
Prior year encumbrances appropriated	608	608	608	-
Fund balance, beginning of year	<u>7,176</u>	<u>7,176</u>	<u>7,176</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,076</u>	<u>\$ 14,023</u>	<u>\$ 3,209</u>	<u>\$ (10,814)</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Title III Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 5,000	\$ 5,000	\$ 12,972	\$ 7,972
Expenditures:				
Current:				
Public health and welfare				
Senior services				
Salaries	18,005	18,005	12,179	5,826
Benefits	3,144	3,144	2,415	729
Total expenditures	<u>21,149</u>	<u>21,149</u>	<u>14,594</u>	<u>6,555</u>
Net change in fund balance	(16,149)	(16,149)	(1,622)	14,527
Fund balance, beginning of year	<u>34,278</u>	<u>34,278</u>	<u>34,278</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 18,129</u></u>	<u><u>\$ 18,129</u></u>	<u><u>\$ 32,656</u></u>	<u><u>\$ 14,527</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Public Way Management Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Fund balance, beginning of year	\$ 24,649	\$ 24,649	\$ 24,649	\$ -
Fund balance, end of year	\$ 24,649	\$ 24,649	\$ 24,649	\$ -

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Deposits Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services and sales	\$ 162,000	\$ 162,000	\$ 241,683	\$ 79,683
Expenditures:				
Current:				
General government:				
Contractual services	331,500	336,500	51,305	285,195
Net change in fund equity	(169,500)	(174,500)	190,378	364,878
Prior year encumbrances appropriated	1,500	1,500	1,500	-
Fund balance, beginning of year	638,032	638,032	638,032	-
Fund balance, end of year	<u>\$ 470,032</u>	<u>\$ 465,032</u>	<u>\$ 829,910</u>	<u>\$ 364,878</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Fire Station Bond Retirement Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property and other taxes	\$ 332,020	\$ 332,020	\$ 352,508	\$ 20,488
Intergovernmental revenue	41,812	41,812	43,914	2,102
Total revenue	<u>373,832</u>	<u>373,832</u>	<u>396,422</u>	<u>22,590</u>
Expenditures:				
Debt service:				
Principal	1,080,000	1,080,000	1,080,000	-
Interest and fiscal charges	35,100	35,100	35,100	-
Issuance cost	10,000	10,000	3,040	6,960
Total expenditures	<u>1,125,100</u>	<u>1,125,100</u>	<u>1,118,140</u>	<u>6,960</u>
Net change in fund balance	(751,268)	(751,268)	(721,718)	29,550
Fund balance, beginning of year	<u>888,218</u>	<u>888,218</u>	<u>888,218</u>	-
Fund balance, end of year	<u>\$ 136,950</u>	<u>\$ 136,950</u>	<u>\$ 166,500</u>	<u>\$ 29,550</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Permanent Improvements Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Municipal income tax	\$ 2,386,800	\$ 2,837,800	\$ 2,972,317	\$ 134,517
Intergovernmental revenue	7,000	7,000	3,100	(3,900)
Total revenue	<u>2,393,800</u>	<u>2,844,800</u>	<u>2,975,417</u>	<u>130,617</u>
Expenditures:				
Current:				
Transportation:				
Service				
Contractual services	48,000	53,000	51,056	1,944
Capital outlay	<u>2,851,967</u>	<u>2,967,789</u>	<u>1,977,422</u>	<u>990,367</u>
Total service	<u>2,899,967</u>	<u>3,020,789</u>	<u>2,028,478</u>	<u>992,311</u>
Engineering				
Capital outlay	<u>25,000</u>	<u>43,270</u>	<u>22,039</u>	<u>21,231</u>
Total expenditures	<u>2,924,967</u>	<u>3,064,059</u>	<u>2,050,517</u>	<u>1,013,542</u>
(Deficiency) excess of revenues over expenditures	(531,167)	(219,259)	924,900	1,144,159
Other financing uses:				
Transfers - out	<u>(1,439,831)</u>	<u>(1,439,831)</u>	<u>(1,439,831)</u>	<u>-</u>
Net change in fund balance	(1,970,998)	(1,659,090)	(514,931)	1,144,159
Prior year encumbrances appropriated	487,909	487,909	487,909	-
Fund balance, beginning of year	<u>4,754,460</u>	<u>4,754,460</u>	<u>4,754,460</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,271,371</u>	<u>\$ 3,583,279</u>	<u>\$ 4,727,438</u>	<u>\$ 1,144,159</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Capital Improvement Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 98,000	\$ 98,000	\$ 98,000	\$ -
Expenditures:				
Current:				
General government:				
Division of finance				
Capital outlay	24,690	24,690	23,690	1,000
Division of information technology				
Capital outlay	90,272	88,897	85,036	3,861
Division of public service and properties				
Capital outlay	41,737	41,737	41,737	-
Total general government	<u>156,699</u>	<u>155,324</u>	<u>150,463</u>	<u>4,861</u>
Security of persons and property:				
Division of police				
Capital outlay	<u>124,450</u>	<u>125,825</u>	<u>125,824</u>	<u>1</u>
Leisure time activities:				
Recreation department				
Capital outlay	<u>191,652</u>	<u>191,652</u>	<u>190,424</u>	<u>1,228</u>
Total expenditures	<u>472,801</u>	<u>472,801</u>	<u>466,711</u>	<u>6,090</u>
Deficiency of revenues over expenditures	(374,801)	(374,801)	(368,711)	(6,090)
Other financing uses:				
Advances - out	<u>(98,000)</u>	<u>(98,000)</u>	<u>(98,000)</u>	<u>-</u>
Net change in fund equity	(472,801)	(472,801)	(466,711)	(6,090)
Prior year encumbrances appropriated	468,400	468,400	468,400	-
Fund balance, beginning of year	<u>4,401</u>	<u>4,401</u>	<u>4,401</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,090</u>	<u>\$ (6,090)</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Building and Land Acquisition and Improvement Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Expenditures:				
Current:				
Transportation:				
Department of public service				
Contractual services	\$ 20,000	\$ 20,000	\$ 8,721	\$ 11,279
Capital outlay	-	4,000,000	4,000,000	-
Total transportation	<u>20,000</u>	<u>4,020,000</u>	<u>4,008,721</u>	<u>11,279</u>
Debt service:				
Issuance fee	-	17,113	17,113	-
Total expenditures	<u>20,000</u>	<u>4,037,113</u>	<u>4,025,834</u>	<u>11,279</u>
(Deficiency) excess of revenues over expenditures	(20,000)	(4,037,113)	(4,025,834)	11,279
Other financing sources (uses):				
Proceeds from sale of assets	438,000	438,000	438,000	-
Note proceeds	-	4,005,000	4,005,000	-
Premium on notes	-	22,557	22,557	-
Transfers - out	-	(5,444)	-	5,444
Total other financing sources (uses)	<u>438,000</u>	<u>4,460,113</u>	<u>4,465,557</u>	<u>5,444</u>
Net change in fund equity	418,000	423,000	439,723	16,723
Fund balance, beginning of year	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	-
Fund balance, end of year	<u>\$ 420,000</u>	<u>\$ 425,000</u>	<u>\$ 441,723</u>	<u>\$ 16,723</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Equity Budget (Non-GAAP Basis) and Actual – Springvale Golf Course and Ballroom Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services and sales	\$ 1,840,000	\$ 1,840,000	\$ 1,957,466	\$ 117,466
Expenditures:				
Golf course and ballroom:				
Salaries	520,829	520,829	471,724	49,105
Benefits	103,086	103,086	96,194	6,892
Materials and supplies	427,094	447,094	417,980	29,114
Contractual services	383,167	374,567	295,235	79,332
Capital outlay	326,363	334,863	304,992	29,871
Total expenditures	<u>1,760,539</u>	<u>1,780,439</u>	<u>1,586,125</u>	<u>194,314</u>
Excess of revenues over expenditures	79,461	59,561	371,341	311,780
Other financing uses:				
Transfers - out	<u>(274,350)</u>	<u>(274,350)</u>	<u>(274,350)</u>	<u>-</u>
Net change in fund equity	(194,889)	(214,789)	96,991	311,780
Prior year encumbrances appropriated	35,716	35,716	35,716	-
Fund equity, beginning of year	<u>469,417</u>	<u>469,417</u>	<u>469,417</u>	<u>-</u>
Fund equity, end of year	<u>\$ 310,244</u>	<u>\$ 290,344</u>	<u>\$ 602,124</u>	<u>\$ 311,780</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Equity Budget (Non-GAAP Basis) and Actual – Sewer Revenue Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services and sales	\$ 10,097,608	\$ 10,094,108	\$ 10,111,172	\$ 17,064
Expenditures:				
Sewer:				
Salaries	1,945,532	1,972,845	1,796,732	176,113
Benefits	842,952	842,952	782,802	60,150
Materials and supplies	911,636	911,636	784,369	127,267
Contractual services	2,465,636	2,424,236	2,030,456	393,780
Capital outlay	1,043,358	1,084,758	957,387	127,371
Total expenditures	<u>7,209,114</u>	<u>7,236,427</u>	<u>6,351,746</u>	<u>884,681</u>
Excess of revenues over expenditures	2,888,494	2,857,681	3,759,426	901,745
Other financing sources (uses):				
Refunds	-	-	(1)	(1)
Proceeds from sale of assets	-	-	472	472
Transfers - out	(3,842,332)	(3,842,332)	(3,842,332)	-
Total other financing sources (uses)	<u>(3,842,332)</u>	<u>(3,842,332)</u>	<u>(3,841,861)</u>	<u>471</u>
Net change in fund equity	(953,838)	(984,651)	(82,435)	902,216
Prior year encumbrances appropriated	723,699	723,699	723,699	-
Fund equity, beginning of year	<u>14,559,565</u>	<u>14,559,565</u>	<u>14,559,565</u>	<u>-</u>
Fund equity, end of year	<u>\$ 14,329,426</u>	<u>\$ 14,298,613</u>	<u>\$ 15,200,829</u>	<u>\$ 902,216</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Equity Budget (Non-GAAP Basis) and Actual – Hospitalization Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services and sales	\$ 4,569,396	\$ 4,569,396	\$ 3,684,186	\$ (885,210)
Expenditures:				
Contractual services	5,301,690	5,301,690	4,211,105	1,090,585
Net change in fund equity	(732,294)	(732,294)	(526,919)	205,375
Fund equity, beginning of year	3,167,275	3,167,275	3,167,275	-
Fund equity, end of year	<u>\$ 2,434,981</u>	<u>\$ 2,434,981</u>	<u>\$ 2,640,356</u>	<u>\$ 205,375</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Equity Budget (Non-GAAP Basis) and Actual – Workers' Compensation Self-Insurance Fund

For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services and sales	\$ 384,076	\$ 384,076	\$ 385,336	\$ 1,260
Expenditures:				
Contractual services	319,475	314,978	199,932	115,046
Net change in fund equity	64,601	69,098	185,404	116,306
Prior year encumbrances appropriated	4,497	4,497	4,497	-
Fund equity, beginning of year	1,062,446	1,062,446	1,062,446	-
Fund equity, end of year	\$ 1,131,544	\$ 1,136,041	\$ 1,252,347	\$ 116,306

City of North Olmsted, Ohio

Fund Description

For the Year Ended December 31, 2022

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 custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City has two custodial funds.

Custodial Funds

Mayor's Court Fund – Accounts for the receipt and disbursement of fines collected through the Mayor's Court established by the Ohio Revised Code and City ordinance. As amounts are collected, they become a liability as no further action is required by the beneficiary to compel payment. The Court makes monthly disbursements of the prior month's activity.

Mayor's Court Bond Fund – Accounts for the receipt and disbursement of bonds collected the Mayor's Court.

City of North Olmsted, Ohio

Combining Statement of Fiduciary Net Position Fiduciary Funds

December 31, 2022

	<u>Mayor's Court</u>	<u>Mayor's Court Bond</u>	<u>Total Custodial Funds</u>
Assets:			
Equity in pooled cash and investments	\$ <u>108,728</u>	\$ <u>2,460</u>	\$ <u>111,188</u>
Liabilities:			
Accounts payable	75	120	195
Deposits held and due to others	<u>108,653</u>	<u>-</u>	<u>108,653</u>
Total current liabilities	<u>108,728</u>	<u>120</u>	<u>108,848</u>
Net position:			
Restricted for others	<u>-</u>	<u>2,340</u>	<u>2,340</u>
Total net position	\$ <u><u>-</u></u>	\$ <u><u>2,340</u></u>	\$ <u><u>2,340</u></u>

City of North Olmsted, Ohio

Combining Statement of Change in Fiduciary Net Position Fiduciary Funds

For the Year Ended December 31, 2022

	<u>Mayor's Court</u>	<u>Mayor's Court Bond</u>	<u>Total Custodial Funds</u>
Additions:			
Court deposits	\$ 1,023,137	\$ 2,640	\$ 1,025,777
Deductions:			
Court disbursements	<u>1,023,137</u>	<u>300</u>	<u>1,023,437</u>
Change in net position	-	2,340	2,340
Net position, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Net position, end of year	<u><u>\$ -</u></u>	<u><u>\$ 2,340</u></u>	<u><u>\$ 2,340</u></u>

City of North Olmsted, Ohio

Statistical Section

This part of the City’s annual comprehensive 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.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	S2-S9
Revenue Capacity These schedules contain information to help the reader assess the City’s most significant local revenue sources, the property tax and municipal income tax.	S10-S14
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.	S15-S19
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.	S20-S21
Operating Information These schedules contain service data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	S22-S29

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

City of North Olmsted, Ohio

Net Position by Component Accrual Basis of Accounting

Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities:										
Net investment in capital assets	\$ 35,706,106	\$ 35,306,616	\$ 34,655,527	\$ 31,226,859	\$ 28,803,658	\$ 28,401,591	\$ 28,628,989	\$ 27,813,444	\$ 29,341,888	\$ 31,940,364
Restricted for:										
Debt service	11,613,179	10,113,717	10,654,661	10,643,195	9,929,253	9,360,400	8,442,223	7,889,330	7,384,896	6,851,903
Capital projects	6,306,476	5,116,483	3,607,650	4,701,550	5,084,730	4,699,150	4,977,260	4,693,516	1,138,817	762,911
Community development	-	-	-	-	-	-	-	-	73,955	60,633
Highways and streets	5,339,200	5,402,916	4,574,340	4,231,232	3,395,990	2,829,310	2,455,507	2,081,713	4,723,437	4,353,921
Public safety	1,433,484	1,388,378	1,064,799	750,142	493,398	562,154	148,194	182,360	509,197	736,249
Recreation	1,052,778	674,867	421,169	-	-	-	-	4,588	86,380	22,472
Solid waste and recycling	2,760,926	2,154,919	2,034,428	2,263,332	2,036,908	1,861,445	1,603,317	1,313,809	1,136,124	965,775
Federal and other grants	428,429	406,201	388,951	417,029	427,285	575,606	432,021	454,162	535,346	524,945
Unrestricted	(15,985,563)	(22,054,484)	(28,687,390)	(26,274,122)	(38,091,498)	(34,963,857)	(13,255,530)	(11,683,065)	(12,213,118)	7,178,951
Total net position – governmental activities	48,655,015	38,509,613	28,714,135	27,959,217	12,079,724	13,325,799	33,431,981	32,749,857	32,716,922	53,398,124
Business-type activities:										
Net investment in capital assets	19,608,182	19,062,204	17,954,236	17,036,222	15,530,540	14,882,798	14,329,123	14,995,099	14,085,646	15,645,038
Unrestricted (deficit)	7,108,935	5,737,635	3,592,123	3,717,927	4,401,047	3,538,916	3,717,562	4,450,639	3,409,913	917,874
Total net position – business-type activities	26,717,117	24,799,839	21,546,359	20,754,149	19,931,587	18,421,714	18,046,685	19,445,738	17,495,559	16,562,912
Primary government:										
Net investment in capital assets	55,314,288	54,368,820	52,609,763	48,263,081	44,334,198	43,284,389	42,958,112	42,808,543	43,427,534	47,585,402
Restricted	28,934,472	25,257,481	22,745,998	23,006,480	21,367,564	19,888,065	18,058,522	16,619,478	15,588,152	14,478,809
Unrestricted	(8,876,628)	(16,316,849)	(25,095,267)	(22,556,195)	(33,690,451)	(31,424,941)	(9,537,968)	(7,232,426)	(8,803,205)	8,096,825
Total net position – primary government	\$ 75,372,132	\$ 63,309,452	\$ 50,260,494	\$ 48,713,366	\$ 32,011,311	\$ 31,747,513	\$ 51,478,666	\$ 52,195,595	\$ 50,212,481	\$ 70,161,036

- (a) Net position in 2014 was restated for the implementation of GASB Statement No. 68.
- (b) Net position in 2017 was restated for the implementation of GASB Statement No. 75.
- (c) Net positions in 2019 was restated for implementation of GASB Statement No. 83 and Statement No. 84.

Source: City financial records

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting

Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities:										
Charges for services and sales:										
General government	\$ 2,437,654	\$ 2,190,495	\$ 2,282,518	\$ 2,630,330	\$ 2,599,478	\$ 2,361,850	\$ 2,816,339	\$ 2,298,332	\$ 2,030,517	\$ 2,109,396
Security of persons and property	1,495,956	1,324,647	1,240,872	1,485,528	1,777,970	1,446,643	1,511,930	1,436,003	1,341,069	1,253,737
Public health and welfare	21,815	1,900	3,105	10,202	8,494	7,923	9,016	8,926	7,446	10,698
Transportation	202,219	162,973	118,894	161,126	211,072	159,121	120,094	210,341	241,171	235,112
Leisure time activities	1,828,120	1,678,334	802,285	1,883,979	1,927,823	1,973,255	1,971,094	1,838,790	1,570,024	1,523,574
Economic development	22,188	18,876	17,425	13,214	19,028	11,177	12,524	17,618	18,608	25,663
Total charges for services and sales	6,007,952	5,377,225	4,465,099	6,184,379	6,543,865	5,959,969	6,440,997	5,810,010	5,208,835	5,158,180
Operating grants and contributions:										
General government	385	4,500	3,091	779	3,560	10	1,555	30,939	55,726	37,500
Security of persons and property	188,532	222,307	205,968	206,289	300,643	149,160	160,833	411,329	129,368	342,433
Public health and welfare	52,163	62,328	76,709	72,204	53,055	73,571	61,731	61,366	60,909	64,031
Transportation	2,020,076	2,077,085	2,035,567	2,114,982	1,586,738	1,624,759	1,542,246	1,526,293	1,545,273	1,632,366
Basic utility services	-	4,600	2,900	5,000	5,000	5,000	5,500	5,000	5,000	12,441
Leisure time activities	-	-	-	20	-	-	-	1,940	55	12,185
Economic development	-	-	-	67,377	1,650	-	-	-	-	-
Total operating grants and contributions	2,261,156	2,370,820	2,324,235	2,466,651	1,950,646	1,852,500	1,771,865	2,036,867	1,796,331	2,100,956
Capital grants and contributions:										
General government	-	40,704	232,858	200,000	-	32,765	-	34,654	-	32,877
Security of persons and property	-	-	8,182	747	5,397	3,808	3,518	7,793	-	-
Public health and welfare	300,000	94,005	-	-	149,670	-	-	-	-	115,000
Transportation	-	257,179	-	250,000	-	-	-	-	-	270,295
Leisure time activities	98,000	-	-	-	-	-	-	-	-	-
Total capital grants and contributions	398,000	391,888	241,040	450,747	155,067	36,573	3,518	42,447	-	418,172
Total governmental activities program revenues	8,667,108	8,139,933	7,030,374	9,101,777	8,649,578	7,849,042	8,216,380	7,889,324	7,005,166	7,677,308

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting (Continued)

Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Business-type activities:										
Charges for services and sales:										
Springvale Golf Course and Ballroom	1,957,466	1,752,958	1,212,293	1,710,443	1,666,414	1,704,829	1,739,923	1,694,648	1,655,305	1,524,267
Sewer	9,651,646	10,042,747	10,417,017	10,448,403	10,364,252	11,059,171	10,039,509	9,181,973	8,738,033	7,770,214
Total charges for services and sales	11,609,112	11,795,705	11,629,310	12,158,846	12,030,666	12,764,000	11,779,432	10,876,621	10,393,338	9,294,481
Capital grants and contributions:										
Sewer	69,579	79,471	61,937	64,970	105,103	63,424	-	-	-	31,676
Total business-type activities program revenues	11,678,691	11,875,176	11,691,247	12,223,816	12,135,769	12,827,424	11,779,432	10,876,621	10,393,338	9,326,157
Total primary government program revenues	20,345,799	20,015,109	18,721,621	21,325,593	20,785,347	20,676,466	19,995,812	18,765,945	17,398,504	17,003,465
Expenses:										
Governmental activities:										
General government	4,872,230	3,220,199	6,838,897	6,179,418	5,375,605	5,512,075	5,299,633	4,516,867	4,200,635	4,612,689
Security of persons and property	15,400,301	15,058,401	16,496,198	2,958,665	17,388,852	15,348,078	15,959,086	14,205,425	12,948,527	12,974,261
Public health and welfare	599,031	137,349	605,662	664,427	686,988	692,738	631,709	551,565	529,304	504,219
Transportation	6,409,581	4,858,200	6,664,108	7,761,803	8,093,205	8,240,799	7,352,641	8,416,485	9,608,806	10,161,662
Basic utility services	2,543,410	2,573,383	2,513,654	2,271,866	2,142,175	2,192,149	2,063,026	1,929,636	1,920,086	1,700,564
Leisure time activities	2,400,692	1,817,301	2,108,986	3,481,815	3,083,618	3,171,864	3,191,927	3,136,618	2,850,349	2,583,952
Economic development	527,581	395,305	504,106	517,720	494,603	376,806	271,870	275,635	328,696	339,198
Interest and fiscal charges	394,459	627,048	560,489	540,558	514,478	669,103	668,492	1,049,394	941,826	1,371,593
Total governmental activities expenses	33,147,285	28,687,186	36,292,100	24,376,272	37,779,524	36,203,612	35,438,384	34,081,625	33,328,229	34,248,138

(Continued)

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting (Continued)

Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Business-type activities:										
Springvale Golf Course and Ballroom	1,749,393	1,361,509	1,599,374	1,800,252	1,823,985	2,019,106	1,665,971	1,557,162	1,547,407	1,598,902
Sewer	8,239,118	7,209,547	9,238,957	9,580,212	8,749,271	8,857,451	8,005,368	7,408,132	6,311,785	6,562,518
Total business-type activities expenses	9,988,511	8,571,056	10,838,331	11,380,464	10,573,256	10,876,557	9,671,339	8,965,294	7,859,192	8,161,420
Total primary government expenses	43,135,796	37,258,242	47,130,431	35,756,736	48,352,780	47,080,169	45,109,723	43,046,919	41,187,421	42,409,558
Net (expense) revenue:										
Governmental activities	(24,480,177)	(20,547,253)	(29,261,726)	(15,274,495)	(29,129,946)	(28,354,570)	(27,222,004)	(26,192,301)	(26,323,063)	(26,570,830)
Business-type activities	1,690,180	3,304,120	852,916	843,352	1,562,513	1,950,867	2,108,093	1,911,327	2,534,146	1,164,737
Total primary government net expense	(22,789,997)	(17,243,133)	(28,408,810)	(14,431,143)	(27,567,433)	(26,403,703)	(25,113,911)	(24,280,974)	(23,788,917)	(25,406,093)
General revenues and other changes in net position:										
Governmental activities:										
Property taxes and other local taxes	11,240,041	9,721,089	9,603,241	10,873,713	9,781,544	9,813,776	9,622,781	9,558,074	9,183,826	9,525,254
Municipal income taxes	20,349,739	17,879,082	15,162,859	16,544,287	15,357,622	16,311,456	15,531,341	14,039,569	13,926,264	13,815,005
Grants and entitlements	2,624,319	2,637,699	4,530,927	2,679,464	2,006,231	2,363,717	2,569,538	2,554,370	2,201,218	2,147,473
Investment (loss) earnings	248,481	(26,015)	578,682	957,900	629,054	194,422	64,238	36,912	39,775	61,556
Gain on sale of capital assets	352,583	25,978	-	-	-	-	-	-	-	-
Other	37,514	54,258	80,229	122,834	56,780	61,591	63,590	75,163	63,894	37,415
Transfers	(227,098)	50,640	60,706	20,790	52,640	52,640	52,640	(38,852)	40,223	13,368
Total governmental activities general revenues and other changes in net position	34,625,579	30,342,731	30,016,644	31,198,988	27,883,871	28,797,602	27,904,128	26,225,236	25,455,200	25,600,071

(Continued)

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting (Continued)

Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Business-type activities:										
Transfers	227,098	(50,640)	(60,706)	(20,790)	(52,640)	(52,640)	(52,640)	-	(40,223)	(13,368)
Special item - loss on sale of capital assets	-	-	-	-	-	-	(3,454,506)	38,852	-	-
Total business-type activities general revenues and other changes in net position	227,098	(50,640)	(60,706)	(20,790)	(52,640)	(52,640)	(3,507,146)	38,852	(40,223)	(13,368)
Total primary government general revenues and other changes in net position	34,852,677	30,292,091	29,955,938	31,178,198	27,831,231	28,744,962	24,396,982	26,264,088	25,414,977	25,586,703
Change in net position:										
Governmental activities	10,145,402	9,795,478	754,918	15,924,493	(1,246,075)	443,032	682,124	32,935	(867,863)	(970,759)
Business-type activities	1,917,278	3,253,480	792,210	822,562	1,509,873	1,898,227	(1,399,053)	1,950,179	2,493,923	1,151,369
Total primary government change in net position	<u>\$ 12,062,680</u>	<u>\$ 13,048,958</u>	<u>\$ 1,547,128</u>	<u>\$ 16,747,055</u>	<u>\$ 263,798</u>	<u>\$ 2,341,259</u>	<u>\$ (716,929)</u>	<u>\$ 1,983,114</u>	<u>\$ 1,626,060</u>	<u>\$ 180,610</u>

Information from 2013 through 2014 uses GASB Statement No. 27 to measure pension expense.

Information in 2015 uses GASB Statement No. 68 to measure pension expense.

Information from 2013 through 2017 uses GASB Statement No. 45 to measure OPEB expense.

Information in 2018 uses GASB Statement No. 75 to measure OPEB expense.

Source: City financial records

City of North Olmsted, Ohio

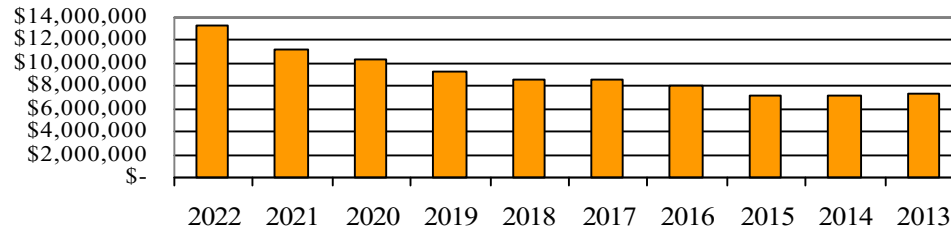
Fund Balances, Governmental Funds Modified Accrual Basis of Accounting

Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General fund:										
Nonspendable	\$ 1,905,155	\$ 1,745,212	\$ 1,665,861	\$ 1,542,670	\$ 1,477,689	\$ 1,377,161	\$ 1,283,563	\$ 1,173,952	\$ 1,180,719	\$ 1,077,862
Committed	145,392	67,430	77,253	22,724	101,884	114,747	62,454	42,000	-	-
Assigned	9,343,305	6,203,658	5,918,866	4,899,174	4,433,189	4,941,368	4,684,994	4,237,354	4,714,841	4,860,515
Unassigned	1,902,610	3,211,216	2,615,897	2,871,912	2,569,478	2,097,203	1,938,143	1,729,097	1,270,324	1,433,619
Total general fund	13,296,462	11,227,516	10,277,877	9,336,480	8,582,240	8,530,479	7,969,154	7,182,403	7,165,884	7,371,996
All other governmental funds:										
Nonspendable	155,959	136,116	143,511	122,182	146,064	64,079	103,105	124,839	75,935	20,717
Restricted	26,886,871	26,552,511	21,739,918	23,344,844	20,669,583	18,407,748	16,601,938	10,447,657	13,617,900	12,319,432
Committed	700,583	555,872	526,512	679,334	421,320	269,040	252,989	5,152,340	477,523	738,571
Unassigned	(228,666)	(143,414)	(87,419)	-	-	(130,659)	(5,516)	-	-	-
Total all other governmental funds	27,514,747	27,101,085	22,322,522	24,146,360	21,236,967	18,610,208	16,952,516	15,724,836	14,171,358	13,078,720
Total governmental funds	\$ 40,811,209	\$ 38,328,601	\$ 32,600,399	\$ 33,482,840	\$ 29,819,207	\$ 27,140,687	\$ 24,921,670	\$ 22,907,239	\$ 21,337,242	\$ 20,450,716

Source: City financial records

**Fund Balance
General Fund, Last Ten Years**



City of North Olmsted, Ohio

Changes in Fund Balances, Governmental Funds Modified Accrual Basis of Accounting

Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Property taxes	\$ 11,331,360	\$ 9,696,376	\$ 9,617,754	\$ 10,725,717	\$ 9,730,635	\$ 9,816,294	\$ 9,565,720	\$ 9,653,946	\$ 9,291,474	\$ 9,503,797
Income taxes	19,598,471	18,448,087	15,256,916	16,070,820	16,008,308	15,890,897	15,283,047	14,252,984	14,317,492	13,435,417
Payment in lieu of taxes	104,963	317,847	424,500	346,180	598,242	287,273	530,152	501,075	-	-
Charges for services and sales	4,018,957	3,525,341	2,614,932	4,188,437	4,148,407	3,817,020	3,790,286	3,209,751	2,750,607	2,751,882
Fines, licenses and permits	1,748,275	1,743,834	1,730,650	2,050,085	2,033,943	1,922,317	2,451,773	1,876,649	1,681,117	1,654,123
Intergovernmental	5,275,894	5,183,002	6,711,752	4,941,924	4,042,030	3,863,185	3,939,110	4,183,068	4,131,025	4,889,076
Special assessments	4,714	40,989	33,697	-	-	-	-	-	-	-
(Loss) interest income	249,509	(22,184)	583,853	952,243	610,034	194,422	64,238	36,912	39,775	61,556
Miscellaneous	79,457	128,749	79,370	71,964	88,636	101,233	108,250	717,963	662,055	615,578
Total revenues	<u>42,411,600</u>	<u>39,062,041</u>	<u>37,053,424</u>	<u>39,347,370</u>	<u>37,260,235</u>	<u>35,892,641</u>	<u>35,732,576</u>	<u>34,432,348</u>	<u>32,873,545</u>	<u>32,911,429</u>
Expenditures:										
Current:										
General government	5,462,844	4,968,763	6,195,317	4,660,721	4,548,826	4,633,871	4,603,782	4,192,227	4,190,529	4,108,722
Security of persons and property	16,170,687	15,413,928	15,965,937	15,307,520	15,438,843	14,234,086	13,840,984	14,106,951	13,194,930	13,176,566
Public health and welfare	754,849	541,089	554,598	667,671	643,619	1,675,311	547,434	590,039	522,122	640,545
Transportation	7,803,612	6,041,508	8,419,985	7,249,823	6,590,232	7,002,141	5,651,644	6,070,558	5,249,876	5,105,094
Basic utility services	2,543,410	2,573,383	2,513,654	2,270,111	2,144,646	2,193,395	2,056,094	1,933,777	1,923,981	1,700,564
Leisure time activities	2,627,424	2,467,790	2,252,570	2,779,684	2,679,376	2,891,054	2,863,912	2,796,243	2,620,445	2,881,644
Economic development	519,832	442,593	492,991	506,484	510,988	473,494	328,076	272,427	321,058	435,643
Capital outlay	376,667	4,809	2,865,068	1,864,836	135,554	503,137	421,515	714,701	1,746,234	132,499
Debt Service:										
Principal	3,552,781	11,744,591	7,910,955	4,746,264	3,075,506	4,494,145	4,343,608	11,542,007	3,872,081	5,877,646
Interest and fiscal charge	669,473	792,396	552,257	542,678	578,786	634,587	729,247	844,228	974,312	1,119,953
Note issuance costs	17,113	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	204,257	62,157	37,550	22,111	148,689	17,048	233,131	28,056	133,477
Total expenditures	<u>40,498,692</u>	<u>45,195,107</u>	<u>47,785,489</u>	<u>40,633,342</u>	<u>36,368,487</u>	<u>38,883,910</u>	<u>35,403,344</u>	<u>43,296,289</u>	<u>34,643,624</u>	<u>35,312,353</u>
Excess (deficiency) of revenues over expenditures	<u>1,912,908</u>	<u>(6,133,066)</u>	<u>(10,732,065)</u>	<u>(1,285,972)</u>	<u>891,748</u>	<u>(2,991,269)</u>	<u>329,232</u>	<u>(8,863,941)</u>	<u>(1,770,079)</u>	<u>(2,400,924)</u>

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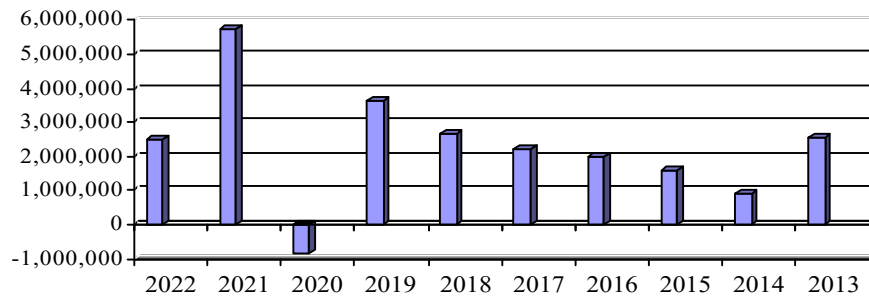
City of North Olmsted, Ohio

Changes in Fund Balances, Governmental Funds Modified Accrual Basis of Accounting (Continued)

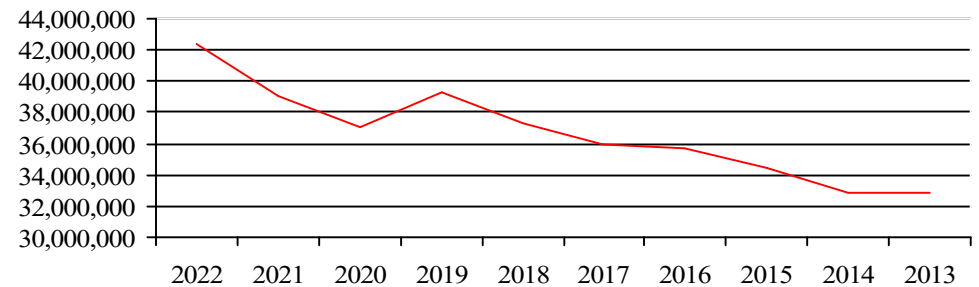
Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Other financing sources (uses):										
Issuance of notes	-	-	9,730,000	4,835,000	1,720,000	-	1,605,000	5,095,000	2,425,000	-
Inception of capital leases	-	154,517	-	-	-	-	-	60,299	176,472	-
Proceeds from issuances of bonds	-	9,795,000	-	-	-	8,371,000	-	8,380,000	-	4,770,000
Premium on issuance of bonds	-	1,826,105	83,191	73,102	13,632	464,139	7,383	518,568	11,510	120,394
Payment to bond escrow agent	-	-	-	-	-	(3,689,134)	-	(3,593,275)	-	-
Sale of capital assets	460,900	35,006	5,793	20,713	500	11,641	20,176	16,033	3,400	55,130
Transfers - in	2,168,681	3,121,632	1,605,331	1,924,563	1,970,156	1,615,615	1,697,609	1,603,124	1,595,893	1,756,925
Transfers - out	(2,059,881)	(3,070,992)	(1,574,691)	(1,903,773)	(1,917,516)	(1,562,972)	(1,644,969)	(1,645,811)	(1,555,670)	(1,727,092)
Total other financing sources (uses)	569,700	11,861,268	9,849,624	4,949,605	1,786,772	5,210,289	1,685,199	10,433,938	2,656,605	4,975,357
Net change in fund balance	\$ 2,482,608	\$ 5,728,202	\$ (882,441)	\$ 3,663,633	\$ 2,678,520	\$ 2,219,020	\$ 2,014,431	\$ 1,569,997	\$ 886,526	\$ 2,574,433
Debt service as a percentage of noncapital expenditures	11.31%	28.74%	21.92%	14.89%	10.99%	15.16%	15.43%	30.43%	15.31%	21.68%

Net Change in Fund Balance, Governmental Funds



Governmental Funds Revenues



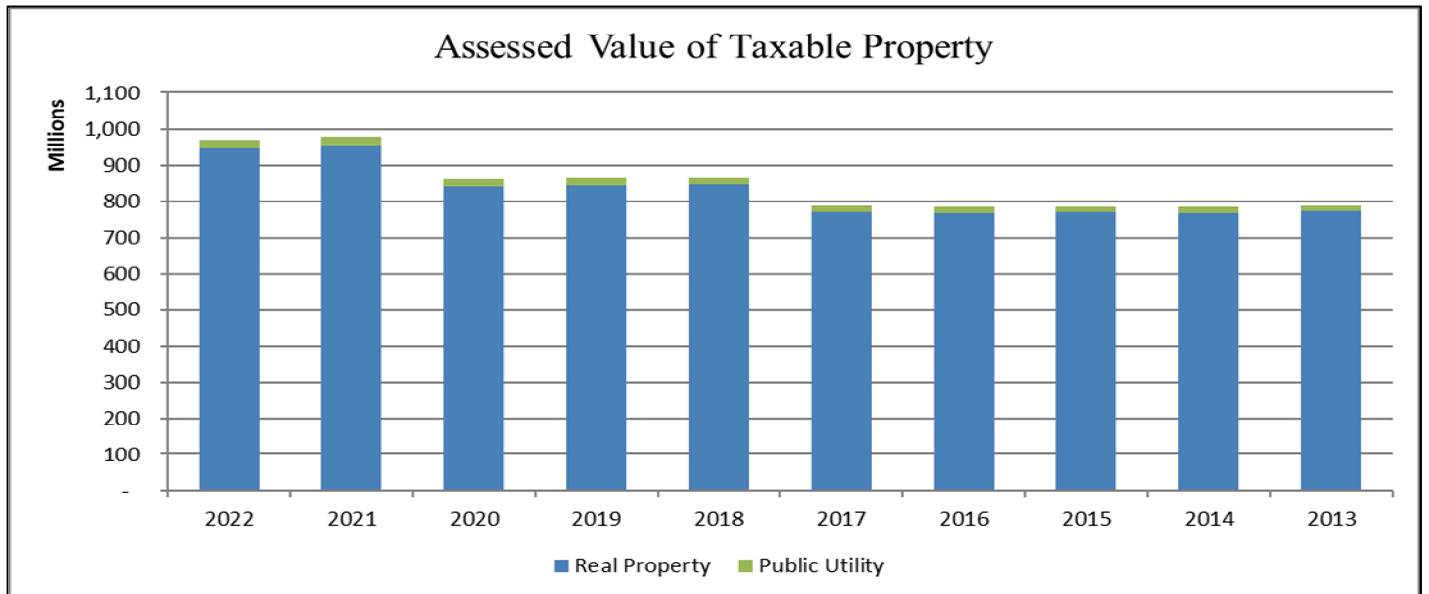
City of North Olmsted, Ohio

Assessed Valuations and Estimated Actual Value of Taxable Property

Last Ten Years

Tax Year	Real Property	Public Utility Property	Total	Estimated True Value of Taxable Property	Total Direct Tax Rate	Ratio
2022	\$ 945,965,830	\$ 24,824,870	\$ 970,790,700	\$ 2,750,115,297	11.80	35.3 %
2021	956,677,970	21,839,250	978,517,220	2,772,003,456	12.20	35.3
2020	840,755,550	20,844,690	861,600,240	2,440,793,881	12.20	35.3
2019	845,194,970	19,820,540	865,015,510	2,450,468,867	12.20	35.3
2018	847,494,050	18,642,170	866,136,220	2,453,643,683	13.30	35.3
2017	770,457,560	18,534,760	788,992,320	2,235,105,722	13.30	35.3
2016	768,531,780	16,756,670	785,288,450	2,224,613,173	13.30	35.3
2015	770,231,040	15,858,070	786,089,110	2,226,881,331	13.30	35.3
2014	769,849,650	15,583,140	785,432,790	2,225,022,068	13.30	35.3
2013	773,675,680	15,046,860	788,722,540	2,234,341,473	13.30	35.3

Source: Cuyahoga County Fiscal Officer ; based upon tax year valuations



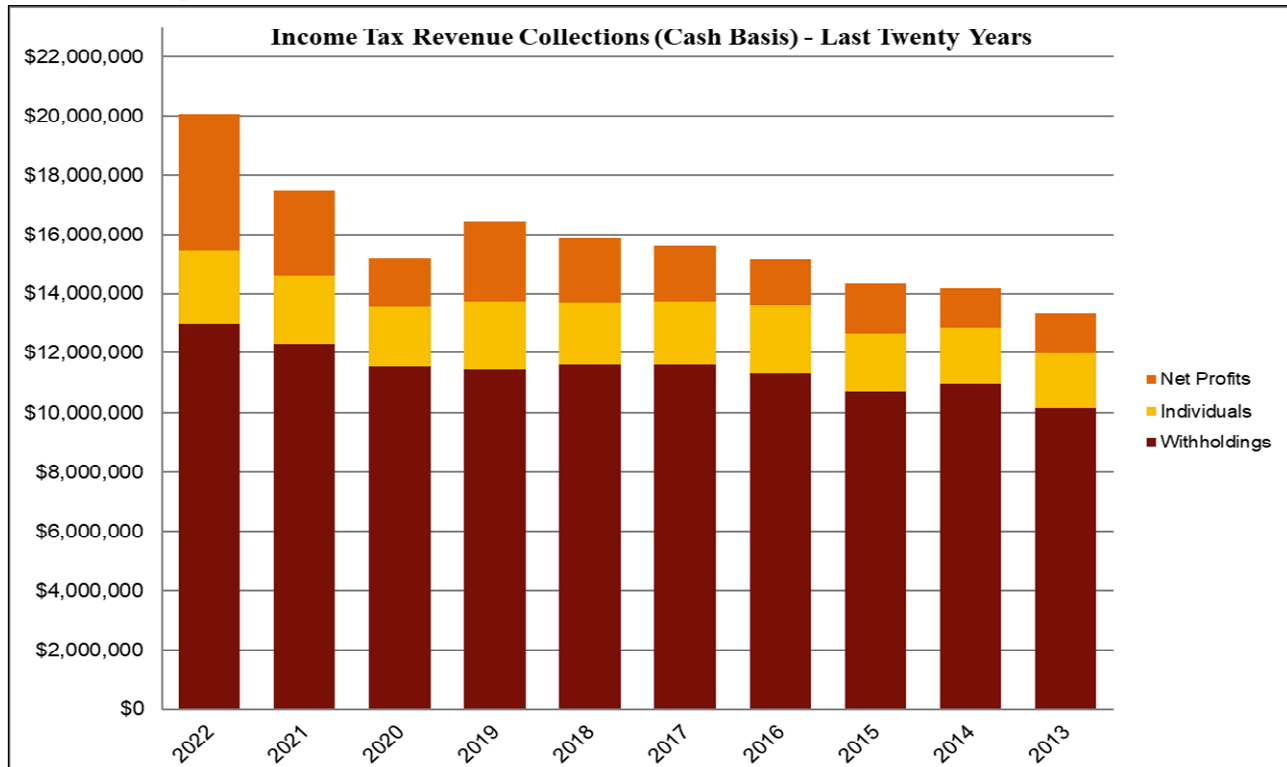
City of North Olmsted, Ohio

Income Tax Revenue Collections (Cash Basis)

Last Ten Years

Collection Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes from Individuals	Percentage of Taxes from Individuals	Taxes from Net Profits	Percentage of Taxes from Net Profits
2022	2.00 %	\$ 20,050,247	\$ 13,000,893	64.80 %	2,452,342	12.20 %	\$ 4,597,012	23.00 %
2021	2.00	17,459,054	12,285,454	70.37	2,338,887	13.40	2,834,713	16.23
2020	2.00	15,210,872	11,544,801	75.90	2,005,563	13.20	1,660,508	10.90
2019	2.00	16,421,072	11,459,249	69.80	2,268,061	13.80	2,693,762	16.40
2018	2.00	15,864,176	11,608,492	73.20	2,090,585	13.20	2,165,099	13.60
2017	2.00	15,608,623	11,613,989	74.40	2,119,234	13.60	1,875,400	12.00
2016	2.00	15,160,112	11,334,047	74.80	2,263,281	14.90	1,562,784	10.30
2015	2.00	14,326,364	10,691,137	74.60	1,934,541	13.50	1,700,686	11.90
2014	2.00	14,170,871	10,955,677	77.30	1,890,416	13.30	1,324,778	9.40
2013	2.00	13,314,563	10,163,612	76.30	1,815,366	13.60	1,355,585	10.10

Source: City Finance Department



City of North Olmsted, Ohio

Property Tax Rates - Direct and Overlapping Governments (Per \$1,000 of Assessed Valuation)

Last Ten Years

Tax Year	City of North Olmsted					Total	School District	Cuyahoga County (a)	Polaris Vocational School	Total
	General Operating	Debt Retirement	Recreation	Police and Fire Pension						
2022	\$ 8.30	\$ 1.70	\$ 1.20	\$ 0.60	\$ 11.80	\$ 103.80	\$ 26.13	\$ 3.09	144.82	
2021	8.30	2.10	1.20	0.60	12.20	96.50	26.13	3.09	137.92	
2020	8.30	2.10	1.20	0.60	12.20	96.50	26.13	3.09	137.92	
2019	8.30	2.10	1.20	0.60	12.20	96.50	24.33	3.09	136.12	
2018	8.30	3.20	1.20	0.60	13.30	97.10	23.93	3.09	137.42	
2017	8.30	3.20	1.20	0.60	13.30	97.10	23.93	3.09	137.42	
2016	8.30	3.20	1.20	0.60	13.30	96.90	23.43	3.09	136.72	
2015	6.70	4.80	1.20	0.60	13.30	96.90	23.43	2.40	136.03	
2014	6.70	4.80	1.20	0.60	13.30	96.90	23.43	2.40	136.03	
2013	6.70	4.80	1.20	0.60	13.30	91.40	22.53	2.40	129.63	

(a) Includes Metroparks and Library Millage

Source: Cuyahoga County Fiscal Officer

City North Olmsted, Ohio

Real Property Tax Levies, and Collections

Last Ten Years

Collection Year	Total Tax Levy	Current Collections	Percentage of Current Collections to Tax Levy	Delinquent Collections	Total Collections(1)	Percentage of Total Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Delinquent Taxes to Total Tax Levy
2022	\$ 12,634,804	\$ 11,898,779	94.17 %	\$ 297,307	\$ 12,196,086	96.53 %	\$ 423,763	3.4 %
2021	11,053,373	10,557,465	95.51	189,655	10,747,120	97.23	528,109	4.8
2020	11,082,653	10,738,044	96.89	228,983	10,967,027	98.96	490,127	4.4
2019	11,916,153	11,643,254	97.71	230,727	11,873,981	99.65	517,909	4.3
2018	10,820,864	10,900,583	100.74	175,489	11,076,072	102.36	369,913	3.4
2017	10,683,508	10,372,826	97.09	198,269	10,571,095	98.95	319,003	3.0
2016	11,309,566	10,725,891	94.84	154,123	10,880,014	96.20	321,523	2.8
2015	10,464,045	10,699,097	102.25	114,885	10,813,982	103.34	264,461	2.5
2014	10,500,027	9,984,480	95.09	209,589	10,194,069	97.09	360,332	3.4
2013	10,512,763	10,171,318	96.75	213,429	10,384,747	98.78	408,726	3.9

Sources: Cuyahoga County Fiscal Officer

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

Note: the County does not identify delinquent collections by the year for which the tax was levied.

City of North Olmsted, Ohio

Principal Taxpayers – Real Estate Tax

2022 and 2013

Name of Taxpayer	December 31, 2022	
	Assessed Value (1)	Percent of Total Assessed Value
B33 Great Northern LLC	\$ 19,692,140	2.03 %
Cleveland Electric Illuminating Company	16,219,350	1.67
Star-West Great Northern Mall LLC	14,616,700	1.51
PWA Great Northern Corporate Center	8,780,320	0.9
B-Nut LLC	7,298,940	0.75
B&G Properties LTD	6,654,270	0.69
GGF1 North Olmsted 2016 LLC	5,547,550	0.57
B33 Great Northern South II LLC	5,294,810	0.55
American Transmission System	5,090,690	0.53
FB Global Plumbing Group LLC	5,066,220	0.52
Total	\$ 94,260,990	9.72 %
Total assessed valuation	\$ 970,790,700	

Name of Taxpayer	December 31, 2013	
	Assessed Value (1)	Percent of Total Assessed Value
Star-West Great Northern Mall LLC	\$ 35,398,750	3.67 %
B33 Great Northern LLC	17,375,980	2.52
Cleveland Electric Illuminating Company	13,089,230	1.41
PWA Great Northern Corporate Center	8,586,030	1.03
JVM Butternut Apartments LLC	6,437,520	0.77
B&G Properties Ltd	6,286,230	0.66
Moen, Inc.	5,206,390	0.63
DDR MDT Great Northern LLC	4,707,190	0.55
Higbee Company	4,579,300	0.52
May Stores 74 Corp	4,285,060	0.48
Total	\$ 105,951,680	12.24 %
Total assessed valuation	\$ 788,722,540	

Source: Cuyahoga County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2022 and 2013 assessed taxes were based.

City of North Olmsted, Ohio

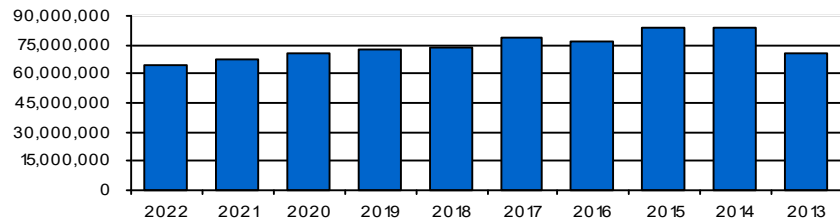
Ratio of Outstanding Debt to Total Personal Income and Debt per Capita

Last Ten Years

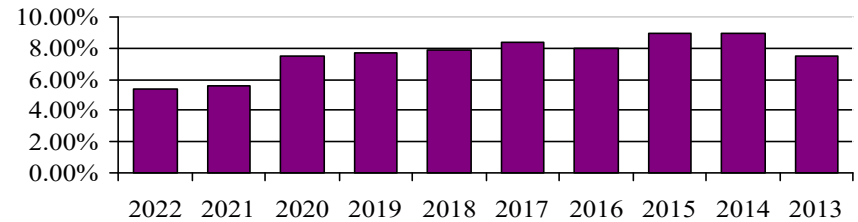
Year	Governmental Activities				Business-Type Activities					Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	OPWC Loans	Long Term Notes	Financed Purchase	General Obligation Bonds	Long Term Notes	Financed Purchase	OWDA Loans	OWDA Loans			
2022	\$ 15,893,011	\$ -	\$ 4,005,000	\$ 66,322	\$ 4,851,856	\$ -	\$ 1,784	\$ 39,823,843	-	\$ 64,641,816	5.34% %	\$ 1,993
2021	19,723,951	-	-	109,418	5,250,869	-	3,569	42,449,511	-	67,537,318	5.58	2,082
2020	10,314,016	-	9,730,000	-	4,359,815	1,480,000	-	45,010,676	-	70,894,507	7.53	2,167
2019	13,505,410	-	4,835,000	11,648	5,072,064	1,260,000	892	47,508,930	-	72,193,944	7.67	2,207
2018	16,646,808	-	1,720,000	23,783	5,769,317	-	1,813	49,945,823	-	74,107,544	7.88	2,265
2017	19,838,209	-	-	35,328	6,446,570	-	2,675	52,065,290	-	78,388,072	8.33	2,726
2016	17,790,965	-	1,605,000	94,676	2,943,063	-	12,890	54,453,420	-	76,900,014	8.17	2,350
2015	22,169,951	-	-	167,644	4,862,340	-	23,374	56,857,463	65,167	84,145,939	8.94	2,572
2014	20,750,420	-	2,425,000	163,862	6,463,388	-	28,325	54,244,535	195,500	84,271,030	8.96	2,576
2013	24,664,457	-	-	14,124	8,221,294	-	980	37,086,769	260,667	70,248,291	7.47	2,147

Note: Population and Personal Income are presented on page S21.

Total Outstanding Debt, Last Ten Years



City Debt as a Percentage of Personal Income



City of North Olmsted, Ohio

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Years

Tax Year	Population (1)		Assessed (2) Value		Gross (3) Bonded Debt		Debt Service Monies Available
2022	32,442 (a)	\$	970,790,700	\$	20,744,867	\$	11,613,179
2021	32,442 (a)		978,517,220		24,974,820		10,113,717
2020	32,178 (b)		861,600,240		14,673,831		10,654,661
2019	32,178 (b)		865,015,510		18,577,475		10,485,105
2018	32,178 (b)		866,136,220		22,416,125		9,694,135
2017	32,178 (b)		788,992,320		26,284,779		9,079,502
2016	32,178 (b)		785,288,450		20,734,028		8,093,533
2015	32,178 (b)		786,089,110		27,037,059		7,582,319
2014	32,178 (b)		785,432,790		27,213,808		7,035,079
2013	32,178 (b)		788,722,540		32,885,751		6,478,501

(1) Source: U.S. Bureau of Census, Census of Population

(a) 2020 Federal Census

(b) 2010 Federal Census

(2) Source: Cuyahoga County Fiscal Officer, valuations based upon the tax year

(3) Includes all general obligation bonded debt

	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation		Net Bonded Debt Per Capita
\$	9,131,688	0.94 %	\$	286
	14,861,103	1.52		411
	4,019,170	0.47		128
	8,092,370	0.94		247
	12,721,990	1.47		389
	17,205,277	2.18		526
	12,640,495	1.61		386
	19,454,740	2.47		595
	20,178,729	2.57		617
	26,407,250	3.35		807

City of North Olmsted, Ohio

Computation of Direct and Overlapping Debt

December 31, 2022

Jurisdiction	Debt Outstanding	Percentage Applicable to City	Amount Applicable to City of North Olmsted
Direct:			
City of North Olmsted			
General obligation bonds	\$ 15,893,011	100.00 %	\$ 15,893,011
General obligation bond anticipation notes	4,005,000	100.00 %	4,005,000
Financed purchase	66,322	100.00 %	66,322
Total direct debt	<u>19,964,333</u>		<u>19,964,333</u>
Overlapping			
North Olmsted School District	65,003,668	100.00 %	65,003,668
North Olmsted/Olmsted Falls School District	29,102,860	1.45 %	421,991
Cuyahoga County	240,795,000	2.77 %	6,670,022
Cuyahoga Community College	189,980,000	2.77 %	5,262,446
Total overlapping	<u>524,881,528</u>		<u>77,358,127</u>
Total	<u>\$ 544,845,861</u>		<u>\$ 97,322,460</u>

Source: Cuyahoga County Fiscal Officer

(1) Percentage were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

City of North Olmsted, Ohio

Legal Debt Margin

Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Assessed valuation	\$ 970,790,700	978,517,220	861,600,240	865,015,510	866,136,220	788,992,320	785,288,450	786,089,110	785,432,790	788,722,540
Debt limit - 10% of assessed valuation	\$ 101,933,024	102,744,308	90,468,025	90,826,629	90,944,303	82,844,194	82,455,287	82,539,357	82,470,443	82,815,867
Outstanding debt:										
General obligation debt	20,744,866	24,984,820	14,673,831	18,577,475	22,416,125	26,284,779	20,734,028	27,038,015	27,213,808	32,885,751
General obligation bond anticipation notes	4,005,000	-	11,210,000	6,095,000	1,720,000	-	1,605,000	-	2,575,000	-
Less Amount available restricted for debt service	(11,613,179)	(10,113,717)	(10,654,661)	(10,485,105)	(9,694,135)	(9,079,502)	(8,093,533)	(7,582,319)	(7,035,079)	(6,478,501)
Total outstanding debt	13,136,687	14,871,103	15,229,170	14,187,370	14,441,990	17,205,277	14,245,495	19,455,696	(22,753,729)	26,407,250
Less exemptions:										
General obligation bonds and notes that are considered self supporting	-	-	-	-	-	-	261,000	1,660,000	3,051,000	4,368,000
Securities to extent authorizing legislation contains covenants to appropriate levy and collect municipal income taxes	-	-	-	-	-	-	-	627,000	1,217,000	1,777,000
Total exemptions	-	-	-	-	-	-	261,000	2,287,000	4,268,000	6,145,000
Net debt within 10 1/2% Limitation	13,136,687	14,871,103	15,229,170	14,187,370	14,441,990	13,984,495	17,168,696	18,485,729	(18,485,729)	21,446,927
Overall debt margin	\$ 88,796,337	\$ 87,873,205	\$ 75,238,855	\$ 76,639,259	\$ 76,502,313	\$ 68,470,792	\$ 65,370,661	\$ 63,984,714	\$ 62,553,617	\$ 61,349,388
Unvoted debt limitation 5 1/2 of assessed value	\$ 53,393,489	\$ 53,818,447	\$ 47,388,013	\$ 47,575,853	\$ 47,637,492	\$ 43,394,578	\$ 43,190,865	\$ 43,234,901	\$ 43,198,803	\$ 43,379,740
Amount of principal of unvoted bonds and notes subject to 5 1/2	13,269,333	12,267,782	14,059,549	8,872,369	9,126,990	11,890,277	8,669,495	10,963,696	11,435,729	12,412,250
Unvoted debt margin	\$ 40,124,156	\$ 41,550,665	\$ 33,328,464	\$ 38,703,484	\$ 38,510,502	\$ 31,504,301	\$ 34,521,370	\$ 32,271,205	\$ 31,463,074	\$ 30,967,490

Source: Cuyahoga County Fiscal Officer and City Financial Records

Note: Assessed valuations based upon the tax year.

City of North Olmsted, Ohio

Principal Employers

Last Ten Years

2022		2021		2020	
Employer	Percent of Total Income Taxes	Employer	Percent of Total Income Taxes	Employer	Percent of Total Income Taxes
North Olmsted School District	3.81 %	FB Global Plumbing Group LLC	7.10 %	FB Global Plumbing Group LLC	7.27 %
Fortune Brands Water Innovations LLC	3.65	Moen Incorporated	4.04	North Olmsted School District	5.28
Moen Incorporated	1.91	North Olmsted School District	3.79	Moen Incorporated	4.54
The City of North Olmsted	1.79	The City of North Olmsted	2.02	The City of North Olmsted	2.24
The Cleveland Clinic Foundation	1.62	Ganley Westside Imports	1.53	Factory Mutual Insurance Company	1.82
Champlain Enterprises LLC	1.15	Factory Mutual Insurance Company	1.44	Ganley Westside Imports	1.45
Wal Mart Associates, Inc.	1.12	Champlain Enterprises LLC	1.34	Champlain Enterprises LLC	1.40
R1 Motors Inc.	1.06	The Cleveland Clinic Foundation	1.31	Palmer Holland, Inc.	1.17
Affordable Cars & Finance Inc.	0.94	Wal Mart Associates, Inc.	1.04	The Cleveland Clinic Foundation	1.12
Ganley Westside Imports	0.86	Palmer Holland, Inc.	1.03	Wal Mart Associates, Inc.	1.10
Total	17.91 %	Total	24.64 %	Total	27.39 %
2019		2018		2017	
FB Global Plumbing Group LLC		Moen Incorporated		Moen Incorporated	
North Olmsted School District		North Olmsted School District		North Olmsted School District	
Moen Incorporated		The City of North Olmsted		The City of North Olmsted	
The City of North Olmsted		Bernie Moreno Companies		Bernie Moreno Companies	
Champlain Enterprises LLC		Champlain Enterprises LLC		Factory Mutual Insurance Company	
Factory Mutual Insurance Company		Factory Mutual Insurance Company		Wal Mart Associates, Inc.	
Ganley Westside Imports		Palmer Holland, Inc.		Ganley Westside Imports	
Palmer Holland, Inc.,		Wal Mart Associates, Inc.		Associates, Inc.	
Wal Mart Associates, Inc.		Ganley Westside Imports		Champlain Enterprises LLC	
Riser Foods Company		The Cleveland Clinic Foundation		Palmer Holland, Inc.	
2016		2015		2014	
Moen Incorporated		Moen Incorporated		Moen Incorporated	
North Olmsted School District		North Olmsted School District		North Olmsted School District	
The City of North Olmsted		The City of North Olmsted		The City of North Olmsted	
Bernie Moreno Companies		Bernie Moreno Companies		Factory Mutual Insurance Company	
Factory Mutual Insurance Company		Factory Mutual Insurance Company		Bernie Moreno Company	
Ganley Westside Imports		Ganley Westside Imports		Wal Mart Associates, Inc.	
Wal Mart Associates, Inc.		Palmer Holland, Inc.		Ganley Westside Imports	
Palmer Holland, Inc.		Wal Mart Associates		Palmer Holland, Inc.	
Riser Foods Company		Rise Foods Company		Riser Foods Company	
Cargill, Inc.		Cargill, Inc.		Advanstar Communications	

Source: Regional Income Tax Agency based on payroll withholding.

City of North Olmsted, Ohio

Demographic and Economic Statistics

Last Ten Years

Year	Population (1)	Employed in County (2)	Unemployment Rate (2)			School (3) Enrollment	Number of Residential Property Sales (4)	Averages Sales Price of Residential Property (4)	Total Personal Income (5)	Personal Income Per Capita
			County	State	US					
2022	32,442 (a)	570,341	4.9 %	4.0 %	3.6 %	3,606	545 \$	214,700 \$	1,210,832,766 \$	37,323 (a)
2021	32,442 (a)	556,610	6.5	5.2	5.4	3,685	697	188,900	1,210,832,766	37,323 (a)
2020	32,718 (b)	531,193	10.4	8.2	8.1	3,595	665	164,400	940,773,372	287,54 (b)
2019	32,718 (b)	588,925	4.2	4.1	3.7	3,748	612	151,100	940,773,372	287,54 (b)
2018	32,718 (b)	612,200	5.2	4.6	3.9	3,789	597	143,000	940,773,372	287,54 (b)
2017	32,718 (b)	575,100	5.9	5.0	4.4	3,794	571	142,273	940,773,372	287,54 (b)
2016	32,718 (b)	577,200	5.4	4.9	4.9	3,814	540	127,441	940,773,372	287,54 (b)
2015	32,718 (b)	579,500	5.0	4.9	5.3	3,856	499	126,838	940,773,372	287,54 (b)
2014	32,718 (b)	584,400	6.4	6.2	5.7	3,876	452	119,802	940,773,372	287,54 (b)
2013	32,718 (b)	572,600	7.7	7.4	7.4	4,040	468	120,619	940,773,372	287,54 (b)

Sources:

- (1) Source: U.S. Census, Census of population
 - (a) 2020 Federal Census
 - (b) 2010 Federal Census
- (2) Ohio Department of Jobs and Family Services, U.S. Department of Labor and Bureau of Labor Statistics
- (3) Source: North Olmsted Board of Education
- (4) Source: Cuyahoga County Fiscal Office
- (5) Computation of per capital personal income multiplied by population

City of North Olmsted, Ohio

Full Time City Employees by Function or Program

Last Ten Years

Function/program:	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General government:										
Council	1	1	1	1	1	1	1	1	1	1
Mayor	3	2	2	2	2.5	2	2	2	2	2
Mayor's court	2	2	2	2	1.5	1	1	2	2	1
General clerical	-	1	1	1	1	1	1	1	1	1
Boards and commissions	-	-	-	-	0	-	-	1	1	1
Finance	5	5	5	5	5	5	5	5	5	5
Law	1	1	1	1	1	1	1	1	1	1
Information systems	2	2	2	2	2	1	-	-	1	2
Human resources	3	4	4	4	4	4	4	4	4	4
Building	10	11	10	11	11	11	10	9	8	8
Engineering	1	2	1	1	1	1	1	-	-	-
Total	28	31	29	30	30	28	26	26	26	26
Security of persons and property:										
Safety director	1.5	1	1	2	2	2	2	2	2	2
Fire	41	39	42	42	41	41	42	41	40	41
Dispatch	10	10	9	8	8	8	8	8	8	8
Corrections	1	1	1	1	1	1	1	1	1	1
Police	45	45	47	48	48	45	45	44	45	42
Youth Services (see Public health and welfare)	-	1	1	1	1	1	1	1	1	1
Fire clerk	1.5	1.5	1.5	1.5	1	1	1	1	1	1
Police clerk	5.5	5.5	4.5	5.5	5	5	5	5	4	5
Total	106	104	107	109	107	104	105	103	102	101
Leisure time activities:										
Recreation and Public Engagement Director	1.5	-	-	-	-	-	-	-	-	-
Senior center	4	4	4	4	4	4	4	4	3	3
Recreation	13	11	11	11	11	11	11	11	11	9
Springvale	4	4	4	3	4	3	4	3	4	4
Total	23	19	19	18	19	18	19	18	18	16
Transportation										
Service director	1.5	1	1	1	1	1	1	1	1	1
Public service and properties										
Public works administrative	-	-	-	-	-	-	-	-	-	-
Animal warden	-	-	-	-	-	-	-	-	-	-
Building maintenance	-	1	1	1	1	1	1	1	1	2
Road	10	9	7	10	9	9	9	10	9	8
Forestry	7	6.5	6.5	6.5	8	7	7	6	6	7
Storm	10	9.5	8.5	7.5	9	9	9	7	6	6
Subtotal	27	26	23	25	27	26	26	24	22	23
Fleet	7	7	7	5	6	6	6	6	6	6
Bus	-	-	-	-	-	-	-	-	-	-
Total	36	34	31	31	34	33	33	31	29	30
Economic development										
Planning	2.5	2	2	3	3	3	3	2	2	2
Basic utility services:										
Wastewater treatment plant	26	26	27	25	26	26	26	25	25	26
Total	220	216	215	216	219	212	212	205	202	201

Source: City payroll records

City of North Olmsted, Ohio

Operating Indicators by Function/Program

Last Ten Years

	2022	2021	2020 (i)	2019	2018	2017	2016	2015	2014	2013
Governmental activities:										
General government:										
Council and clerk										
Number of ordinances and resolutions submitted	125	92	158	122	142	92	142	111	100	116
Number of ordinances and resolutions passed	125	89	150	119	140	91	140	108	97	114
Mayor's Court (b)										
Number of traffic cases	5,975	5,520	5,598	10,522	9,961	6,842	7,705	9,927	7,602	7,345
Number of OVI cases	39	36	43	50	42	40	45	54	62	59
Number of criminal cases	111	148	178	352	315	307	258	260	260	273
Number of parking cases	201	209	226	290	290	190	246	225	225	261
Number of cases transferred	135	114	127	225	212	159	172	105	105	116
Number of cases waived, total	4,986	4,866	5,047	9,155	8,471	5,859	6,952	6,513	6,513	6,063
Number of cases waived, online	3,979	3,714	3,870	6,065	5,467	3,581	3,924	3,396	3,396	3,380
Finance										
Agency ratings										
Fitch IBCA	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-
Moody's Financial Services-- General Limited Tax	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2
Moody's Financial Services-- General Unlimited Tax	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2
Law										
Real property complaints filed	28	17	37	175	151	168	81	34	45	45
Real property fines collected	\$ 3,224	\$ 7,775	\$ 8,805	\$ 5,445	\$ 7,759	\$ 4,877	\$ 7,445	\$ 6,282	\$ 4,050	\$ 5,410
Criminal cases prosecuted	714	793	784	1,009	895	808	1,048	959	1,049	700 ^(c)
Traffic cases prosecuted	833	779	781	1,080	610	614	615	559	388	505 ^(c)
Building										
Estimated valuation of permits issued	\$ 38,182,987	\$ 29,521,238	\$ 26,013,878	\$ 46,362,390	\$ 30,452,071	\$ 35,115,507	\$ 98,619,912	\$ 29,338,654	\$ 22,923,368	\$ 71,039,906 ^(a)
Number of permits issued	1,489	1,754	1,663	1,831	1,831	1,539	98,629,101	29,346,488	22,928,900	1,450

(Continued)

City of North Olmsted, Ohio

Operating Indicators by Function/Program (Continued)

Last Ten Years

	2022	2021	2020 (i)	2019	2018	2017	2016	2015	2014	2013
Security of persons and property:										
Police										
Number of criminal arrests	1,542	1,239	1,179	1,805	1,773	1,345	1,534	1,710	1,739	2,435
Number of DUI arrests	87	91	115	116	81	82	91	115	103	59
Number of motor vehicle accidents	1,026	1,022	582	786	835	849	827	915	857	814
Number of prisoners confined	1,101	848	863	1,299	1,267	1,062	122	1,335	1,329	1,254
Number of traffic citations issued	6,541	6,026	6,118	11,443	10,836	7,527	81,175	9,875	8,090	8,034
Number of parking citations issued	975	1,234	1,407	1,674	1,961	1,314	1,669	1,588	1,849	1,749
Fire										
Number of fire responses	757	798	719	678	711	681	642	686	689	718
Number of squad responses	3,932	3,979	3,717	3,764	3,780	3,730	3,626	3,655		
Total number of emergency responses	4,689	4,774	4,471	4,483	4,491	4,411	4,268	4,341	3,986	3,893
Number of runs per day	13.0	13.0	12.0	12.0	12.0	12.1	12.0	11.9	10.9	10.7
Public health and welfare:										
Youth and family services										
Food cupboard distributions	1,276	1,320	1,703	1,745	1,808	1,800	1,735	1,787	1,833	1,618
Holiday adopt-a-family	36	40	36	39	43	48	48	47	54	56
Senior center (g)										
Hot lunch program - meals served	5,964	- (j)	1,155	6,405	5,082	5,242	5,806	6,021	5,998	6,106
Meals on wheels clients served	69	59	53	46	53	40	30	38	62	60
Senior transportation										
connection medical trips	47	474	284	977	895	960	912	1,002	1,893	1,955
Senior transportation										
connection other trips	1,966	2,345	644	2,460	2,641	1,904	2,662	2,988	3,172	3,636
Leisure time activities:										
Senior center										
Cabin rentals	91	94	77	117	137	125 (f)	137	172	185	185
Activity participants except hot										
lunch program	9,903	4,897	3,880	12,991	14,764	20,776	21,520	23,665	23,665	23,652
Springvale Golf Course and Ballroom										
Number of golf rounds	43,979	38,248	39,767	32,472	22,148	25,013	25,274	26,542	22,715	21,731
Number of golf outings	12	21	1	40	36	33	42	42	37	39
Number of ballroom rentals	40	33	9	62	58	47	50	45	53	50
Recreation										
Skate programs and event participants	687	335	380	5,417	5,381	5,008	5,572	5,423	4,567(d)	5,005
Pool programs	328	158	357	1,326	1,355	1,394	1,366	1,229	928(d)	1,031
Summer camp participants	206	256	-	222	217	228	265	220	200(d)	220
Fitness pass visits	82,226	68,223	67,693	121,618	115,321	101,036	87,511	55,919(e)	N/A	N/A
Prime and Silver Sneak Pass Visits	17,108	21,798	12,017	26,710	25,012	23,429	21,053	11,645(e)	N/A	N/A

(Continued)

City of North Olmsted, Ohio

Operating Indicators by Function/Program (Continued)

Last Ten Years

	2021	2021	2020 (i)	2019	2018	2017	2016	2015	2014	2013
Transportation:										
Snowfall in inches	52.0	32.0	52.0	33.0	42.0	45.0	42.0	32.8	65.9	44.0
Street salting and plowing — number of hours	2,672	2,268	2,059	2,548	2,430	2,472	3,270	1,261	2,660	2,483
Street asphalt and concrete repair — number of hours	7,863	5,976	5,699	11,550	10,500	10,713	10,401	6,622	5,089	5,815
Tree planting and maintenance — number of hours	2,664	4,096	2,623	2,905	2,820	2,693	2,155	2,906	2,768	3,127
Vehicle maintenance and repair — number of hours	5,234	6,758	6,733	5,143	6,664	6,579	6,961	6,572	6,673	7,262
Street improvements - asphalt overlay/recycling - square feet	391,842	789,155	530,114	602,064	420,786	413,721	440,730	443,394	146,146	507,619
Cost of road salt purchased	\$387,874	\$354,627	\$191,865	\$311,231	\$166,706	\$248,932	\$168,175	\$447,634	\$405,950	\$168,120
Cost of unleaded and diesel fuel used	\$618,640	\$430,036	\$278,090	\$406,038	\$414,601	\$315,092	\$353,216	\$341,499	\$567,864	\$555,348
Wastewater										
Sanitary sewer rate per 1,000 cubic ft.	\$87.78	\$86.06	\$86.06	\$86.06	\$83.56	\$94.10	\$81.46	\$74.07	\$67.98	\$64.75
Total 1,000 cubic feet billed	109,271	112,106	114,999	112,604	118,132	117,881	118,592	121,268	121,268	122,844
Total flow of wastewater treatment plant (billions of gallons)	2,277	2,256	2,557	2,288	2,660	2,106	1,958	2,033	2,467	2,293
Average daily flow (millions of gallons per day)	6.220	6.181	6.985	6.474	7.287	5.782	5.364	5.570	6.759	6.286
Tons of wet sludge removed	4,975	5,128	5,113	4,981	5,465	5,857	5,201	6,106	4,793	5,295
Solid waste (h):										
Tons recycled	2,177	2,325	2,571	2,682	2,939	3,360	3,226	2,971	2,960	N/A
Tons composted	3,426	4,280	4,182	5,131	6,092	4,912	5,756	N/A	N/A	N/A
Tons landfilled	11,230	12,658	13,234	10,746	7,869	7,964	8,282	5,412	6,812	N/A

N/A: Not available

Source: Various City Divisions

(a) 2013 Assessed Valuation of Improvements includes \$38,000,000 Wastewater Treatment Plant Improvement Project

(b) The City began operating a Mayor's Court in 2013. Prior to 2013, all cases were handled by the Rocky River Municipal Court.

(c) These figures represent only the cases that were prosecuted by the City through Rocky River Municipal Court. It does not include cases that were waived.

(d) The Recreation Center was under construction during 2014 and some of the programs were limited.

(e) The Recreation Center fitness area began operation in 2015.

(f) The Community Cabin was closed for three months due to renovation in 2017.

(g) The Senior Transportation Connection along with the City has changed the policies for dialysis and medical trips, which are combined on this report.

(h) Statistics are provided by Cuyahoga County Solid Waste District.

(i) Some statistics may not be typical due to the effects of the COVID-19 pandemic and its impact on the City operations.

(j) Congregate meals discontinued due to COVID-19

City of North Olmsted, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities:										
Number of administrative vehicles	11	12	12	12	10	10	9	7	8	8
Security of persons and property:										
Fire:										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of vehicles	19	18	18	17	17	16	16	15	14	14
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of vehicles	38	34	36	33	32	31	29	28	26	28
Leisure time activities:										
Recreation:										
Number of parks	4	4	4	4	4	4	4	4	4	4
Number of pools	2	2	2	2	2	2	2	2	2	2
Recreation center facility	1	1	1	1	1	1	1	1	1	1
Number of vehicles	8	8	8	8	8	7	7	7	7	6
Springvale Golf Course and Ballroom:										
Number of acres										
(18 hole golf course)	132	132	132	132	132	132	132	132	132	132
Square footage of ballroom	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Number of vehicles	1	1	1	2	1	1	1	1	1	1
Senior center:										
Senior center facility	1	1	1	1	1	1	1	1	1	1
Number of vehicles	2	2	2	2	1	1	1	1	1	1
Transportation:										
Streets:										
Miles of streets	146	146	146	146	146	146	146	146	146	146
Number of street lights	2,633	2,633	2,633	2,633	2,633	2,633	2,633	2,633	2,633	2,633
Number of service vehicles	55	54	54	53	54	50	52	49	50	48
Wastewater:										
Miles of sanitary sewers	176	176	176	176	176	176	176	176	176	176
Miles of storm sewers	152	152	152	152	152	152	152	152	152	152
Number of vehicles	27	27	25	25	24	24	26	23	23	20

City of North Olmsted, Ohio

Capital Assets by Function

Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities:										
General government:										
Non-depreciable										
Land and art	\$ 4,348,482	\$ 4,348,482	\$ 4,338,482	\$ 4,338,482	\$ 4,284,592	\$ 4,284,592	\$ 4,119,592	\$ 4,119,592	\$ 4,119,592	\$ 4,119,595
CIP	848,021	756,811	1,673,019	709,545	24,075	345,587	-	60,299	-	-
Other capital assets										
Cost	17,164,923	17,053,708	16,124,249	15,699,251	15,544,553	15,244,608	14,960,300	14,880,955	14,903,823	14,865,654
Net book value	6,758,648	7,151,429	6,607,860	6,661,026	6,968,052	7,120,198	7,227,249	7,568,209	7,987,500	8,377,429
Security of persons and property:										
Fire:										
Non-depreciable										
Land	349,400	349,400	349,400	349,400	349,400	349,400	349,400	349,400	349,400	349,400
CIP	82,137	-	-	-	-	-	-	-	-	-
Other capital assets										
Cost	12,260,920	11,934,654	11,878,319	10,613,167	10,545,253	10,011,153	9,931,593	9,813,853	10,131,597	10,076,706
Net book value	5,398,711	5,426,117	5,846,070	4,970,993	5,135,225	4,922,582	5,104,932	5,315,192	5,617,704	5,855,145
Police:										
Non-depreciable										
CIP	-	9,085	-	997,949	-	-	333,718	15,000	-	287,610
Other capital assets										
Cost	5,959,223	5,684,983	5,848,002	4,659,318	4,552,145	4,370,310	3,866,321	3,927,420	3,455,139	2,970,279
Net book value	2,606,264	2,546,505	2,660,973	1,647,954	1,644,132	1,555,410	1,198,839	1,213,570	1,205,287	751,412
Public health and welfare:										
Youth and family:										
Non-depreciable										
CIP	15,600	-	-	-	-	-	-	-	-	-
Other capital assets										
Cost	227,268	227,268	227,268	200,253	200,253	200,253	200,253	200,253	165,706	165,706
Net book value	121,505	133,139	144,773	128,492	138,325	148,158	157,991	167,824	142,507	149,135
Leisure time activities:										
Recreation:										
Non-depreciable										
CIP	12,500	-	2,242,023	3,815	-	-	-	1,653,610	1,211,618	22,478
Other capital assets										
Cost	16,069,034	15,960,265	13,846,884	12,298,521	12,267,589	12,260,724	11,865,850	10,204,381	10,182,522	9,942,010
Net book value	5,641,954	5,811,734	3,740,895	3,033,719	3,173,833	3,358,448	3,067,390	1,566,174	1,682,392	1,657,819

(Continued)

City of North Olmsted, Ohio

Capital Assets by Function (Continued)

Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Senior center:										
Non-depreciable										
CIP	-	-	-	-	-	-	-	-	110,970	-
Other capital assets										
Cost	-	-	-	1,427,029	1,394,526	1,023,118	1,006,092	974,238	855,852	855,852
Net book value	-	-	-	836,407	887,834	558,568	573,679	573,878	484,586	513,103
Transportation:										
Non-depreciable										
CIP	19,463	2,938,367	3,745,917	3,070,411	3,442,835	2,837,499	522,532	751,070	267,707	58,798
Other capital assets										
Cost	6,274,801	5,854,797	5,887,440	5,501,749	5,490,031	5,179,007	4,921,255	4,695,385	4,740,585	4,432,139
Net book value	2,767,330	2,256,031	2,129,548	1,972,204	1,853,868	1,642,389	1,473,524	1,279,369	1,309,219	1,153,149
Infrastructure										
Cost	159,949,079	155,729,377	154,017,359	151,058,739	148,141,857	147,134,364	146,269,502	144,433,404	143,179,372	142,644,860
Net book value	23,183,577	20,644,666	20,562,969	19,188,814	18,659,624	20,847,006	23,606,741	25,071,185	28,005,185	32,938,273
Economic development:										
Other capital assets										
Cost	106,491	106,491	106,491	106,490	106,490	106,491	106,491	122,673	122,673	122,673
Net book value	66,024	70,284	74,544	78,804	83,064	87,323	91,582	99,309	105,881	112,452
Totals:										
Non-depreciable										
Land and art	4,697,882	4,697,882	4,687,882	4,687,882	4,633,992	4,633,992	4,468,992	4,468,992	4,468,992	4,468,995
CIP	977,721	3,704,263	7,660,959	4,781,720	3,466,910	3,183,086	856,250	2,479,979	1,590,295	368,886
Other capital assets										
Cost	58,062,660	56,822,166	53,918,653	50,505,778	50,100,840	48,395,664	46,858,155	44,819,158	44,557,897	43,431,019
Net book value	23,360,436	23,395,239	21,204,663	19,329,599	19,884,333	19,393,076	18,895,186	17,783,525	18,535,076	18,569,644
Infrastructure										
Cost	159,949,079	155,729,377	154,017,359	151,058,739	148,141,857	147,134,364	146,269,502	144,433,404	143,179,372	142,644,860
Net book value	23,183,577	20,644,666	20,562,969	19,188,814	18,659,624	20,847,006	23,606,741	25,071,185	28,005,185	32,938,273
Total governmental activities cost	<u>\$ 223,687,342</u>	<u>\$ 220,953,688</u>	<u>\$ 220,284,853</u>	<u>\$ 211,034,119</u>	<u>\$ 206,343,599</u>	<u>\$ 203,347,106</u>	<u>\$ 198,452,899</u>	<u>\$ 196,201,533</u>	<u>\$ 193,796,556</u>	<u>\$ 190,913,760</u>
Total governmental activities net book value	<u>\$ 52,219,616</u>	<u>\$ 52,442,050</u>	<u>\$ 54,116,473</u>	<u>\$ 47,988,015</u>	<u>\$ 46,644,859</u>	<u>\$ 48,057,160</u>	<u>\$ 47,827,169</u>	<u>\$ 49,803,681</u>	<u>\$ 52,599,548</u>	<u>\$ 56,345,798</u>

(Continued)

City of North Olmsted, Ohio

Capital Assets by Function (Continued)

Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Business-type activities::										
Springvale Golf Course and Ballroom:										
Cost	\$ 13,339,934	\$ 13,273,613	\$ 13,274,870	\$ 13,061,728	\$ 11,163,275	\$ 9,492,696	\$ 7,978,527	\$ 7,823,515	\$ 7,589,715	\$ 7,461,986
Net book value	8,598,547	8,953,125	9,321,212	9,391,110	7,735,689	6,295,678	4,992,251	5,065,202	4,951,925	5,031,022
Sewer revenue:										
Cost	100,844,763	99,914,256	99,116,049	98,870,645	97,801,719	97,247,792	96,167,396	123,128,118	122,092,107	112,208,937
Net book value	55,703,748	57,610,613	59,457,142	61,761,859	63,413,790	65,544,822	66,716,782	71,686,671	72,363,287	64,146,307
NOMBL:										
Cost	-	-	-	-	-	-	-	-	-	-
Net book value	-	-	-	-	-	-	-	-	-	-
Total business-type activities cost	<u>\$ 114,184,697</u>	<u>\$ 113,187,869</u>	<u>\$ 112,390,919</u>	<u>\$ 111,932,373</u>	<u>\$ 108,964,994</u>	<u>\$ 106,740,488</u>	<u>\$ 104,145,923</u>	<u>\$ 130,951,633</u>	<u>\$ 129,681,822</u>	<u>\$ 119,670,923</u>
Total business-type activities net book value	<u>\$ 64,302,295</u>	<u>\$ 66,563,738</u>	<u>\$ 68,778,354</u>	<u>\$ 71,152,969</u>	<u>\$ 71,149,479</u>	<u>\$ 71,840,500</u>	<u>\$ 71,709,033</u>	<u>\$ 76,751,873</u>	<u>\$ 77,315,212</u>	<u>\$ 69,177,329</u>

Source: City Finance Department -- capital assets inventory.

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF NORTH OLMSTED

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/1/2023

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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