



OHIO AUDITOR OF STATE
KEITH FABER



CITY OF NORTH OLMSTED
CUYAHOGA COUNTY
DECEMBER 31, 2019

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

City of North Olmsted
Cuyahoga County
5200 Dover Center Road
North Olmsted, Ohio 44070

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Olmsted, Cuyahoga County, (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 31, 2020.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State

Columbus, Ohio

July 31, 2020

Comprehensive Annual Financial Report

NORTH OLMSTED, OHIO

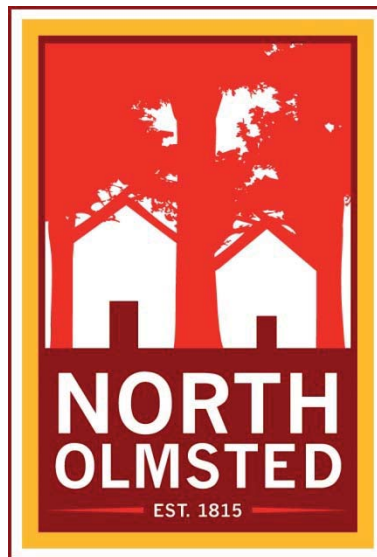
For the Year Ended December 31, 2019



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**INTRODUCTORY
SECTION**

City of North Olmsted, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended
December 31, 2019



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

City of North Olmsted, Ohio

Comprehensive Annual Financial Report For the Year Ended December 31, 2019

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City of North Olmsted, Ohio

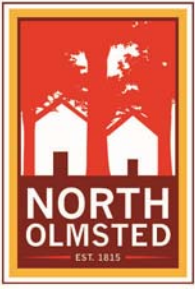
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CITY of NORTH OLMSTED

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

July 31, 2020

Honorable Kevin M. Kennedy
Citizens of North Olmsted, Ohio
And Members of City Council

Ohio law (Ohio Administrative Code Section 117-2-03(B)) requires that all cities file annual audited financial reports prepared on a GAAP (Generally Accepted Accounting Principles) basis with the Auditor of State within six months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended December 31, 2019.

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.

The Auditor of the State of Ohio, Keith Faber, an independent auditor, has issued an unmodified (“clean”) opinion on the City of North Olmsted’s financial statements for the year ended December 31, 2019. The Independent Auditor’s Report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the Independent Auditor’s Report and provides a narrative introduction, overview and analysis of the basic financial statements. 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 2010 census was 32,718, which represents a four percent decline from the 2000 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 Conrail 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
- ◆ 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, Planning and Economic Development, 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 officers and employees he has appointed, 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 for approximately 4,800 persons. The local economy has developed and redeveloped around this area.

Based on employer payments of business profits and employee wage and salary withholding income taxes, one taxpayer accounted for approximately 5.53% of the City income taxes collected in Fiscal Year 2019. No other taxpayer contributed more than 5% of the City income taxes collected in Fiscal Year 2019. 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.

While the City and region have been slower than other regions to recover from the 2008 global recession, several promising economic indicators occurred in 2019. Municipal income tax collections increased from the prior year with both individual contributions and business net profit increases offset by a decline in employee withholdings. The number of residential property sales increased by 2.5% to 612, which is the highest volume since 2006. In addition, the average sales price of residential properties increased 5.7% to \$151,100, which is the first year higher than the 2007 pre-recession average prices. The average yearly unemployment rate in the county decreased by a full percent to 4.2% during 2019; the State unemployment rate decreased 0.5% to 4.1%; the US rate declined to 3.7%; though this statistic does not account for those persons who are unemployed, but no longer looking for work. The unemployment rates are the lowest they have been in the past 20 years.

The City is adapting to the same ever-changing economic landscape seen all across the world due to the COVID-19 pandemic. The City took swift action reducing the budget based on estimated 2020 revenue losses and continues to review and monitor the budget as well seek out federal and state assistance in order to make sure all essential services are provided to the residents.

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 sixteenth 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, sewer user charges and golf user charges.

The Mayor and his 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, and January 2017 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

Construction began on a senior living facility with 88 independent living apartments, 64 assisted living and memory care units, and 9 independent villas. In 2018, the City entered into a Community Reinvestment Area (CRA) agreement with Omni Senior Living, LLC for the development. Under the CRA agreement, Omni Senior Living, LLC will make a total investment of \$33.7 million (plus or minus 10%) in construction, furniture and fixtures, and land acquisition. By the end of 2022, there will be a minimum of 50 jobs created with an annual payroll of approximately \$2.2 million. In return, Omni Senior Living, LLC will receive a real estate tax abatement for 15 years in the amount of 50% of the tax on the facility.

A multi-phase project, which began in 2016, to implement the Springvale Master Plan improving the nearly 100-year-old Springvale Ballroom and Golf facilities continued in 2019 with Phase II which included a new roof and HVAC system. While removing the interior ceiling of the ballroom the original architectural roof supports were exposed and gave the ballroom an elegant new appearance with the addition of decorative fabrics and lights.

The City entered into a Cooperation Agreement with the Cuyahoga County Department of Public Works for the replacement of a culvert on Bradley Road where it crosses over French Creek because it had reached the end of its useful life. Under the agreement, the County paid 80% of construction and 60% of engineering expenses. The City covered the remaining 20% and 40% of construction and engineering, respectively. The expected life span of the new culvert is 25 to 30 years.

The WWTP purchased a GapVax large body vacuum truck used to pull debris and solid material out of the sanitary sewer system, thereby preventing or correcting a backup in the sewer system. The GapVax comes equipped with an 8 cubic yard debris tank, 2,000 gallons of water storage for flushing sewer lines, a 3,500-5,900 CFM Blower, a max reach of 26 feet from the center (horizontal), and a can reach depths of 50 feet (vertical). The GapVax was also purchased with a state of the art Hydro Excavation package, which allows crews to excavate with the GapVax jet instead of digging with a backhoe. This feature is critical when excavating around hazardous areas like gas lines, power lines, or communication cables making it a much safer means to explore underground. The GapVax is also equipped with a 2,500 PSI water pump which when used in conjunction with cleaning heads, can remove grease deposits, sediments, and scale from the inside of sanitary sewer pipes.

Projects were started in 2019 to upgrade and replace the heating and ventilation system (HVAC) and electrical systems at City Hall. The current HVAC system was installed in 1983 and revamped in 1992 and operated on an antiquated Windows 95 system. The new system will be split into several zones allowing for better temperature control. Additionally, the new system will extend air conditioning to parts of the building that previously did not have any. The new HVAC units will be more efficient and should provide a savings in utility costs for the building. The City received an Energized Community Grant from the Northeast Ohio Public Energy Council (NOPEC) to pay for a significant portion of the HVAC project. City Hall also received an upgrade to the electrical system due to the old system being unable to provide the required level of power for the City's servers.

The Police station received a new range roof enclosure and a new roof for the whole building. The enclosure provided a solution to the constant leaking problem due to the moisture barrier being compromised. In addition to providing protection of the range, the enclosure provided three additional offices for the storage of files, storage of cleaning supplies, and a Lieutenants office. The entire building's roof was also replaced as part of the project due to water penetration issues.

The City's annual street rating program identifies the roads needing the most repair. The City resurfaced 8 streets during 2019, including Bretton Ridge, Georgette Avenue, Sparky Lane, and the Brookpark Road Extension. In total, over 600,000 square feet of road was improved citywide in 2019. It was also the second year of the City's rejuvenation program which focuses on pavement maintenance so roads will not need to be completely resurfaced as often.

Long-term Financial Planning

The City does not have a formal long-term capital plan; however, the Mayor and his administration have developed a five-year capital plan and are utilizing it for planning and budgeting purposes.

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 2019 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 begun 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, 2018. This was the twentieth 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 2019 Comprehensive Annual 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,

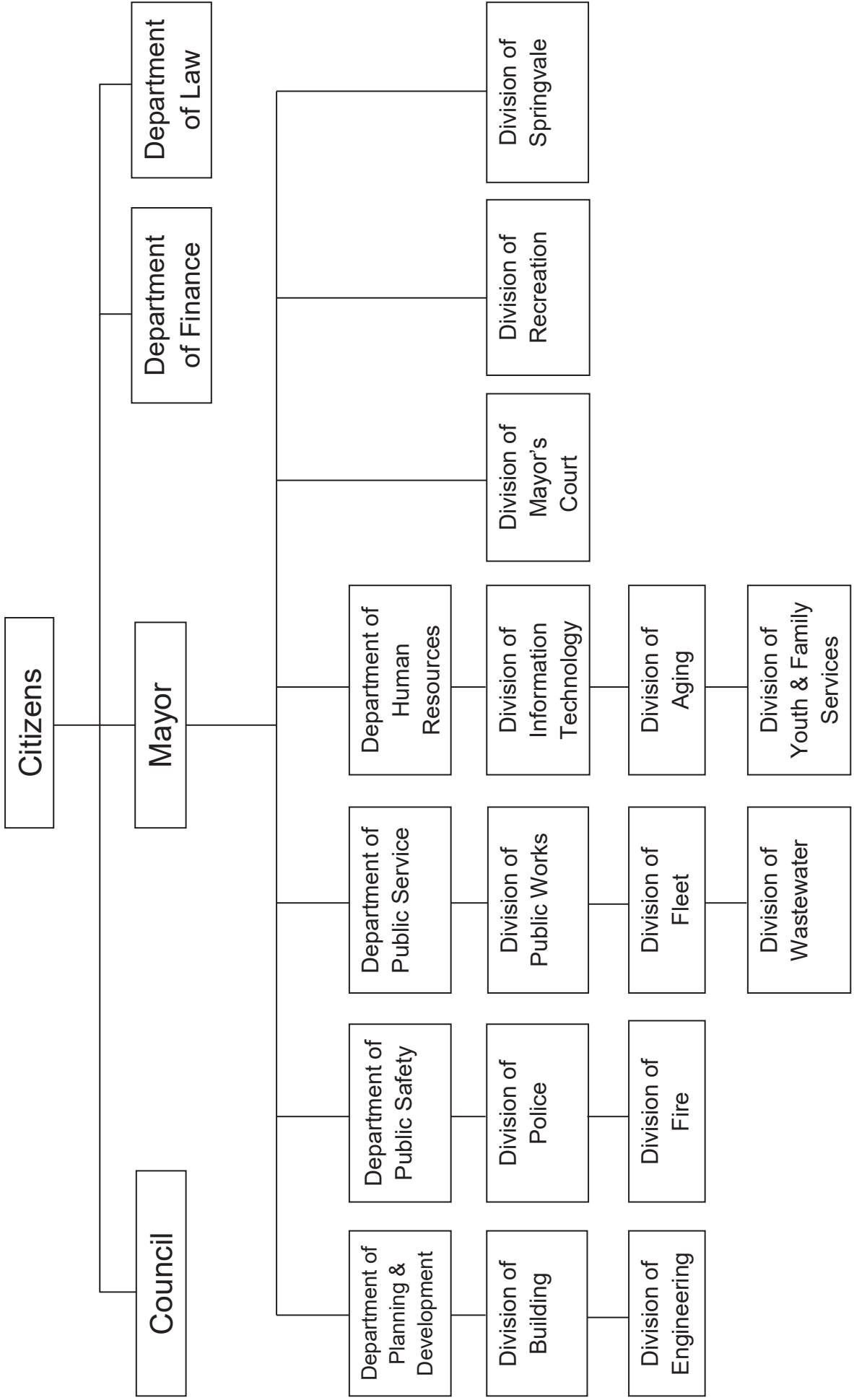


Carrie B. Copfer, CPA
Director of Finance



Keith Sperling
Assistant Director of Finance

CITY OF NORTH OLMSTED ORGANIZATIONAL CHART



City of North Olmsted, Ohio

Principal City Officials

December 31, 2019

Elected Officials

Kevin M. Kennedy	Mayor
Michael R. Gareau, Jr.....	Director of Law
Carrie B. Copfer.....	Director of Finance
Nicole Dailey Jones.....	President of Council
Louis Brossard	Council Ward 1
Chris Glassburn.....	Council Ward 2
Paul Schumann.....	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

Marie Gallo	Director of Human Resources
Donald Glauner	Director of Public Safety and Service
Kimberly Lieber.....	Director of Planning Development



Government Finance Officers Association

**Certificate of
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Reporting**

Presented to

**City of North Olmsted
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

**FINANCIAL
SECTION**

OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

City of North Olmsted
Cuyahoga County
5200 Dover Center Road
North Olmsted, Ohio 44070

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Olmsted, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City 's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Olmsted, Cuyahoga County, Ohio, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2020, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State

Columbus, Ohio

July 31, 2020

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City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2019

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, 2019. 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 2019 are as follows:

- The total assets and deferred outflows of resources of the City exceeded total liabilities and deferred inflows of resources at the close of 2019 by \$48,758,366. This is an increase of \$16,747,055 over the 2018 net position. Net position of the City's governmental activities increased \$15,924,493 from 2018, while net position of the business-type activities increased \$822,562.
- Total assets increased by \$5,533,662 and deferred outflows of resources increased by \$7,327,237. The main factor affecting the total assets was the increase in equity in pooled cash and cash equivalents (up \$4,019,863). The main fluctuation in deferred outflows of resources related to the pension systems (up \$7,094,149).
- Total liabilities decreased by \$564,235 and deferred inflows of resources decreased by \$3,321,921 from 2018. The main factors affecting the total liabilities was a decrease net OPEB liability (down \$14,093,817), offset by an increase in the net pension liability (up \$14,589,822) during 2019. The deferred inflows of resources were down in 2019 with the pension systems being the biggest contributor (down \$2,918,871).
- The General Fund reported a fund balance of \$9,336,480 at the end of the 2019, which is an increase of \$754,240 from 2018. The General Fund expenditures and other financing uses increased \$513,611 from 2018 to 2019 and revenues and other financing sources increased \$1,216,090.

Using This Comprehensive Annual Financial Report (CAFR)

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, 2019

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 2019. 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, 2019

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, Permanent Improvements Fund, and 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 31 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources are not available to support the City's own programs. The City of North Olmsted has three agency funds to report within the fiduciary fund category. Agency funds are reported on a full accrual basis and only present a Statement of Fiduciary Assets and Liabilities.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2019

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 36 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 113 of this report.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2019

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 2019 compared to 2018.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and other assets	\$ 53,576,737	\$ 49,256,844	\$ 9,975,285	\$ 10,077,973	\$ 63,552,022	\$ 59,334,817
Capital assets, net	47,988,015	46,644,859	71,152,969	71,149,479	119,140,984	117,794,338
Net pension asset	79,284	102,183	25,245	32,535	104,529	134,718
<i>Total assets</i>	<u>101,644,036</u>	<u>96,003,886</u>	<u>81,153,499</u>	<u>81,259,987</u>	<u>182,797,535</u>	<u>177,263,873</u>
Deferred outflows of resources:						
Deferred charge on refunding Pension	82,638	105,459	26,694	40,041	109,332	145,500
OPEB	11,019,449	4,609,012	1,282,956	599,244	12,302,405	5,208,256
	<u>2,452,247</u>	<u>2,233,697</u>	<u>172,329</u>	<u>121,623</u>	<u>2,624,576</u>	<u>2,355,320</u>
<i>Total deferred outflows of resources</i>	<u>13,554,334</u>	<u>6,948,168</u>	<u>1,481,979</u>	<u>760,908</u>	<u>15,036,313</u>	<u>7,709,076</u>
Liabilities:						
Current liabilities	2,078,701	1,778,159	1,304,094	1,162,631	3,382,795	2,940,790
Long-term liabilities:						
Due within one year	5,739,337	5,343,434	3,343,289	3,291,836	9,082,626	8,635,270
Due within more than one year:						
Other amounts	18,385,105	18,379,269	50,952,724	52,908,161	69,337,829	71,287,430
Net pension liability	40,320,668	27,561,247	4,189,034	2,358,633	44,509,702	29,919,880
Net OPEB liability	<u>9,340,988</u>	<u>23,791,308</u>	<u>2,009,212</u>	<u>1,652,709</u>	<u>11,350,200</u>	<u>25,444,017</u>
<i>Total liabilities</i>	<u>75,864,799</u>	<u>76,853,417</u>	<u>61,798,353</u>	<u>61,373,970</u>	<u>137,663,152</u>	<u>138,227,387</u>
Deferred inflows of resources:						
Property taxes	9,132,321	10,019,607	-	-	9,132,321	10,019,607
Payments in lieu of taxes	500,893	192,273	-	-	500,893	192,273
Pension	585,694	2,993,086	74,011	585,490	659,705	3,578,576
OPEB	<u>1,110,446</u>	<u>813,947</u>	<u>8,965</u>	<u>129,848</u>	<u>1,119,411</u>	<u>943,795</u>
<i>Total deferred inflows of resources</i>	<u>11,329,354</u>	<u>14,018,913</u>	<u>82,976</u>	<u>715,338</u>	<u>11,412,330</u>	<u>14,734,251</u>
Net position:						
Net investment in capital assets	31,226,859	28,803,658	17,036,222	15,530,540	48,263,081	44,334,198
Restricted	23,006,480	21,367,564	-	-	23,006,480	21,367,564
Unrestricted	<u>(26,229,122)</u>	<u>(38,091,498)</u>	<u>3,717,927</u>	<u>4,401,047</u>	<u>(22,511,195)</u>	<u>(33,690,451)</u>
<i>Total net position</i>	<u>\$ 28,004,217</u>	<u>\$ 12,079,724</u>	<u>\$ 20,754,149</u>	<u>\$ 19,931,587</u>	<u>\$ 48,758,366</u>	<u>\$ 32,011,311</u>

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2019

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 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 liability (asset) and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension/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, 2019

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.

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 asset not accounted for as deferred inflows/outflows.

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 \$48,758,366 as of December 31, 2019, which is a \$16,747,055 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 2019 increased \$5,533,662 when compared to 2018 and deferred outflows of resources increased by \$7,327,237. The main factor affecting the total assets was the increase in equity in pooled cash and cash equivalents (up \$4,019,863). Increase in equity in pooled cash and cash equivalents was due to note proceeds issued in the current year. The main fluctuation in deferred outflows of resources related to net pension (up \$7,094,149) due to the effects for GASB 68.

Total liabilities decreased by \$564,235 and deferred inflows of resources decreased by \$3,321,921 from 2018. The main factors affecting the total liabilities was a decrease net OPEB liability (down \$14,093,817) and other amounts due in more than one year (down \$1,949,601), offset by an increase in the net pension liability (up \$14,589,822) during 2019. The deferred inflows of resources related to pension were down in 2019 due to the effects of GASB 68 (down \$2,918,871).

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2019

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.

Table 2
Changes in Net Position

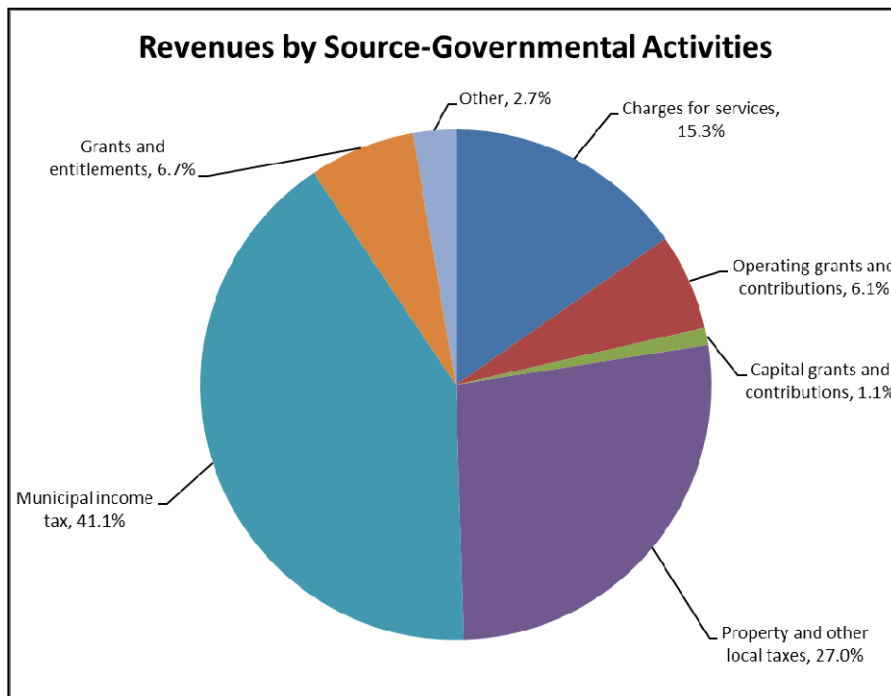
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services and sales	\$ 6,184,379	\$ 6,543,865	\$ 12,158,846	\$ 12,030,666	\$ 18,343,225	\$ 18,574,531
Operating grants and contributions	2,466,651	1,950,646	-	-	2,466,651	1,950,646
Capital grants and contributions	<u>450,747</u>	<u>155,067</u>	<u>64,970</u>	<u>105,103</u>	<u>515,717</u>	<u>260,170</u>
Total program revenues	<u>9,101,777</u>	<u>8,649,578</u>	<u>12,223,816</u>	<u>12,135,769</u>	<u>21,325,593</u>	<u>20,785,347</u>
General revenues:						
Property taxes and other taxes	10,873,713	9,781,544	-	-	10,873,713	9,781,544
Municipal income taxes	16,544,287	15,357,622	-	-	16,544,287	15,357,622
Grants and entitlements	2,679,464	2,006,231	-	-	2,679,464	2,006,231
Other	<u>1,080,734</u>	<u>685,834</u>	<u>-</u>	<u>-</u>	<u>1,080,734</u>	<u>685,834</u>
Total general revenues	<u>31,178,198</u>	<u>27,831,231</u>	<u>-</u>	<u>-</u>	<u>31,178,198</u>	<u>27,831,231</u>
Total revenues	<u>40,279,975</u>	<u>36,480,809</u>	<u>12,223,816</u>	<u>12,135,769</u>	<u>52,503,791</u>	<u>48,616,578</u>
Program expenses:						
General government	6,179,418	5,375,605	-	-	6,179,418	5,375,605
Security of persons and property	2,958,665	17,388,852	-	-	2,958,665	17,388,852
Public health and welfare	664,427	686,988	-	-	664,427	686,988
Transportation	7,761,803	8,093,205	-	-	7,761,803	8,093,205
Basic utility services	2,271,866	2,142,175	-	-	2,271,866	2,142,175
Leisure time activities	3,481,815	3,083,618	-	-	3,481,815	3,083,618
Economic development	517,720	494,603	-	-	517,720	494,603
Interest and fiscal charges	540,558	514,478	-	-	540,558	514,478
Springvale Golf Course and Ballroom	-	-	1,800,252	1,823,985	1,800,252	1,823,985
Sewer	-	-	<u>9,580,212</u>	<u>8,749,271</u>	<u>9,580,212</u>	<u>8,749,271</u>
Total program expenses	<u>24,376,272</u>	<u>37,779,524</u>	<u>11,380,464</u>	<u>10,573,256</u>	<u>35,756,736</u>	<u>48,352,780</u>
Change in net position before transfers	15,903,703	(1,298,715)	843,352	1,562,513	16,747,055	263,798
Transfers	<u>20,790</u>	<u>52,640</u>	<u>(20,790)</u>	<u>(52,640)</u>	<u>-</u>	<u>-</u>
Change in net position	15,924,493	(1,246,075)	822,562	1,509,873	16,747,055	263,798
Net position, beginning of year	<u>12,079,724</u>	<u>13,325,799</u>	<u>19,931,587</u>	<u>18,421,714</u>	<u>32,011,311</u>	<u>31,747,513</u>
Net position, end of year	\$ <u>28,004,217</u>	\$ <u>12,079,724</u>	\$ <u>20,754,149</u>	\$ <u>19,931,587</u>	\$ <u>48,758,366</u>	\$ <u>32,011,311</u>

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2019

Governmental Activities

Overall, total governmental activities revenues increased by \$3,799,166. Program revenues represent 23% of the total governmental activities revenues. This includes charges for services and sales and both operating and capital grants. Program revenues increased in 2019 by \$452,199, primarily as a result of an increase in operating grants and contributions of \$516,005. The increase in operating grants and contributions is primarily due to an increase in grants related to transportation.

General revenues represent the other 77% of total governmental activities with municipal income taxes at 41%, property and other local taxes at 27% and grants, entitlements and other miscellaneous revenues representing 9%. General revenues increased in 2019 by \$3,346,967, a result of an increase in all general revenues. Municipal income tax revenue, which comprises the City's largest source of general revenues, increased \$1,186,665 from 2018, which is an increase of approximately 8%. The increase in income taxes is due to change in the receivable estimate provided by the Regional Income Tax Agency.



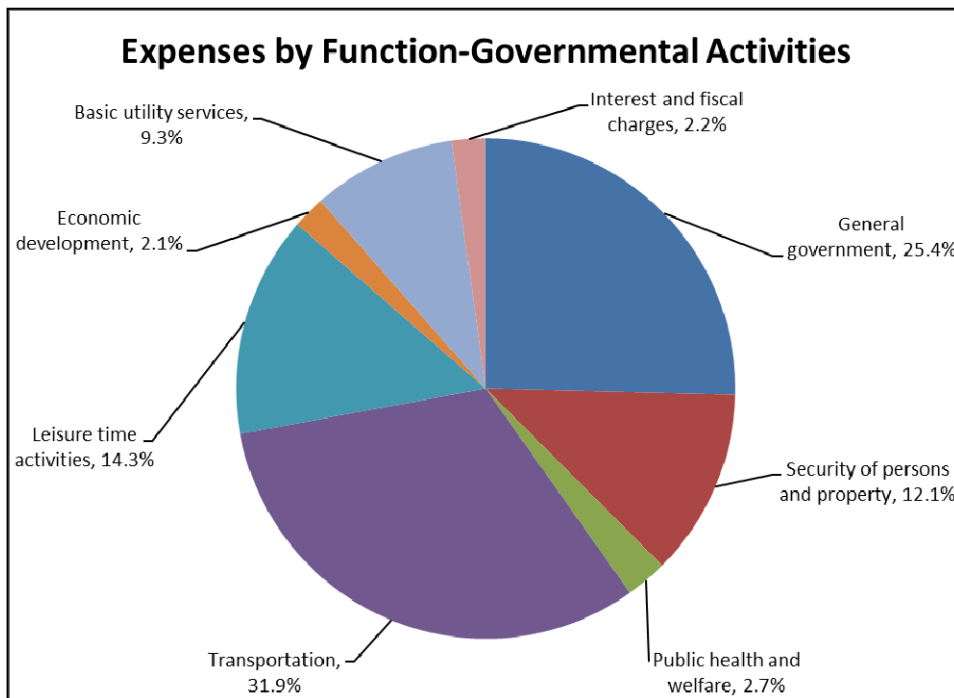
City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2019

In total, the City's governmental activities experienced a decrease in expenses of \$13,403,252. The majority of the decrease was due change in benefit terms related to OP&F.

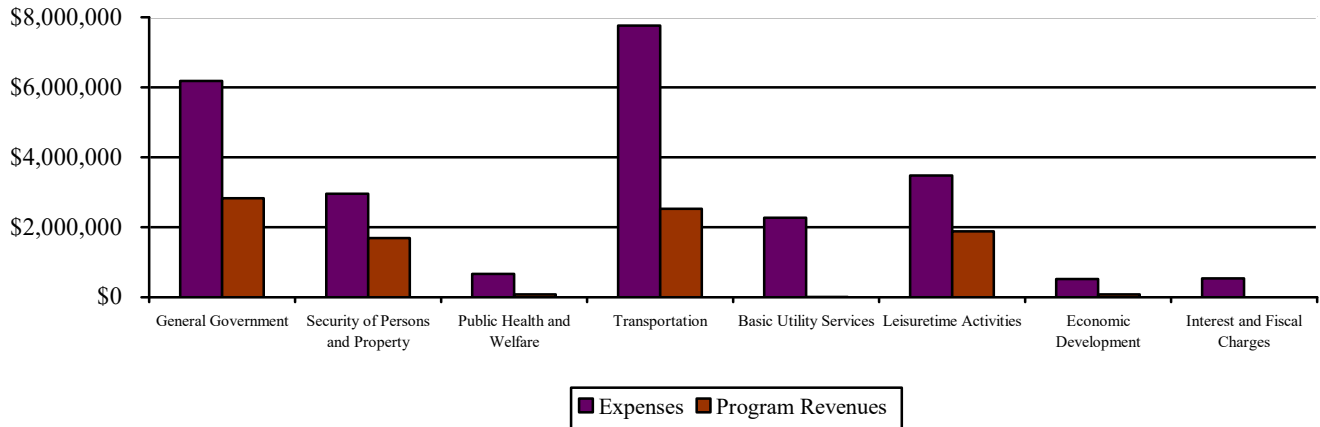
The City's expenses are categorized by function. The largest program function is transportation, which represents 32% of program expenses in 2019. This includes the cost of providing all public works services such as street and storm channel maintenance and improvements, public property maintenance, snow removal, brush removal and equipment maintenance. General government represents 25% 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. Leisure time activities represents 14% of program expenses. This includes expenditures for the operation and maintenance of recreation programs, services, parks and the recreation center facility. Security of persons and property represented 12% of program expenses in 2019. This includes the cost of providing police, dispatch, fire, and paramedic services. Security of persons and property decreased \$14,430,187 from the prior year due to changes in benefit terms related to OP&F under GASB 75.



City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2019

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 77% of total 2019 revenues coming from general revenues.

Expenses and Program Revenues Governmental Activities



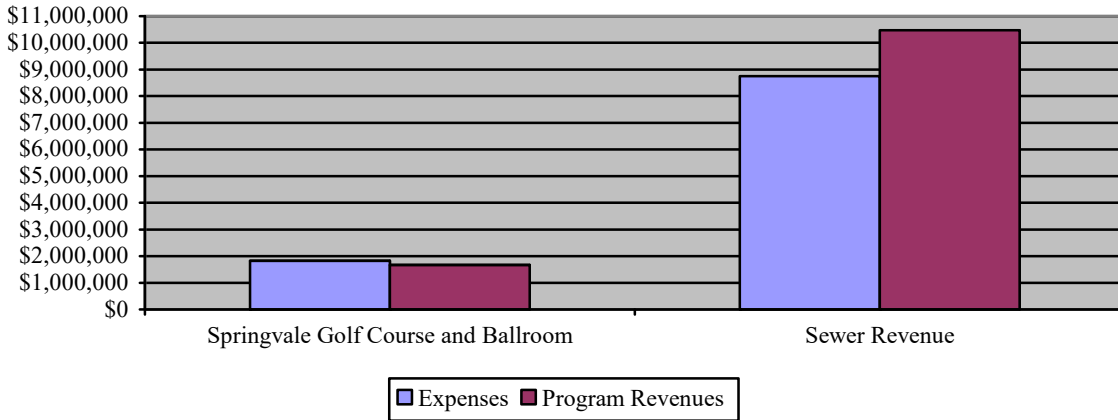
Business-Type Activities

Overall, total business-type activities revenue increased \$88,047 in 2019. 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 increased by 1%. Springvale charges for services and sales increased in 2019 by 3%, which was primarily due to an increase in golf outings and pavilion rentals.

Business-type activities expense increased in 2019 by \$807,208, from the prior year. Sewer expenses increased by 10% while the Springvale expenses decreased by 1% in 2019. The increase in Sewer expenses was primarily due to the effects of GASB 68 and 75.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2019

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, 2019, the City's governmental funds reported combined ending fund balances of \$33,482,840. Of that amount, \$31,817,988 constitutes fund balances in a spendable form. The remaining \$1,664,852 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 \$39,347,370 and expenditures of \$40,633,342, resulting in expenditures over revenues of \$1,285,972. After consideration of \$4,949,605 in net other financing sources, the current year net change in fund balance was \$3,663,633.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2019

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 2019, the General Fund had total revenues of \$23,856,105 and expenditures of \$22,709,096, resulting in an increase in fund balance of \$754,240 after consideration of \$392,769 in net other financing uses, for an ending fund balance at December 31, 2019 of \$9,336,480. General Fund revenues and other financing sources increased \$1,216,090 from 2018, while expenditures and other financing uses increased by \$513,611. The increase in General Fund revenues was due to an increase in property and other local taxes as well as investment revenues. The increase in General Fund expenditures was due to an increase in transfers out.

The Permanent Improvements Fund accounts for 15% of the municipal income tax receipts and is used for the permanent improvement of streets and storm sewer system. In 2019, the Permanent Improvements Fund had total revenues of \$2,670,014 and expenditures of \$4,091,219, resulting in a decrease in fund balance of \$713,086 after consideration of \$708,119 in net other financing sources, for an ending fund balance at December 31, 2019 of \$4,090,244. Revenues and other financing sources increased by \$649,794 from the prior year which was primarily due to an increase in funds due to note issuance in 2019. Expenditures and other financing uses increased from the prior year by \$2,007,787 which was primarily due to an increase in principal expenditures for debt in 2019.

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 2019, the General Obligation Bond Retirement Fund had total revenues of \$1,496,642 and expenditures of \$2,391,987 resulting in an increase in fund balance of \$600,288 after consideration of \$1,495,633 in net other financing sources, for an ending fund balance at December 31, 2019 of \$8,894,202. The General Obligation Bond Retirement Fund revenues and other financing sources decreased \$75,710 in 2019. The expenditures are set by the bond, note and loan payments and decreased from the prior year 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 2019. 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 \$22,583,682. The final budgeted revenues and other financing sources were \$23,578,682. The City actually received \$24,105,946 in 2019. While the excess was a result of greater than anticipated revenues across several revenue types, the more significant variances were property and other local taxes and intergovernmental. The City's revenues were greater than expected due to the City receiving \$128,420 and \$159,958 more in property and other local taxes and intergovernmental, respectively.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2019

The original appropriations, including other financing uses for the General Fund were \$25,330,821. The final appropriations, including other financing uses, were \$25,721,033. Actual expenditures, including other financing uses ended \$1,895,441 below the final budgeted amount. Security of persons and property expenditures were less than budgeted across all areas in 2019, but the greatest variance was for salaries and benefits. Revenues exceeded expenditures by \$1,081,755 before \$801,446 in net other financing uses. This resulted in a net increase of the General Fund balance of \$280,309.

Capital Assets and Debt Administration

Capital Assets

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 4,664,882	\$ 4,610,992	\$ 2,340,714	\$ 2,340,714	\$ 7,005,596	\$ 6,951,706
Construction in progress	4,781,720	3,466,910	5,532,312	3,524,394	10,314,032	6,991,304
Other non-depreciable assets	23,000	23,000	-	-	23,000	23,000
Land improvements	1,220,778	1,311,753	2,326,360	2,470,521	3,547,138	3,782,274
Buildings and improvements	14,291,956	14,970,408	28,875,830	29,835,204	43,167,786	44,805,612
Furniture and fixtures	89,717	79,586	9,774	10,556	99,491	90,142
Vehicles and equipment	3,727,148	3,522,586	24,700,130	25,269,480	28,427,278	28,792,066
Infrastructure	19,188,814	18,659,624	7,367,849	7,698,610	26,556,663	26,358,234
Total	\$ <u>47,988,015</u>	\$ <u>46,644,859</u>	\$ <u>71,152,969</u>	\$ <u>71,149,479</u>	\$ <u>119,140,984</u>	\$ <u>117,794,338</u>

Total governmental activities capital assets, net of depreciation, as of December 31, 2019, were \$47,988,015, which was \$1,343,156 higher than December 31, 2018. The most significant additions were in roads of \$2,776,503 and construction in progress of \$3,022,848. The capital asset additions were offset by annual depreciation expense of \$3,777,990.

Business-type activities net capital assets increased by \$3,490 from 2018. The most significant additions were in construction in progress of \$2,007,918 and vehicles and equipment of \$945,953. The capital asset additions were offset by increases in accumulated depreciation of \$2,993,727. Additional information concerning the City's capital assets can be found in Notes 8 to the basic financial statements.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2019

Debt and Other Long-Term Obligations

As of December 31, 2019, the City of North Olmsted had \$134,280,357 in total debt and other long-term obligations outstanding with \$9,082,626 due within one year.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
General obligation bonds	\$ 13,505,409	\$ 16,646,808	\$ 5,072,066	\$ 5,769,317	\$ 18,577,475	\$ 22,416,125
OWDA loan	-	-	47,508,930	49,945,823	47,508,930	49,945,823
Police pension liability	62,201	66,331	-	-	62,201	66,331
Long-term notes	4,835,000	1,720,000	1,260,000	-	6,095,000	1,720,000
Compensated absences	5,055,234	4,934,362	454,125	483,044	5,509,359	5,417,406
Claims payable	654,950	331,420	-	-	654,950	331,420
Capital lease payable	11,648	23,782	892	1,813	12,540	25,595
Net pension liability	40,320,668	27,561,247	4,189,034	2,358,633	44,509,702	29,919,880
Net OPEB liability	<u>9,340,988</u>	<u>23,791,308</u>	<u>2,009,212</u>	<u>1,652,709</u>	<u>11,350,200</u>	<u>25,444,017</u>
Total	<u>\$ 73,786,098</u>	<u>\$ 75,075,258</u>	<u>\$ 60,494,259</u>	<u>\$ 60,211,339</u>	<u>\$ 134,280,357</u>	<u>\$ 135,286,597</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 new library 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.

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 \$76,639,259 at December 31, 2019. 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, 12, 13 and 14 to the basic financial statements.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2019

Economic Factors and Next Year's Budget

The City of North Olmsted, as well as the rest of our region, continued to see positive economic indicators in 2019. County and State unemployment rates both saw decreases in 2019, down 1.0% and 0.5%, respectively. Municipal income tax collections have increased, specifically in the net profit collections which went up 24.4%. The housing market remained strong with increases in both the volume of homes sold and the average sales price. The number of sales increased 2.5% to 612, while the average sale price increased 5.7% to \$151,100. This is the highest average sales price in the past 10 years. The valuation of the building permitted projects increased from 2018 and the number of permits increased by 19.0% to 1,831 due primarily to residential home additions up over 20% from 2018. In 2019's budget the City continued efforts to address the rising cost of health care while maintaining city services, capital replacement, and funding reserves. Physical building infrastructure improvement projects continued in 2019 for electrical and HVAC systems. Information technology infrastructure continues to be invested in to increase the security of the City's databases as well as develop adequate redundancy in the network for disaster recovery and efficiency.

In 2020 due to the COVID-19 pandemic and state of emergency declaration, the City was closed down except for essential businesses and services. The City reduced 2020 revenue projections and matched the shortfalls with reductions to appropriations. Additionally, the Recreation Center and Springvale Golf Course and Ballroom saw reductions in budgeted revenue of 11.0% and 21.4%, respectively, due to mandated shut downs related to the pandemic. The City continues to review and monitor the budget as well as seek out federal and state assistance in order to make sure all essential services are provided to the residents.

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, 2019

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets:			
Equity in pooled cash and cash equivalents	\$ 29,307,462	\$ 14,167,718	\$ 43,475,180
Accounts receivable	354,418	-	354,418
Accrued interest receivable	45,230	-	45,230
Materials and supplies inventory	334,048	242,478	576,526
Prepaid items	136,515	78,918	215,433
Internal balances	6,444,206	(6,444,206)	-
Intergovernmental receivable	2,810,891	1,930,377	4,741,268
Income taxes receivable	4,451,082	-	4,451,082
Taxes receivable - property and other	9,692,885	-	9,692,885
Non-depreciable capital assets	9,469,602	7,873,026	17,342,628
Depreciable capital assets, net	38,518,413	63,279,943	101,798,356
Net pension asset	79,284	25,245	104,529
Total assets	101,644,036	81,153,499	182,797,535
Deferred outflows of resources:			
Deferred charge on refunding	82,638	26,694	109,332
Pension	11,019,449	1,282,956	12,302,405
OPEB	2,452,247	172,329	2,624,576
Total deferred outflows or resources	13,554,334	1,481,979	15,036,313
Liabilities:			
Accounts and contracts payable	515,229	366,079	881,308
Accrued wages and benefits	716,433	88,194	804,627
Intergovernmental payable	13,623	373	13,996
Matured compensated absences	25,282	-	25,282
Retainage payable	66,219	123,894	190,113
Accrued interest payable	151,915	635,554	787,469
Notes payable	590,000	90,000	680,000
Long-term liabilities:			
Due within one year	5,739,337	3,343,289	9,082,626
Due in more than one year:			
Other amounts due in more than one year	18,385,105	50,952,724	69,337,829
Net pension liability	40,320,668	4,189,034	44,509,702
Net OPEB liability	9,340,988	2,009,212	11,350,200
Total liabilities	75,864,799	61,798,353	137,663,152
Deferred inflows of resources:			
Property taxes	9,132,321	-	9,132,321
Payments in lieu of taxes	500,893	-	500,893
Pension	585,694	74,011	659,705
OPEB	1,110,446	8,965	1,119,411
Total deferred inflows of resources	11,329,354	82,976	11,412,330
Net position:			
Net investment in capital assets	31,226,859	17,036,222	48,263,081
Restricted for:			
Debt service	10,643,195	-	10,643,195
Capital projects	4,701,550	-	4,701,550
Highways and streets	4,231,232	-	4,231,232
Public safety	750,142	-	750,142
Solid waste and recycling	2,263,332	-	2,263,332
Federal and other grants	417,029	-	417,029
Unrestricted	(26,229,122)	3,717,927	(22,511,195)
Total net position	\$ 28,004,217	\$ 20,754,149	\$ 48,758,366

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, 2019

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 6,179,418	\$ 2,630,330	\$ 779	\$ 200,000
Security of persons and property	2,958,665	1,485,528	206,289	747
Public health and welfare	664,427	10,202	72,204	-
Transportation	7,761,803	161,126	2,114,982	250,000
Basic utility services	2,271,866	-	5,000	-
Leisure time activities	3,481,815	1,883,979	20	-
Economic development	517,720	13,214	67,377	-
Interest and fiscal charges	<u>540,558</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>24,376,272</u>	<u>6,184,379</u>	<u>2,466,651</u>	<u>450,747</u>
Business-type activities:				
Springvale golf course and ballroom	1,800,252	1,710,443	-	-
Sewer revenue	<u>9,580,212</u>	<u>10,448,403</u>	<u>-</u>	<u>64,970</u>
Total business-type activities	<u>11,380,464</u>	<u>12,158,846</u>	<u>-</u>	<u>64,970</u>
Total primary government	<u>\$ 35,756,736</u>	<u>\$ 18,343,225</u>	<u>\$ 2,466,651</u>	<u>\$ 515,717</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
- 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.

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Primary Government</u>		
<u>Governmental</u>	<u>Business-</u>	
<u>Activities</u>	<u>Type</u>	<u>Total</u>
	<u>Activities</u>	
\$ (3,348,309)	\$ -	\$ (3,348,309)
(1,266,101)	-	(1,266,101)
(582,021)	-	(582,021)
(5,235,695)	-	(5,235,695)
(2,266,866)	-	(2,266,866)
(1,597,816)	-	(1,597,816)
(437,129)	-	(437,129)
<u>(540,558)</u>	<u>-</u>	<u>(540,558)</u>
<u>(15,274,495)</u>	<u>-</u>	<u>(15,274,495)</u>
-	(89,809)	(89,809)
-	<u>933,161</u>	<u>933,161</u>
-	<u>843,352</u>	<u>843,352</u>
<u>(15,274,495)</u>	<u>843,352</u>	<u>(14,431,143)</u>
7,029,191	-	7,029,191
941,306	-	941,306
235,315	-	235,315
248,892	-	248,892
2,419,009	-	2,419,009
11,581,001	-	11,581,001
2,481,643	-	2,481,643
2,481,643	-	2,481,643
2,679,464	-	2,679,464
957,900	-	957,900
<u>122,834</u>	<u>-</u>	<u>122,834</u>
31,178,198	-	31,178,198
<u>20,790</u>	<u>(20,790)</u>	<u>-</u>
<u>31,198,988</u>	<u>(20,790)</u>	<u>31,178,198</u>
15,924,493	822,562	16,747,055
<u>12,079,724</u>	<u>19,931,587</u>	<u>32,011,311</u>
\$ <u>28,004,217</u>	\$ <u>20,754,149</u>	\$ <u>48,758,366</u>

City of North Olmsted, Ohio

Balance Sheet Governmental Funds

December 31, 2019

	<u>General</u>	<u>Permanent Improvements</u>	<u>General Obligation Bond Retirement</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 6,665,563	\$ 3,965,514	\$ 3,051,441	\$ 10,932,437	\$ 24,614,955
Income taxes receivable	3,115,758	667,662	-	667,662	4,451,082
Taxes receivable - property and other	6,570,021	-	1,347,019	1,775,845	9,692,885
Intergovernmental receivable	866,419	4,695	82,416	1,857,361	2,810,891
Accounts receivable	331,914	-	-	22,504	354,418
Interfund receivable	-	-	-	230,000	230,000
Materials and supplies inventory	238,660	-	-	95,388	334,048
Prepaid items	109,721	-	-	26,794	136,515
Accrued interest receivable	45,230	-	-	-	45,230
Non-current assets:					
Advances to other funds	<u>1,194,289</u>	<u>-</u>	<u>5,842,761</u>	<u>-</u>	<u>7,037,050</u>
Total assets	<u>\$ 19,137,575</u>	<u>\$ 4,637,871</u>	<u>\$ 10,323,637</u>	<u>\$ 15,607,991</u>	<u>\$ 49,707,074</u>
Liabilities, deferred inflows of resources and fund balances:					
Liabilities:					
Accounts and contracts payable	\$ 191,082	\$ -	\$ -	\$ 323,246	\$ 514,328
Accrued wages and benefits	650,752	-	-	65,681	716,433
Retainage payable	-	-	-	66,219	66,219
Intergovernmental payable	2,080	-	-	4,176	6,256
Interfund payable	-	-	-	230,000	230,000
Matured compensated absences	25,282	-	-	-	25,282
Notes payable	-	220,000	-	370,000	590,000
Accrued interest payable	-	4,810	-	8,090	12,900
Total liabilities	<u>869,196</u>	<u>224,810</u>	<u>-</u>	<u>1,067,412</u>	<u>2,161,418</u>
Deferred inflows or resources:					
Property taxes	6,210,215	-	1,274,851	1,647,255	9,132,321
Payments in lieu of taxes	-	-	-	500,893	500,893
Unavailable revenues	<u>2,721,684</u>	<u>322,817</u>	<u>154,584</u>	<u>1,230,517</u>	<u>4,429,602</u>
Total deferred inflows of resources	<u>8,931,899</u>	<u>322,817</u>	<u>1,429,435</u>	<u>3,378,665</u>	<u>14,062,816</u>
Fund balances:					
Nonspendable	1,542,670	-	-	122,182	1,664,852
Restricted	-	4,090,244	8,894,202	10,360,398	23,344,844
Committed	22,724	-	-	679,334	702,058
Assigned	4,899,174	-	-	-	4,899,174
Unassigned	<u>2,871,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,871,912</u>
Total fund balances	<u>9,336,480</u>	<u>4,090,244</u>	<u>8,894,202</u>	<u>11,161,914</u>	<u>33,482,840</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 19,137,575</u>	<u>\$ 4,637,871</u>	<u>\$ 10,323,637</u>	<u>\$ 15,607,991</u>	<u>\$ 49,707,074</u>

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, 2019

Total governmental fund balances \$ 33,482,840

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 47,988,015

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

Property and other taxes	\$ 517,909	
Municipal income taxes	2,120,813	
Intergovernmental	1,623,979	
Charges for services and sales	<u>166,901</u>	
Total		4,429,602

In the Statement of Activities, interest is accrued on outstanding long-term obligations, whereas in governmental funds, an interest expenditure is reported when due. (139,015)

Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.

Police pension liability	(62,201)	
General obligation bonds	(13,505,409)	
Long-term notes	(4,835,000)	
Deferred charge on refunding	82,638	
Capital leases payable	(11,648)	
Compensated absences	<u>(5,055,234)</u>	
Total		(23,386,854)

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	4,029,289	
Internal balances	<u>(592,844)</u>	
Total		3,436,445

The net pension asset / liability is not due in the current period; therefore, the asset / liability and related deferred outflows / inflows are not reported in governmental funds.

Net pension asset	79,284	
Deferred outflows	11,019,449	
Net pension liability	(40,320,668)	
Deferred inflows	<u>(585,694)</u>	
Total		(29,807,629)

(Continued)

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
(continued)

December 31, 2019

The net OPEB liability is not due in the current period; therefore, the liability and related deferred outflows / inflows are not reported in governmental funds.

Deferred outflows	2,452,247	
Net OPEB liability	(9,340,988)	
Deferred inflows	<u>(1,110,446)</u>	
Total		<u>(7,999,187)</u>
<i>Net position of governmental activities</i>		\$ <u>28,004,217</u>

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2019

	<u>General</u>	<u>Permanent Improvements</u>	<u>General Obligation Bond Retirement</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property and other local taxes	\$ 6,445,309	\$ -	\$ 1,308,656	\$ 2,971,752	\$ 10,725,717
Municipal income taxes	11,249,574	2,410,623	-	2,410,623	16,070,820
Payments in lieu of taxes	-	-	-	346,180	346,180
Charges for services and sales	1,742,299	-	-	2,446,138	4,188,437
Fines, licenses and permits	1,547,076	-	-	503,009	2,050,085
Intergovernmental	1,936,564	259,391	164,830	2,581,139	4,941,924
Investment	915,985	-	23,156	13,102	952,243
Miscellaneous	19,298	-	-	52,666	71,964
Total revenues	<u>23,856,105</u>	<u>2,670,014</u>	<u>1,496,642</u>	<u>11,324,609</u>	<u>39,347,370</u>
Expenditures:					
Current:					
General government	4,566,774	-	6,000	87,947	4,660,721
Security of persons and property	13,893,555	-	-	1,413,965	15,307,520
Public health and welfare	576,140	-	-	91,531	667,671
Transportation	3,156,301	2,473,054	-	1,620,468	7,249,823
Basic utility services	-	-	-	2,270,111	2,270,111
Leisure time activities	9,926	-	-	2,769,758	2,779,684
Economic development	489,484	-	-	17,000	506,484
Capital outlay	-	-	-	1,864,836	1,864,836
Debt service:					
Principal	13,217	1,560,000	2,005,000	1,168,047	4,746,264
Interest and fiscal charges	3,699	45,005	376,337	117,637	542,678
Issuance costs	-	13,160	4,650	19,740	37,550
Total expenditures	<u>22,709,096</u>	<u>4,091,219</u>	<u>2,391,987</u>	<u>11,441,040</u>	<u>40,633,342</u>
Excess (deficiency) of revenues over expenditures	<u>1,147,009</u>	<u>(1,421,205)</u>	<u>(895,345)</u>	<u>(116,431)</u>	<u>(1,285,972)</u>
Other financing sources (uses):					
Issuance of notes	-	1,950,000	-	2,885,000	4,835,000
Premium on issuance of notes	-	-	73,102	-	73,102
Sale of assets	20,713	-	-	-	20,713
Transfers - in	60,200	-	1,422,531	441,832	1,924,563
Transfers - out	<u>(473,682)</u>	<u>(1,241,881)</u>	<u>-</u>	<u>(188,210)</u>	<u>(1,903,773)</u>
Total other financing sources (uses)	<u>(392,769)</u>	<u>708,119</u>	<u>1,495,633</u>	<u>3,138,622</u>	<u>4,949,605</u>
Net change in fund balances	754,240	(713,086)	600,288	3,022,191	3,663,633
Fund balances, beginning of year	<u>8,582,240</u>	<u>4,803,330</u>	<u>8,293,914</u>	<u>8,139,723</u>	<u>29,819,207</u>
Fund balances, end of year	\$ <u>9,336,480</u>	\$ <u>4,090,244</u>	\$ <u>8,894,202</u>	\$ <u>11,161,914</u>	\$ <u>33,482,840</u>

The accompanying notes are an integral part of these financial statements.

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds \$ 3,663,633

*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	\$ 5,122,087	
Depreciation expense	<u>(3,777,990)</u>	
Total		1,344,097

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. (941)

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

Property and local taxes	147,996	
Municipal income taxes	473,467	
Charges for services and sales	(15,665)	
Intergovernmental	<u>233,933</u>	
Total		839,731

Other financing sources in the governmental funds increase long-term liabilities in the Statement of Net Position.

Long-term notes issued		(4,835,000)
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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	3,010,000	
Long-term notes payable	1,720,000	
Police pension liability	4,130	
Capital leases	<u>12,134</u>	
Total		4,746,264

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	(68,908)	
Compensated absences	(120,872)	
Amortization of premium	131,399	
Amortization of deferred loss on refunding	<u>(22,821)</u>	
Total		(81,202)

(Continued)

The accompanying notes are an integral part of these financial statements.

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2019

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	(171,990)	
Internal balances	<u>12,021</u>	
Total		(159,969)

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

2,658,106

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

7,749,774

Change in net position of governmental activities

\$ 15,924,493

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 Basis) and Actual - General Fund

For the Year Ended December 31, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 10,698,000	\$ 11,483,000	\$ 11,494,750	\$ 11,750
Property and other local taxes	6,314,797	6,314,797	6,443,217	128,420
Charges for services and sales	1,608,500	1,718,500	1,794,833	76,333
Fees, licenses and permits	1,227,500	1,227,500	1,244,651	17,151
Fines and forfeitures	265,000	265,000	307,652	42,652
Intergovernmental	1,591,885	1,591,885	1,751,843	159,958
Investment income	600,000	700,000	763,986	63,986
Miscellaneous	20,000	20,000	21,933	1,933
Total revenues	<u>22,325,682</u>	<u>23,320,682</u>	<u>23,822,865</u>	<u>502,183</u>
Expenditures:				
Current:				
General government	5,124,025	5,173,379	4,814,113	359,266
Security of persons and property	14,130,998	14,103,274	13,236,951	866,323
Public health and welfare	560,527	560,527	529,160	31,367
Transportation	4,220,223	4,212,923	3,613,956	598,967
Basic utility services	40,137	40,137	28,222	11,915
Economic development	535,511	546,311	518,708	27,603
Total expenditures	<u>24,611,421</u>	<u>24,636,551</u>	<u>22,741,110</u>	<u>1,895,441</u>
(Deficiency) excess of revenues over expenditures	<u>(2,285,739)</u>	<u>(1,315,869)</u>	<u>1,081,755</u>	<u>2,397,624</u>
Other financing sources (uses):				
Refunds	-	-	(45)	(45)
Sales of assets	8,000	8,000	33,081	25,081
Transfers - in	250,000	250,000	250,000	-
Transfers - out	<u>(719,400)</u>	<u>(1,084,482)</u>	<u>(1,084,482)</u>	<u>-</u>
Total other financing sources (uses)	<u>(461,400)</u>	<u>(826,482)</u>	<u>(801,446)</u>	<u>25,036</u>
Net change in fund balance	(2,747,139)	(2,142,351)	280,309	2,422,660
Prior year encumbrances	406,527	406,527	406,527	-
Fund balance, beginning of year	<u>3,852,388</u>	<u>3,852,388</u>	<u>3,852,388</u>	<u>-</u>
Fund balance, end of year	\$ <u>1,511,776</u>	\$ <u>2,116,564</u>	\$ <u>4,539,224</u>	\$ <u>2,422,660</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, 2019

	Business-Type Activities – Enterprise Funds			Governmental
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Assets:				
Current assets:				
Equity in pooled cash and equivalents	\$ 591,797	\$ 13,575,921	\$ 14,167,718	\$ 4,692,507
Materials and supplies inventory	40,156	202,322	242,478	-
Prepaid items	9,975	68,943	78,918	-
Intergovernmental receivable	-	1,930,377	1,930,377	-
Total current assets	<u>641,928</u>	<u>15,777,563</u>	<u>16,419,491</u>	<u>4,692,507</u>
Non-current assets:				
Non-depreciable capital assets	7,396,388	476,638	7,873,026	-
Depreciable capital assets, net	1,994,723	61,285,220	63,279,943	-
Net pension asset	5,645	19,600	25,245	-
Total non-current assets	<u>9,396,756</u>	<u>61,781,458</u>	<u>71,178,214</u>	<u>-</u>
Total assets	<u>10,038,684</u>	<u>77,559,021</u>	<u>87,597,705</u>	<u>4,692,507</u>
Deferred outflows or resources:				
Deferred loss on refunding	26,694	-	26,694	-
Pension	286,875	996,081	1,282,956	-
OPEB	38,532	133,797	172,329	-
Total deferred outflows or resources	<u>352,101</u>	<u>1,129,878</u>	<u>1,481,979</u>	<u>-</u>
Liabilities:				
Current:				
Accounts and contracts payable	246,888	119,191	366,079	901
Accrued wages and benefits	9,034	79,160	88,194	-
Intergovernmental payable	216	157	373	7,367
Retainage payable	123,894	-	123,894	-
Accrued interest payable	40,457	595,097	635,554	-
Claims payable	-	-	-	639,478
Accrued compensated absences	19,107	140,036	159,143	-
Capital lease payable	-	892	892	-
General obligation bond payable	550,000	135,000	685,000	-
Notes payable	90,000	-	90,000	-
OWDA loan payable	-	2,498,254	2,498,254	-
Total current liabilities	<u>1,079,596</u>	<u>3,567,787</u>	<u>4,647,383</u>	<u>647,746</u>
Long-term liabilities (net of current portion):				
Advances from other funds	5,668,106	1,368,944	7,037,050	-
Claims payable	-	-	-	15,472
Accrued compensated absences	48,733	246,249	294,982	-
General obligation bonds payable	3,822,611	564,455	4,387,066	-
Notes payable	1,260,000	-	1,260,000	-
OWDA loan payable	-	45,010,676	45,010,676	-
Net pension liability	936,679	3,252,355	4,189,034	-
Net OPEB liability	449,263	1,559,949	2,009,212	-
Total long-term liabilities	<u>12,185,392</u>	<u>52,002,628</u>	<u>64,188,020</u>	<u>15,472</u>
Total liabilities	<u>13,264,988</u>	<u>55,570,415</u>	<u>68,835,403</u>	<u>663,218</u>
Deferred inflows of resources:				
Pension	17,237	56,774	74,011	-
OPEB	2,004	6,961	8,965	-
Total deferred inflows of resources	<u>19,241</u>	<u>63,735</u>	<u>82,976</u>	<u>-</u>
Net position:				
Net investment in capital assets	3,501,324	13,534,898	17,036,222	-
Unrestricted (deficit)	(6,394,768)	9,519,851	3,125,083	4,029,289
Total net position	<u>\$ (2,893,444)</u>	<u>\$ 23,054,749</u>	<u>20,161,305</u>	<u>\$ 4,029,289</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:				
			592,844	
		Net position business-type activities	\$ 20,754,149	

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, 2019

	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	\$ 1,710,443	\$ 10,448,403	\$ 12,158,846	\$ 3,753,878
Miscellaneous	-	-	-	25,752
Total operating revenues	<u>1,710,443</u>	<u>10,448,403</u>	<u>12,158,846</u>	<u>3,779,630</u>
Operating expenses:				
Salaries	501,621	1,750,160	2,251,781	-
Benefits	299,041	1,389,814	1,688,855	-
Contractual services	237,855	1,933,559	2,171,414	709,779
Materials and supplies	350,190	517,227	867,417	-
Claims	-	-	-	3,241,841
Depreciation	231,102	2,749,501	2,980,603	-
Total operating expenses	<u>1,619,809</u>	<u>8,340,261</u>	<u>9,960,070</u>	<u>3,951,620</u>
Operating income (loss)	90,634	2,108,142	2,198,776	(171,990)
Non-operating expenses:				
Loss on sale of capital assets	(3,925)	(2,828)	(6,753)	-
Interest and fiscal charges	(172,790)	(1,220,643)	(1,393,433)	-
Issuance fees	(8,187)	-	(8,187)	-
Total non-operating expenses	<u>(184,902)</u>	<u>(1,223,471)</u>	<u>(1,408,373)</u>	<u>-</u>
(Loss) income before capital contributions and transfers	(94,268)	884,671	790,403	-
Capital contributions	-	64,970	64,970	-
Transfers - in	31,850	-	31,850	-
Transfers - out	<u>(4,280)</u>	<u>(48,360)</u>	<u>(52,640)</u>	<u>-</u>
Change in net position	(66,698)	901,281	834,583	(171,990)
Net position, beginning of year	<u>(2,826,746)</u>	<u>22,153,468</u>		<u>4,201,279</u>
Net position, end of year	\$ <u>(2,893,444)</u>	\$ <u>23,054,749</u>		\$ <u>4,029,289</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:			<u>(12,021)</u>	
Change in net position business-type activities			\$ <u>822,562</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, 2019

	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	\$ 1,710,443	\$ 10,361,445	\$ 12,071,888	\$ 3,779,630
Cash paid for goods and services	(237,022)	(1,932,842)	(2,169,864)	(711,813)
Cash paid for materials and supplies	(356,306)	(523,429)	(879,735)	-
Cash paid for employee services and benefits	(608,058)	(2,531,807)	(3,139,865)	-
Cash paid for claims	-	-	-	(2,918,311)
Net cash provided by operating activities	<u>509,057</u>	<u>5,373,367</u>	<u>5,882,424</u>	<u>149,506</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(1,699,720)	(1,158,556)	(2,858,276)	-
Proceeds from sale of capital assets	-	500	500	-
Contributed capital	-	64,970	64,970	-
Proceeds from note issuance	1,350,000	-	1,350,000	-
Note issuance costs	(8,187)	-	(8,187)	-
Capital lease principal paid	-	(921)	(921)	-
Capital lease interest paid	-	(105)	(105)	-
Loan principal paid - OWDA	-	(2,436,893)	(2,436,893)	-
Loan interest paid	-	(1,232,539)	(1,232,539)	-
General obligation bonds principal paid	(540,000)	(130,000)	(670,000)	-
General obligation bonds interest paid	(151,700)	(26,100)	(177,800)	-
Net cash used by capital and related financing activities	<u>(1,049,607)</u>	<u>(4,919,644)</u>	<u>(5,969,251)</u>	<u>-</u>
Cash flows from noncapital financing activities:				
Advances - in	590,551	-	590,551	-
Transfer - in	31,850	-	31,850	-
Transfers - out	(4,280)	(48,360)	(52,640)	-
Net cash provided (used) by noncapital financing activities	<u>618,121</u>	<u>(48,360)</u>	<u>569,761</u>	<u>-</u>
Net increase in cash and cash equivalents	77,571	405,363	482,934	149,506
Cash and cash equivalents, beginning of year	<u>514,226</u>	<u>13,170,558</u>	<u>13,684,784</u>	<u>4,543,001</u>
Cash and cash equivalents, end of year	\$ <u><u>591,797</u></u>	\$ <u><u>13,575,921</u></u>	\$ <u><u>14,167,718</u></u>	\$ <u><u>4,692,507</u></u>

(Continued)

The accompanying notes are an integral part of these financial statements.

City of North Olmsted, Ohio

Statement of Cash Flows (Continued) Proprietary Funds

For the Year Ended December 31, 2019

	Business-Type Activities – Enterprise Funds			Governmental
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ 90,634	\$ 2,108,142	\$ 2,198,776	\$ (171,990)
Adjustments:				
Depreciation	231,102	2,749,501	2,980,603	-
Changes in assets and liabilities:				
Materials and supplies inventory	475	(15,496)	(15,021)	-
Intergovernmental receivable	-	(2,450)	(2,450)	-
Prepaid items	432	89	521	-
Net pension asset	1,630	5,660	7,290	-
Deferred outflows - pension	(152,865)	(530,847)	(683,712)	-
Deferred outflows - OPEB	(11,337)	(39,369)	(50,706)	-
Accounts and contracts payable	(6,234)	12,338	6,104	(4,699)
Accrued wages and benefits	(3,782)	6,058	2,276	-
Intergovernmental payable	44	(86,924)	(86,880)	2,665
Claims payable	-	-	-	323,530
Accrued compensated absences	12,091	(41,010)	(28,919)	-
Net pension liability	409,284	1,421,117	1,830,401	-
Net pension OPEB	79,713	276,790	356,503	-
Deferred inflows - pension	(115,100)	(396,379)	(511,479)	-
Deferred inflows - OPEB	(27,030)	(93,853)	(120,883)	-
Net cash provided by operating activities	\$ <u>509,057</u>	\$ <u>5,373,367</u>	\$ <u>5,882,424</u>	\$ <u>149,506</u>
Non-cash capital financing activities:				
Capital assets purchased on credit	\$ 361,634	\$ 17,683	\$ 379,317	\$ -
Amortization of premium on bonds classified as interest expense	(20,072)	(7,179)	(27,251)	-
Amortization of deferred loss on refunding classified as interest expense	13,347	-	13,347	-

The accompanying notes are an integral part of these financial statements.

City of North Olmsted, Ohio

Statement of Fiduciary Assets and Liabilities
Agency Funds

December 31, 2019

Assets:	
Equity in pooled cash and cash equivalents	\$ <u>1,074,120</u>
Liabilities:	
Deposits held and due to others	\$ <u>1,074,120</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2019

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 one jointly governed organization, the West Shore Council of Governments. This organization is 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, 2019

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, 2019

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.

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

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, 2019

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 agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are purely custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations. The City's agency funds account for the activities of the Mayor's Court and for deposits from contractors, developers and individuals to ensure compliance with City ordinances.

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, 2019

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. At December 31, 2019, the City does not have unearned revenue.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

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 position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2019, the City had deferred outflows of resources for deferred charges on refunding, 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. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 position 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 and amounts for pension and OPEB plans. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance fiscal year 2020 operations. These amounts 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 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.

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, 2019

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 2019, 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, 2019

Note 2: Summary of Significant Accounting Policies (continued)

F. Pooled Cash and Cash Equivalents (continued)

For the year ended 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 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. Interest revenue credited to the general fund during 2019 amounted to \$915,985, which includes \$777,177 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, 2019 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. 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.

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. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 2: Summary of Significant Accounting Policies (continued)

I. Capital Assets (continued)

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.

J. 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.

K. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. 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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 2: Summary of Significant Accounting Policies (continued)

L. 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.

M. 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, 2019

Note 2: Summary of Significant Accounting Policies (continued)

M. 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 \$1,123,000 is reported as unassigned fund balance.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 2: Summary of Significant Accounting Policies (continued)

N. 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 \$23,006,480 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.

O. 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.

P. 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. On fund financial statements, the deferred charge on refunding decreases the fund balance in the year the refunding bonds are issued.

Q. 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.

R. 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 \$64,970 contributions of capital for the year ended December 31, 2019.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 2: Summary of Significant Accounting Policies (continued)

S. 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.

T. 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.

U. Estimates

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

Note 3: Change in Accounting Principles

Newly Adopted Accounting Pronouncements

For the year ended December 31, 2019, the City implemented the following Governmental Accounting Standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement requires that additional essential information related to debt be disclosed in notes to the financial statements, including: unused lines of credit, assets pledged as collateral for the debt and terms specified in debt agreements related to significant events with finance-related consequences including default, termination, and subjective acceleration clauses. These disclosures were incorporated in the City's 2019 Notes to the Financial Statements; however, there was no effect on beginning net position.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 3: Change in Accounting Principles (continued)

Newly Adopted Accounting Pronouncements (continued)

GASB Statement No. 90, *Majority Equity Interests, and amendment to GASB 14 and 61*. This statement modified previous guidance for reporting a government's equity interest in a legally separate organization. This statement also provides guidance for reporting a component unit if a government acquires a 100% equity interest in the component unit. The implementation of this GASB pronouncement did not result in any changes to the City's financial statements.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement was issued in May 2020 and extends the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. The requirements of this Statement were effective immediately and implemented by the City.

GASB Implementation Guide No. 2018-1, *Implementation Guidance Update – 2018*, issued in May, 2018, provides guidance that clarifies, explains or elaborates on GASB Statements. The requirements of this Implementation Guide apply to the financial statements of all state and local governments unless narrower applicability is specifically provided for in the pronouncement addressed by a question and answer. These changes were incorporated in the City's 2019 financial statements; however, there was no effect on beginning net position.

Newly Issued Accounting Pronouncements, Not Yet Adopted

GASB Statement No. 83, *Certain Asset Retirement Obligations (AROs)*. This Statement requires a governmental entity that has legal obligation (laws and regulatory requirements, court judgements, contracts, etc.) to perform future asset retirement activities related to its tangible capital assets to recognize a liability, and a corresponding deferred outflow of resources. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after June 15, 2019. The City has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Activities meeting the criteria should be reported in a fiduciary fund in the basic financial statements. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after December 15, 2019. 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, 2019

Note 3: Change in Accounting Principles (continued)

Newly Issued Accounting Pronouncements, Not Yet Adopted (continued)

GASB Implementation Guide No. 2019-2, *Fiduciary Activities*, issued in June 2019, provides guidance to address issues related to accounting and financial reporting for fiduciary activities in accordance with the requirements of GASB Statement No. 84. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after December 15, 2019. The City has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information 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 subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after June 15, 2021. The City has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, issued in June 2018, establishes guidance designed to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period by simplifying accounting for interest cost incurred before the end of a construction period. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after December 15, 2020. The City has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Implementation Guide No. 2019-1, *Implementation Guide Update-2019* and GASB Implementation Guide No. 2019-3, *Leases*, effective dates were also deferred as a result of GABS Statement No. 95. The effective date of these implementation guides are reporting periods beginning after June 15, 2020 and June 15, 2021, respectively. The City has not yet determined the impact that these implementation guides 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, 2019

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:

<u>Fund Balances</u>	<u>General</u>	<u>Permanent Improvements</u>	<u>General Obligation Bond Retirement</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Long-term advances	\$ 1,194,289	\$ -	\$ -	\$ -	\$ 1,194,289
Inventory	238,660	-	-	95,388	334,048
Prepays	<u>109,721</u>	<u>-</u>	<u>-</u>	<u>26,794</u>	<u>136,515</u>
Total nonspendable	<u>1,542,670</u>	<u>-</u>	<u>-</u>	<u>122,182</u>	<u>1,664,852</u>
Restricted for:					
Community diversion	-	-	-	3,709	3,709
Recreation	-	-	-	385,714	385,714
Court computer	-	-	-	13,814	13,814
Alcohol education	-	-	-	31,176	31,176
Drug and law enforcement	-	-	-	47,645	47,645
Police and fire pension	-	-	-	71,222	71,222
Emergency medical services	-	-	-	1,723,598	1,723,598
Motor vehicle license tax	-	-	-	131,443	131,443
State highway	-	-	-	260,014	260,014
Street maintenance	-	-	-	1,063,755	1,063,755
Public way management	-	-	-	24,649	24,649
Sidewalk improvement	-	-	-	127,209	127,209
Solid waste and recycling	-	-	-	1,940,515	1,940,515
Great Northern TIF	-	-	-	2,024,420	2,024,420
Endowments and grants	-	-	-	226,561	226,561
CDBG	-	-	-	6,586	6,586
Title III grant	-	-	-	42,753	42,753
Fair capacity housing	-	-	-	104,176	104,176
FEMA grant	-	-	-	18,500	18,500
Federal grants	-	-	-	15,044	15,044
Debt service payments	-	-	8,894,202	1,590,903	10,485,105
Permanent improvements	-	4,090,244	-	-	4,090,244
Capital improvements	<u>-</u>	<u>-</u>	<u>-</u>	<u>506,992</u>	<u>506,992</u>
Total restricted	<u>-</u>	<u>4,090,244</u>	<u>8,894,202</u>	<u>10,360,398</u>	<u>23,344,844</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 4: Fund Balances (continued)

<u>Fund Balances</u>	<u>General</u>	<u>Permanent Improvements</u>	<u>General Obligation Bond Retirement</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Committed to:					
Casualty loss	-	-	-	64,278	64,278
Economic development	-	-	-	37,783	37,783
Senior center	-	-	-	13,193	13,193
Clague Park	-	-	-	3,065	3,065
Hotel/motel tax	-	-	-	395,974	395,974
STOP program	-	-	-	165,041	165,041
Purchases on order	<u>22,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,724</u>
Total committed	<u>22,724</u>	<u>-</u>	<u>-</u>	<u>679,334</u>	<u>702,058</u>
Assigned to:					
Separation pay	1,429,239	-	-	-	1,429,239
27 th pay	304,000	-	-	-	304,000
Year 2020 appropriations	2,955,874	-	-	-	2,955,874
Purchases on order	<u>210,061</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,061</u>
Total assigned	<u>4,899,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,899,174</u>
Unassigned	<u>2,871,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,871,912</u>
Total fund balance	\$ <u>9,336,480</u>	\$ <u>4,090,244</u>	\$ <u>8,894,202</u>	\$ <u>11,161,914</u>	\$ <u>33,482,840</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).

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 5: Budgetary Basis of Accounting (continued)

- 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.

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

	<u>Net Change in Fund Balance</u>
	<u>General</u>
GAAP basis	\$ 754,240
Increase (decrease) due to:	
Revenue accruals	371,876
Expenditure accruals	(573,047)
Outstanding encumbrances	(394,131)
Fair value adjustment for investments	(142,748)
To reclassify the net change in fund balance for funds combined with the General Fund for GASB 54	<u>264,119</u>
Budget basis	\$ <u>280,309</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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 6: Deposits and Investments (continued)

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;
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 percent 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 market 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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 6: Deposits and Investments (continued)

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.

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 market value at all times shall be at least 105% of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 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 \$10,805,771. At year-end \$1,560,316 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 institution participates in the Ohio Pooled Collateral System (OPCS) and were approved for a reduced collateral floor of 50% resulting in the uninsured and uncollateralized balance. The City also has cash on hand of \$4,550.

Investments

As of December 31, 2019, 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	\$ 52,840	\$ 52,840	\$ -
U.S. agency securities:			
Federal Home Loan Bank	547,031	-	547,031
Federal Home Loan Mortgage Corporation	1,123,018	-	1,123,018
Federal National Mortgage Association	647,007	249,695	397,312
Negotiable certificates of deposit	8,179,515	1,836,282	6,343,233
STAR Ohio	<u>23,698,752</u>	<u>23,698,752</u>	<u>-</u>
Total	\$ <u>34,248,163</u>	\$ <u>25,837,569</u>	\$ <u>8,410,594</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, 2019

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, 2019:

- Money market is based on Level 1 inputs and 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, Level 1.

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 carries 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 are unrated.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

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, 2019:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Money market	0.1%
U.S. agency securities:	
Federal Home Loan Bank	1.6%
Federal Home Loan Mortgage Corporation	3.3%
Federal National Mortgage Association	1.9%
Negotiable certificates of deposit	23.9%
STAR Ohio	69.2%

Note 7: Receivables

Receivables at December 31, 2019, consisted primarily of municipal income taxes, property and other taxes, accounts (billings for user charged services and court fines), and intergovernmental receivables arising from grants, entitlements and shared revenues.

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

A. Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2019 for real and public utility property taxes represents collections of the 2018 taxes.

Real property taxes are levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35% of appraised market value. 2019 real property taxes are collected in and intended to finance 2020. 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. 2019 public utility property taxes which became a lien on December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 7: Receivables (continued)

A. Property Taxes (continued)

The full tax rate for all City operations for the year ended December 31, 2019, was \$13.30 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2019 property tax receipts were based as follows:

Real estate	
Residential/Agriculture	\$ 598,504,770
Commercial/Industrial/Mineral	248,989,280
Public utility tangible personal property	<u>18,642,170</u>
Total valuation	\$ <u>866,136,220</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, 2019 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, Library Bond Retirement and Fire Station 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 2019 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, 2019

Note 7: Receivables (continued)

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental activities:	
Local government	\$ 381,301
Homestead and rollback	591,454
Gasoline tax	824,166
Permissive tax	113,734
Auto registration	103,217
Miscellaneous	60,526
Peace officer training reimbursement	8,600
Title III (C) grant	4,000
Drug use prevention grant	18,000
EMS grant	5,000
Disaster recovery grant	200,000
Payments in lieu of taxes	<u>500,893</u>
Total governmental activities	2,810,891
Business-type activities:	
Sewer charges	<u>1,930,377</u>
Total business-type activities	<u>1,930,377</u>
Total	\$ <u><u>4,741,268</u></u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 8: Capital Assets

A summary of changes in capital assets during 2019 follows:

	Balance 12/31/18	Additions	Transfers & Disposals	Balance 12/31/19
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,610,992	\$ 53,890	\$ -	\$ 4,664,882
Art	23,000	-	-	23,000
Construction in progress	<u>3,466,910</u>	<u>3,022,848</u>	<u>(1,708,038)</u>	<u>4,781,720</u>
Total capital assets not being depreciated	<u>8,100,902</u>	<u>3,076,738</u>	<u>(1,708,038)</u>	<u>9,469,602</u>
Capital assets, being depreciated:				
Land improvements	2,484,687	-	-	2,484,687
Buildings and improvements	34,704,691	100,849	-	34,805,540
Furniture and fixtures	604,579	19,170	-	623,749
Vehicles and equipment	12,306,883	716,486	(431,567)	12,591,802
Infrastructure:				
Roads	144,594,138	2,776,503	-	147,370,641
Bridges and culverts	<u>3,547,719</u>	<u>140,379</u>	<u>-</u>	<u>3,688,098</u>
Total capital assets, being depreciated	<u>198,242,697</u>	<u>3,753,387</u>	<u>(431,567)</u>	<u>201,564,517</u>
Less accumulated depreciation:				
Land improvements	(1,172,934)	(90,975)	-	(1,263,909)
Buildings and improvements	(19,734,283)	(779,301)	-	(20,513,584)
Furniture and fixtures	(524,993)	(9,039)	-	(534,032)
Vehicles and equipment	(8,784,297)	(510,983)	430,626	(8,864,654)
Infrastructure:				
Roads	(127,293,984)	(2,302,137)	-	(129,596,121)
Bridges and culverts	<u>(2,188,249)</u>	<u>(85,555)</u>	<u>-</u>	<u>(2,273,804)</u>
Total accumulated depreciation	<u>(159,698,740)</u>	<u>(3,777,990)</u>	<u>430,626</u>	<u>(163,046,104)</u>
Total capital assets, being depreciated, net	<u>38,543,957</u>	<u>(24,603)</u>	<u>(941)</u>	<u>38,518,413</u>
Total governmental capital assets, net	\$ <u>46,644,859</u>	\$ <u>3,052,135</u>	\$ <u>(1,708,979)</u>	\$ <u>47,988,015</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 444,934
Security of persons and property	494,939
Transportation	2,582,483
Public health and welfare	9,833
Leisure time activities	241,541
Economic development	<u>4,260</u>
Total depreciation expense	\$ <u>3,777,990</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 8: Capital Assets (continued)

	Balance 12/31/18	Transfers & Additions	Disposals	Balance 12/31/19
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,340,714	\$ -	\$ -	\$ 2,340,714
Construction in progress	<u>3,524,394</u>	<u>2,007,918</u>	<u>-</u>	<u>5,532,312</u>
Total capital assets not being depreciated	<u>5,865,108</u>	<u>2,007,918</u>	<u>-</u>	<u>7,873,026</u>
Capital assets, being depreciated:				
Land improvements	4,212,183	19,348	-	4,231,531
Buildings and improvements	46,185,823	31,250	-	46,217,073
Furniture and fixtures	81,047	-	-	81,047
Vehicles and equipment	34,287,254	945,953	(37,090)	35,196,117
Sanitary sewer lines	<u>18,333,579</u>	<u>-</u>	<u>-</u>	<u>18,333,579</u>
Total capital assets, being depreciated	<u>103,099,886</u>	<u>996,551</u>	<u>(37,090)</u>	<u>104,059,347</u>
Less accumulated depreciation:				
Land improvements	(1,741,662)	(163,509)	-	(1,905,171)
Buildings and improvements	(16,350,619)	(990,624)	-	(17,341,243)
Furniture and fixtures	(70,491)	(782)	-	(71,273)
Vehicles and equipment	(9,017,774)	(1,508,051)	29,838	(10,495,987)
Sanitary sewer lines	<u>(10,634,969)</u>	<u>(330,761)</u>	<u>-</u>	<u>(10,965,730)</u>
Total accumulated depreciation	<u>(37,815,515)</u>	<u>(2,993,727)</u>	<u>29,838</u>	<u>(40,779,404)</u>
Total capital assets, being depreciated, net	<u>65,284,371</u>	<u>(1,997,176)</u>	<u>(7,252)</u>	<u>63,279,943</u>
Total business-type capital assets, net	<u>\$ 71,149,479</u>	<u>\$ 10,742</u>	<u>\$ (7,252)</u>	<u>\$ 71,152,969</u>

During 2019, the City transferred a vehicle from governmental activities to the golf course fund. The vehicle has a cost basis of \$13,124 and has accumulated depreciation of \$13,124. This transfer is reported as an addition in the business-type activities and as a disposal in the governmental activities.

Note 9: Defined Benefit Pension Plans

A. Net Pension/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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

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 health care to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension/OPEB liability (asset)* on the accrual basis of accounting. Any liability for the contractually-required contribution outstanding at the end of the year is included in accrued wages and benefits on both the accrual and modified accrual bases 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 combination defined benefit/defined contribution plan; and the Member-Directed plan, a defined contribution plan. 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, 2019

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 CAFR 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: 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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 9: Defined Benefit Pension Plans (continued)

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

Once a benefit recipient retiring under the Traditional pension plan has received benefits for 12 months, current law provides for an annual cost-of-living adjustment (COLA). This COLA is calculated on the member's base retirement benefit at the date of retirement and is not compounded. Members retiring under the Combined plan receive a COLA on the defined benefit portion of their retirement benefit. For those who retired prior to January 7, 2013, current law provides for a 3% COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the adjustment will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

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 and Combined plan.

The OPERS Board of Trustees approved a proposal at its October 2019 meeting to create a new tier of membership in the OPERS traditional pension plan. OPERS currently splits its non-retired membership into Group A, B or C depending on age and service criteria. Retirement Group D would consist of OPERS-contributing members hired in 2022 and beyond. Group D will have its own eligibility standards, benefit structure and unique member features designed to meet the changing needs of Ohio public workers. It also will help OPERS address expected investment market volatility and adjust to the lack of available funding for health care.

The Combined plan is a defined benefit plan with elements of a 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.

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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 9: Defined Benefit Pension Plans (continued)

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

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 CAFR 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

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 purchase of a monthly defined benefit annuity from OPERS (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.

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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 9: Defined Benefit Pension Plans (continued)

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

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 2019 for the Traditional and Combined plans. The portion of the employer's contribution allocated to health care was 4% for the Member-Direct plan for 2019. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. In 2019, the City's contractually required contribution, net of postemployment health care benefits, was \$1,291,135. Of this amount, \$131,731 is reported as accrued wages and benefits at December 31, 2019.

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

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

OP&F also offers a deferred-retirement option plan (DROP). DROP is a cost neutral benefit offered by OP&F. Upon the DROP effective date, the member's pension is calculated as if that were their date of retirement. While the member continues to work and draw their normal salary, the amount they would have received in retirement benefits accumulates tax-deferred at OP&F on their behalf, as well as a portion of their OP&F employee contributions and interest.

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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 9: Defined Benefit Pension Plans (continued)

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

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

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

Funding Policy – The Ohio Revised Code 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 2019. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

In 2019, the City's contractually required contribution, net of postemployment health care benefits, was \$1,629,823. Of this amount, \$184,161 is reported as accrued wages and benefits at December 31, 2019.

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, 2018, and the total pension liability (asset) 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, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. 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, 2019

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	0.062255%	0.098962%	0.328291%	
Proportion of the net pension liability/asset current measurement date	<u>0.063334%</u>	<u>0.093477%</u>	<u>0.332782%</u>	
Change in Proportionate Share	0.001079%	(0.005485%)	0.004491%	
Proportionate share of the net pension liability	\$ 17,345,899	\$ -	\$ 27,163,803	\$ 44,509,702
Proportionate share of the net pension asset	\$ -	\$ 104,529	\$ -	\$ 104,529
Pension expense	\$ 3,924,398	\$ 30,063	\$ 3,573,488	\$ 7,527,949

At December 31, 2019, 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				
City contributions subsequent to the measurement date	\$ 1,232,266	\$ 58,869	\$ 1,629,823	\$ 2,920,958
Differences in employer contributions and change in proportionate share	102,485	7,834	177,378	287,697
Difference between expected and actual experience	800	-	1,116,053	1,116,853
Net difference between projected and actual earnings on pension plan investments	2,354,324	22,517	3,346,558	5,723,399
Change in assumptions	<u>1,510,003</u>	<u>23,346</u>	<u>720,149</u>	<u>2,253,498</u>
Total deferred outflow of resources	\$ <u>5,199,878</u>	\$ <u>112,566</u>	\$ <u>6,989,961</u>	\$ <u>12,302,405</u>
Deferred inflow of resources				
Differences in employer contributions and change in proportionate share	\$ 31,519	\$ 1,709	\$ 330,659	\$ 363,887
Difference between expected and actual experience	<u>227,760</u>	<u>42,692</u>	<u>25,366</u>	<u>295,818</u>
Total deferred inflow of resources	\$ <u>259,279</u>	\$ <u>44,401</u>	\$ <u>356,025</u>	\$ <u>659,705</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

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)

The \$2,920,958 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending December 31:	OPERS		OPERS		OP&F	Total
	Traditional		Combined			
2020	\$ 1,589,882	\$	4,591	\$	1,570,397	\$ 3,164,870
2021	805,104		92		838,606	1,643,802
2022	218,411		567		989,388	1,208,366
2023	1,094,936		7,617		1,520,825	2,623,378
2024	-		(1,639)		84,897	83,258
2025-2028	-		(1,932)		-	(1,932)
	\$ <u>3,708,333</u>	\$	<u>9,296</u>	\$	<u>5,004,113</u>	\$ <u>8,721,742</u>

E. Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The 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.

The total pension liability (asset) in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	OPERS	
	<u>Traditional Plan</u>	<u>Combined Plan</u>
Valuation date	December 31, 2018	December 31, 2018
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%

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 9: Defined Benefit Pension Plans (continued)

E. Actuarial Assumptions – OPERS (continued)

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
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	3.00% Simple	3.00% Simple
Post-Jan 7, 2013 retirees	3.00% Simple through 2018 then 2.15% Simple	3.00% Simple through 2018 then 2.15% 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, 2015 and methods and assumptions were approved and adopted by the OPERS Board of Trustees.

Pre-retirement mortality rates were based on the RP-2014 Health 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 were determined by applying the MP-2015 Mortality Improvement Scale to the above described tables.

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

During 2018, 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 loss of 2.94% for 2018.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

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 table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00%	2.79%
Domestic equities	19.00	6.21
Real estate	10.00	4.90
Private equity	10.00	10.81
International equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00%	5.95%

Discount Rate The discount rate used to measure the total pension liability (asset) was 7.2%. 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 (asset).

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 7.2%, 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 (6.2%) or one-percentage-point higher (8.2%) than the current rate:

	1% Decrease (6.2%)	Discount Rate (7.2%)	1% Increase (8.2%)
City’s proportionate share of the net pension liability – Traditional	\$ 25,624,936	\$ 17,345,899	\$ 10,465,944
City’s proportionate share of the net pension asset – Combined	\$ 34,586	\$ 104,529	\$ 155,172

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 9: Defined Benefit Pension Plans (continued)

E. Actuarial Assumptions – OPERS (continued)

Assumption Changes Since the Prior Measurement Date In October 2018, the OPERS Board voted to lower the investment return assumption for its defined benefit fund from 7.5% to 7.2%.

F. Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increase and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2018, are presented below:

Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Salary increases	3.75% - 10.50%
Payroll growth	Inflation rate of 2.75% plus productivity increase rate of 0.5%
Cost of living adjustments	3.00% simple; 2.2% simple for increases based on the lesser of the increase in CPI and 3.00%

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%
78 and up	115%	120%

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 9: Defined Benefit Pension Plans (continued)

F. 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 Conduent Modified 2016 Improvement Scale.

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

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

The 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 OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average 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, 2018 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and cash equivalents	0.00%	0.80%
Domestic equity	16.00	5.50
Non-US equity	16.00	5.90
Private markets	8.00	8.40
Core fixed income*	23.00	2.60
High yield fixed income	7.00	4.80
Private credit	5.00	7.50
U.S. inflation linked bonds*	17.00	2.30
Master limited partnerships	8.00	6.40
Real assets	8.00	7.00
Private real estate	12.00	6.10

*Levered 2x

Note: Assumptions are geometric

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 9: Defined Benefit Pension Plans (continued)

F. 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 their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

	1% Decrease <u>(7.00%)</u>	Discount Rate <u>(8.00%)</u>	1% Increase <u>(9.00%)</u>
City’s proportionate share of the net pension liability	\$ 35,704,949	\$ 27,163,803	\$ 20,026,445

Note 10: Postemployment Benefits

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

Plan Description – OPERS is a cost-sharing, multiple-employer public employee retirement system comprised of three separate pension plans: the Traditional plan, a defined benefit plan; the Combined plan, a combination defined benefit/defined contribution plan; and the Member-Directed plan, a defined contribution plan.

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 10: Postemployment Benefits (continued)

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

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14% 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 employer contributions allocated to health care for members in the Traditional plan and Combined plan was 0% for 2019. The portion of employer contributions allocated to health care for members in the Member-Direct plan was 4% during 2019.

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 2019, the City's contractually required contribution for postemployment health care benefits was \$13,381.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 10: Postemployment Benefits (continued)

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 health care program, a cost-sharing, multiple-employer defined postemployment 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.

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. This 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.

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 made for retiree health care benefits. For 2019, 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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 10: Postemployment Benefits (continued)

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

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 \$38,808 for 2019. Of this amount, \$4,357 is reported as accrued wages and benefits at December 31, 2019.

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

The net OPEB liability for OPERS as of December 31, 2019, was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. OP&F’s total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. 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 and OPEB expense:

	<u>OPERS</u>		<u>OP&F</u>		<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.063020%		0.328291%		
Proportion of the net OPEB liability current measurement date	<u>0.063813%</u>		<u>0.332782%</u>		
Change in Proportionate Share	0.000793%		0.004491%		
Proportionate share of the net OPEB liability	\$ 8,319,709	\$	3,030,491	\$	11,350,200
OPEB expense (reduction of expense)	\$ 779,070	\$	(14,914,338)	\$	(14,135,268)

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 10: Postemployment Benefits (continued)

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

At December 31, 2019, 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			
City contributions subsequent to the measurement date	\$ 13,381	\$ 38,808	\$ 52,189
Differences in employer contributions and change in proportionate share	47,728	198,750	246,478
Difference between expected and actual experience	2,817	-	2,817
Net difference between projected and actual earnings on OPEB plan investments	381,410	102,585	483,995
Change in assumptions	<u>268,236</u>	<u>1,570,861</u>	<u>1,839,097</u>
Total deferred outflow of resources	\$ <u>713,572</u>	\$ <u>1,911,004</u>	\$ <u>2,624,576</u>
Deferred inflow of resources			
Difference between expected and actual experience	\$ 22,574	\$ 81,193	\$ 103,767
Differences in employer contributions and change in proportionate share	14,549	162,112	176,661
Change in assumptions	<u>-</u>	<u>838,983</u>	<u>838,983</u>
Total deferred inflow of resources	\$ <u>37,123</u>	\$ <u>1,082,288</u>	\$ <u>1,119,411</u>

The \$52,189 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Fiscal Year Ending December 31:			
2020	\$ 308,376	\$ 139,561	\$ 447,937
2021	99,009	139,561	238,570
2022	63,542	139,561	203,103
2023	192,141	170,589	362,730
2024	-	121,672	121,672
2025-2026	<u>-</u>	<u>78,964</u>	<u>78,964</u>
	\$ <u>663,068</u>	\$ <u>789,908</u>	\$ <u>1,452,976</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 10: Postemployment Benefits (continued)

D. Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability for the measurement period December 31, 2018 was determined using the following actuarial assumptions that follow.

	<u>Assumptions</u>
Wage inflation	3.25%
Valuation date	December 31, 2017
Rolled-forward measurement date	December 31, 2018
Experience study	5-year period ended December 31, 2015
Actuarial cost method	Individual entry age normal
Projected salary increases, including 3.25% inflation	3.25 to 10.75%
Projected payroll/active member increase	3.25% per year
Investment rate of return	6.00%
Municipal bond rate	3.71%
Single discount rate of return:	
Current measurement date	3.96%
Prior measurement date	3.85%
Health care cost trend	Initial 10.00% to 3.25% ultimate in 2029

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively.

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 10: Postemployment Benefits (continued)

D. Actuarial Assumptions – OPERS (continued)

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

During 2018, 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 loss of 5.60% for 2018.

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

The table below displays the Board-approved asset allocation policy 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	34.00%	2.42%
Domestic equities	21.00	6.21
Real estate investment trust	6.00	5.98
International equities	22.00	7.83
Other investments	17.00	5.57
Total	<u>100.00%</u>	<u>5.16%</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 10: Postemployment Benefits (continued)

D. Actuarial Assumptions – OPERS (continued)

Discount Rate A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. 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 3.71% for the measurement date of December 31, 2018. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be met 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 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

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

The following table presents the City’s proportionate share of the net OPEB liability calculated using the single discount rate of 3.96%, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96%) or one-percentage-point higher (4.96%) than the current rate:

	1% Decrease <u>(2.96%)</u>	Discount Rate <u>(3.96%)</u>	1% Increase <u>(4.96%)</u>
City’s proportionate share of the net OPEB liability	\$ 10,644,008	\$ 8,319,709	\$ 6,471,276

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

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability.

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 2019 is 10.00%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries’ project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1% lower or 1% higher than the current rate.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 10: Postemployment Benefits (continued)

D. Actuarial Assumptions – OPERS (continued)

	<u>1% Decrease</u>	<u>Cost Trend Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 7,997,045	\$ 8,319,709	\$ 8,691,331

Assumption Changes Since the Prior Measurement Date The OPERS Board voted to lower the investment return assumption for its health care investment portfolio from 6.50% to 6.00%. Municipal bond rate increased from 3.31% to 3.71% and the single discount rate increased from 3.85% to 3.96%. The health care cost trend rate also increased from 7.50% initial, 3.25% ultimate in 2028 to 10.00% initial, 3.25% ultimate in 2029.

E. Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 10: Postemployment Benefits (continued)

E. Actuarial Assumptions – OP&F (continued)

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	8.00%
Price inflation	2.75%
Salary increases	3.75% – 10.50%
Single discount rate:	
Current measurement date	4.66%
Prior measurement date	3.24%
Payroll growth	Inflation rate of 2.75% plus productivity increase rate of 0.5%
Cost of living adjustments	3.00% simple; 2.2% simple for increases based on the lesser of the increase in CPI and 3.00%

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

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

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

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

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 10: Postemployment Benefits (continued)

E. Actuarial Assumptions – OP&F (continued)

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, 2018, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and cash equivalents	0.00%	0.80%
Domestic equity	16.00	5.50
Non-US equity	16.00	5.90
Private markets	8.00	8.40
Core fixed income*	23.00	2.60
High yield fixed income	7.00	4.80
Private credit	5.00	7.50
U.S. inflation linked bonds*	17.00	2.30
Master limited partnerships	8.00	6.40
Real assets	8.00	7.00
Private real estate	12.00	6.10

*Levered 2x

Note: Assumptions are geometric

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 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total OPEB liability was calculated using the discount rate of 4.66%. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 4.13% at December 31, 2018 and 3.16% at December 31, 2017 was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 4.66%.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 10: Postemployment Benefits (continued)

E. Actuarial Assumptions – OP&F (continued)

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 4.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66%), or one percentage point higher (5.66%) than the current rate.

	1% Decrease <u>(3.66%)</u>	Discount Rate <u>(4.66%)</u>	1% Increase <u>(5.66%)</u>
City’s proportionate share of the net OPEB liability	\$ 3,691,965	\$ 3,030,491	\$ 2,475,240

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.

Assumption Changes Since the Prior Measurement Date The single discount rate increased from 3.24% to 4.66%.

Changes in Benefit Terms 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%.

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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 11: Risk Management (continued)

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 2019, self-insurance was in effect for claims up to \$100,000 per covered individual and \$3,335,215 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 \$593,063 as estimated by the third-party administrator and reported in the Hospitalization Internal Service Fund at December 31, 2019, 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 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Unpaid claims, beginning of year	\$ 240,958	\$ 282,011
Incurred claims and adjustments	3,147,294	2,587,649
Claims payments	<u>(2,795,189)</u>	<u>(2,628,702)</u>
Unpaid claims, end of year	<u>\$ 593,063</u>	<u>\$ 240,958</u>

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 Care Works Consultants, Inc., the 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 \$61,887 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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 11: Risk Management (continued)

C. Workers' Compensation Program (continued)

Changes in the Fund's claims liability amount in 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Unpaid claims, beginning of year	\$ 90,462	\$ 57,707
Incurred claims and adjustments	94,547	126,339
Claims payments	<u>(123,122)</u>	<u>(93,584)</u>
Unpaid claims, end of year	<u>\$ 61,887</u>	<u>\$ 90,462</u>

Note 12: 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:				
Street improvement bonds	2010	2020	3.75-4.00%	\$ 3,715,000
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
Library improvement refunding bonds	2017	2020	2.00-4.00	3,065,000
Various purpose refunding, series 2017	2017	2037	2.00-4.00	571,000
Capital improvement bonds	2017	2037	2.00-4.00	4,735,000
Police pension	1968	2031	4.25	272,250
Long-term bond anticipation notes	2019	2020	3.00	4,835,000
Business-type activities:				
General obligation bonds:				
Capital improvement and equipment bonds	2013	2021	2.00-2.125	380,000
Capital improvement and refunding bonds	2015	2020	3.00-3.50	240,000
Various purpose refunding, series 2017	2017	2037	2.00-4.00	2,489,000
Capital improvement bonds	2017	2037	2.00-4.00	3,970,000
OWDA sanitary sewer loan	2012	2034	2.80	9,448,575
OWDA sanitary sewer loan	2013	2035	2.44	45,900,266
Long-term bond anticipation notes	2019	2020	3.00	1,260,000

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 12: Long-Term Obligations (continued)

Changes in long-term obligations during the year ended December 31, 2019, consisted of the following:

	Balance 12/31/18	Increase	Decrease	Balance 12/31/19	Amounts Due in One Year
Governmental activities:					
General obligation bonds:					
Street improvement bonds	\$ 685,000	\$ -	\$ 340,000	\$ 345,000	\$ 345,000
Premium on street improvement bonds	33,785	-	16,895	16,890	-
Capital improvement and equipment bonds	2,400,000	-	435,000	1,965,000	445,000
Premium on capital improvement and equipment bonds	60,199	-	12,039	48,160	-
Capital improvement and refunding bonds	4,745,000	-	665,000	4,080,000	675,000
Premium on capital improvement and refunding bonds	285,769	-	23,814	261,955	-
Fire station improvement refunding bonds	1,795,000	-	230,000	1,565,000	235,000
Premium on fire station improvement refunding bonds	112,949	-	16,136	96,813	-
Library improvements refunding bonds	1,555,000	-	775,000	780,000	780,000
Premium on library improvements refunding bonds	54,150	-	27,075	27,075	-
Various purpose refunding bonds	310,000	-	135,000	175,000	135,000
Premium on various purpose refunding bonds	11,200	-	5,022	6,178	-
Capital improvement bonds	4,325,000	-	430,000	3,895,000	445,000
Premium on capital improvement bonds	273,756	-	30,418	243,338	-
Total general obligation bonds	16,646,808	-	3,141,399	13,505,409	3,060,000
Police pension liability	66,331	-	4,130	62,201	4,307
Long-term notes	1,720,000	4,835,000	1,720,000	4,835,000	-
Capital lease payable	23,782	-	12,134	11,648	11,648
Claims payable	331,420	3,241,841	2,918,311	654,950	639,478
Compensated absences payable	4,934,362	1,065,823	944,951	5,055,234	2,023,904
Net pension liability	27,561,247	12,759,421	-	40,320,668	-
Net OPEB liability	23,791,308	-	14,450,320	9,340,988	-
Total governmental activities	\$ 75,075,258	\$ 21,902,085	\$ 23,191,245	\$ 73,786,098	\$ 5,739,337

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 12: Long-Term Obligations (continued)

	Balance <u>12/31/18</u>	Increase	Decrease	Balance <u>12/31/19</u>	Amounts Due <u>in One Year</u>
Business-type activities:					
General obligation bonds:					
Capital improvement and equipment bonds	\$ 100,000	\$ -	\$ 50,000	\$ 50,000	\$ 50,000
Capital improvement and refunding bonds	105,000	-	35,000	70,000	35,000
Premium on capital improvement and refunding bonds	4,651	-	2,325	2,326	-
Various purpose bonds refunding	1,505,000	-	515,000	990,000	525,000
Premium on various purpose bond refunding	49,041	-	17,203	31,838	-
Capital improvement bonds	3,905,000	-	70,000	3,835,000	75,000
Premium on capital improvement bonds	<u>100,625</u>	<u>-</u>	<u>7,723</u>	<u>92,902</u>	<u>-</u>
Total general obligation bonds	5,769,317	-	697,251	5,072,066	685,000
Long-term notes	-	1,260,000	-	1,260,000	-
OWDA sanitary sewer loans	49,945,823	-	2,436,893	47,508,930	2,498,254
Capital lease payable	1,813	-	921	892	892
Compensated absences payable	483,044	127,504	156,423	454,125	159,143
Net pension liability	2,358,633	1,830,401	-	4,189,034	-
Net OPEB liability	<u>1,652,709</u>	<u>356,503</u>	<u>-</u>	<u>2,009,212</u>	<u>-</u>
Total business-type activities	\$ <u>60,211,339</u>	\$ <u>3,574,408</u>	\$ <u>3,291,488</u>	\$ <u>60,494,259</u>	\$ <u>3,343,289</u>

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, Library, and Fire Station Bond Retirement Funds.

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.

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.

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, Title III Fund, and Fair Capacity Housing Fund.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 12: Long-Term Obligations (continued)

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.

In January 2017, the City issued \$3,065,000 in library improvement refunding bonds, for the purpose of providing funds to refund the City's outstanding capital improvement bonds related to the 2001 library project. The bonds mature on December 1, 2020 and have an interest rate between 2.0% and 4.0%. The bonds were sold at a premium of \$108,302. Proceeds and premium of \$3,112,607 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 \$205,238 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 \$199,083.

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.

The notes are dated April 9, 2019 and are due on April 9, 2020 at an interest rate of 3.0%. These notes are reported as long-term obligations as they were refinanced on April 8, 2020 with various purpose bond anticipation notes. See Note 21 for additional information.

The City's overall legal debt margin was \$76,639,259 at December 31, 2019.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 12: Long-Term Obligations (continued)

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2019, are as follows:

Year	Governmental Activities			
	General Obligation Bonds		Police Pension	
	Principal	Interest	Principal	Interest
2020	\$ 3,060,000	\$ 394,400	\$ 4,307	\$ 2,598
2021	1,965,000	301,013	4,492	2,413
2022	1,690,000	251,588	4,685	2,220
2023	1,690,000	208,863	4,886	2,019
2024	1,245,000	160,425	5,096	1,809
2025-2029	2,990,000	258,913	28,958	5,569
2030-2031	165,000	5,775	9,777	415
Totals	\$ <u>12,805,000</u>	\$ <u>1,580,977</u>	\$ <u>62,201</u>	\$ <u>17,043</u>

Governmental Activities (continued)

Year	Total	
	Principal	Interest
2020	\$ 3,064,307	\$ 396,998
2021	1,969,492	303,426
2022	1,694,685	253,808
2023	1,694,886	210,882
2024	1,250,096	162,234
2025-2029	3,018,958	264,482
2030-2031	174,777	6,190
Totals	\$ <u>12,867,201</u>	\$ <u>1,598,020</u>

Business-Type Activities

Year	Business-Type Activities			
	General Obligation Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest
2020	\$ 685,000	\$ 152,200	\$ 2,498,254	\$ 1,171,177
2021	575,000	138,000	2,561,165	1,108,267
2022	225,000	126,500	2,625,665	1,043,767
2023	230,000	119,750	2,691,793	977,638
2024	240,000	112,850	2,759,593	909,839
2025-2029	1,160,000	417,250	14,876,449	3,470,709
2030-2034	1,090,000	230,519	16,525,462	1,499,488
2035-2037	740,000	51,412	2,970,549	54,471
Totals	\$ <u>4,945,000</u>	\$ <u>1,348,481</u>	\$ <u>47,508,930</u>	\$ <u>10,235,356</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 12: Long-Term Obligations (continued)

Year	Business-Type Activities (continued)	
	Total	
	Principal	Interest
2020	\$ 3,183,254	\$ 1,323,377
2021	3,136,165	1,246,267
2022	2,850,665	1,170,267
2023	2,921,793	1,097,388
2024	2,999,593	1,022,689
2025-2029	16,036,449	3,887,959
2030-2034	17,615,462	1,730,007
2035-2037	<u>3,710,549</u>	<u>105,883</u>
Totals	\$ <u>52,453,930</u>	\$ <u>11,583,837</u>

Note 13: Lease Obligations

The City entered into lease agreements for several copiers. The City's lease obligations meet the criteria of a capital lease and have been recorded on the government-wide statements. All capital leases are secured by the related equipment. Capital lease payments for governmental fund-type capital leases have been reclassified and are reflected as debt service expenses in the fund financial statements for the General Fund, Recreation Fund and Senior Center Fund. These expenditures are reflected as capital outlay expenditures on a budgetary basis.

The original amounts capitalized for the capital leases and the book value as of December 31, 2019 follows:

	Governmental Activities	Business-Type Activities
Assets:		
Vehicles and equipment	\$ 60,299	\$ 4,543
Less: accumulated depreciation	<u>(60,299)</u>	<u>(4,543)</u>
Current book value	\$ <u>-</u>	\$ <u>-</u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2019.

Year	Governmental Activities	Business-Type Activities
2020	\$ 12,254	\$ 941
Less: amount representing interest	<u>(606)</u>	<u>(49)</u>
Present value of minimum lease payments	\$ <u>11,648</u>	\$ <u>892</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 13: Lease Obligations (continued)

The City entered into leases for certain equipment. These leases do not meet the criteria of a capital lease.

The following is a schedule of the future minimum lease payments required under operating leases at year-end:

<u>Year</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>
2020	\$ 1,439	\$ 65,575
2021	1,439	65,575
Total minimum lease payments	<u>\$ 2,878</u>	<u>\$ 131,150</u>

The total cost for operating leases in 2019 was \$1,439 for governmental activities and \$65,575 for enterprise activities.

Note 14: 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 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.

Note 15: Short Term Notes Payable

A summary of the notes transactions for the year ended December 31, 2019, follows:

	<u>Balance 12/31/18</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/19</u>
Governmental activities:				
Capital improvement and equipment notes	\$ <u>270,000</u>	\$ <u>590,000</u>	\$ <u>(270,000)</u>	\$ <u>590,000</u>
Business type activities:				
Capital improvement and equipment notes	\$ <u>-</u>	\$ <u>90,000</u>	\$ <u>-</u>	\$ <u>90,000</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 15: Short Term Notes Payable (continued)

The capital improvement and equipment notes were issued for the purposes of improving designated streets, improvements to the City’s municipal complex and Springvale Golf Course, to provide funds to acquire equipment for the City’s Fire Department, and to provide funds for acquiring and installing telecommunications system and computer hardware and software equipment. The notes are dated April 9, 2019 and are due on April 9, 2020 at an interest rate of 3%. All of the notes are bond anticipation notes, and are backed by the full faith and credit of the City. The note liability is reflected in the fund which received the proceeds.

Note 16: Construction and Other Significant Commitments

At December 31, 2019, the City’s significant contractual commitments consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid/Accrued</u>	<u>Remaining on Contract</u>
City-wide traffic signalization project	\$ 1,162,250	\$ 1,135,004	\$ 27,246
Country club boulevard middle phase	1,307,643	1,280,448	27,195
Police roof	940,734	926,734	14,000
Springvale renovations phase II	<u>1,550,668</u>	<u>1,548,677</u>	<u>1,991</u>
Total commitments	<u>\$ 4,961,295</u>	<u>\$ 4,890,863</u>	<u>\$ 70,432</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	\$ 232,785
Permanent Improvements Fund	117,902
General Obligation Bond Retirement Fund	8,400
Other Governmental Funds	<u>1,774,780</u>
Total other significant commitments	<u>\$ 2,133,867</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 17: Interfund Activity

Interfund Transfers

Interfund transfers for the year ended December 31, 2019 consisted of the following:

	<u>Transfer to</u>				<u>Total</u>
	<u>General Fund</u>	<u>General Obligation Bond Retirement Fund</u>	<u>Non-major Governmental Funds</u>	<u>Springvale Golf and Ballroom Fund</u>	
Transfer from:					
General Fund	\$ -	\$ -	\$ 441,832	\$ 31,850	\$ 473,682
Permanent Improvement Fund	-	1,241,881	-	-	1,241,881
Non-major Governmental Funds	7,560	180,650	-	-	188,210
Springvale Golf and Ballroom Fund	4,280	-	-	-	4,280
Sewer Revenue Fund	48,360	-	-	-	48,360
Total	<u>\$ 60,200</u>	<u>\$ 1,422,531</u>	<u>\$ 441,832</u>	<u>\$ 31,850</u>	<u>\$ 1,956,413</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 from the General Fund to the nonmajor governmental funds were made to provide resources for current operations. The transfers to the General Fund were made in accordance with Ohio Revised Code Section 5705.13(B). 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, 2019, interfund balances were as follows:

	<u>Receivable</u>	<u>Payable</u>
	<u>Advance to</u>	<u>Advance from</u>
	<u>Other Funds</u>	<u>Other Funds</u>
Governmental Activities:		
General Fund	\$ 1,194,289	\$ -
General Obligation Bond Retirement Fund	5,842,761	-
Total Governmental Activities	<u>7,037,050</u>	<u>-</u>
Business-Type Activities:		
Springvale Golf Course and Ballroom Fund	-	5,668,106
Sewer Revenue Fund	-	1,368,944
Total Business-Type Activities	<u>-</u>	<u>7,037,050</u>
Total	<u>\$ 7,037,050</u>	<u>\$ 7,037,050</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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 17: Interfund Activity (continued)

Interfund Balances (continued)

Interfund receivable/payable for the year ended December 31, 2019, consisted of \$230,000 due to the Recreation Fund from the Capital Improvement Fund. Interfund balances are expected to be repaid within one year

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 2019, the City contributed \$68,548. 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.

Note 19: Contingent Liabilities

The City is unaware of any un-asserted claims pending against it as of December 31, 2019. 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, 2019, 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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 20: Tax Abatements (continued)

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, 2019, the City abated property taxes totaling \$2,575 under this program.

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, 2019 was \$137,046.

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, 2019 was \$48,704.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 21: Subsequent Events

In early 2020, the world began dealing with the effects of the Coronavirus pandemic (COVID-19). Disruptions to operations, including government mandated actions, employee, and supplier related challenges have impacted many entities. The financial markets have experienced significant declines and high volatility. Governmental agencies have made indications of their desire to provide aid to those affected by COVID-19, however, the availability, form, and amount of such aid that may be available to the City is not yet known, but the aid will not be revenue replacement for the income tax losses the City has incurred. The City is currently evaluating the effects of COVID-19 on its operations and has taken steps to ensure the health and safety of employees and residents is a top priority. Budget cuts have been made to address the reduced estimated resources and temporary shutdown of certain City operations, by the State's declaration of emergency.

On March 10, 2020, the City issued \$5,115,000 (\$220,000 business-type and \$4,895,000 governmental) in capital improvement and equipment notes, in anticipation of the issuance of 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 notes mature on March 10, 2021, and have an interest rate of 2.00%.

On April 8, 2020, the City issued \$6,095,000 (\$1,350,000 business-type and \$4,745,000 governmental) in various purpose notes, in anticipation of the issuance of bonds, for the purposes of improving designated streets, improvements to the City's municipal complex and Springvale Golf Course, to provide funds to acquire equipment for the City's Fire Department, and to provide funds for acquiring and installing telecommunications system and computer hardware and software equipment. Proceeds were used to retire previously issued notes which matured on April 9, 2020. The notes mature on April 8, 2021, and have an interest rate of 2.51%.

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 Six Years

	<u>2019(1)</u>	<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	0.063334%	0.062255%	0.062881%	0.061367%	0.062146%	0.062146%
City's proportionate share of the net pension liability	\$ 17,345,899	\$ 9,766,604	\$ 14,279,205	\$ 10,629,538	\$ 7,495,502	\$ 7,326,204
City's covered payroll	\$ 8,284,775	\$ 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	209.37%	118.21%	172.65%	130.09%	98.17%	101.84%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	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.

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 Asset Ohio Public Employee Retirement System – Combined Plan

For the Last Six Years

	<u>2019(1)</u>	<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	0.093477%	0.098962%	0.096272%	0.098960%	0.117384%	0.117384%
City's proportionate share of the net pension asset	\$ 104,529	\$ 134,718	\$ 53,583	\$ 48,157	\$ 45,196	\$ 12,318
City's covered payroll	\$ 385,547	\$ 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	27.11%	33.44%	14.09%	12.48%	10.93%	3.62%
Plan fiduciary net position as a percentage of the total pension asset	126.64%	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 Six Years

	<u>2019(1)</u>	<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	0.332782%	0.328291%	0.332886%	0.337684%	0.341655%	0.341646%
City's proportionate share of the net pension liability	\$ 27,163,803	\$ 20,153,276	\$ 21,084,664	\$ 21,723,448	\$ 17,699,133	\$ 16,639,651
City's covered payroll	\$ 7,338,794	\$ 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	370.14%	278.55%	289.13%	294.05%	264.18%	247.90%
Plan fiduciary net position as a percentage of the total pension liability	63.07%	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 Contributions
 Ohio Public Employee Retirement System – Traditional Plan

For the Last Ten Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually-required contribution	\$ 1,232,266	\$ 1,159,869	\$ 1,074,104	\$ 992,473	\$ 980,493
Contributions in relation to the contractually-required contribution	<u>(1,232,266)</u>	<u>(1,159,869)</u>	<u>(1,074,104)</u>	<u>(992,473)</u>	<u>(980,493)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered payroll	\$ 8,801,900	\$ 8,284,775	\$ 8,262,335	\$ 8,270,612	\$ 8,170,779
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	12.00%	12.00%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually-required contribution	\$ 916,217	\$ 935,199	\$ 690,331	\$ 655,112	\$ 582,690
Contributions in relation to the contractually-required contribution	<u>(916,217)</u>	<u>(935,199)</u>	<u>(690,331)</u>	<u>(655,112)</u>	<u>(582,690)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered payroll	\$ 7,635,146	\$ 7,193,840	\$ 6,903,306	\$ 6,551,122	\$ 6,474,335
Contributions as a percentage of covered payroll	12.00%	13.00%	10.00%	10.00%	9.00%

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 Contributions
 Ohio Public Employee Retirement System – Combined Plan

For the Last Ten Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually-required contribution	\$ 58,869	\$ 53,977	\$ 52,367	\$ 45,627	\$ 46,303
Contributions in relation to the contractually-required contribution	<u>(58,869)</u>	<u>(53,977)</u>	<u>(52,367)</u>	<u>(45,627)</u>	<u>(46,303)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered payroll	\$ 420,500	\$ 385,547	\$ 402,822	\$ 380,227	\$ 385,862
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	12.00%	12.00%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually-required contribution	\$ 49,608	\$ 44,193	\$ 32,622	\$ 30,957	\$ 27,535
Contributions in relation to the contractually-required contribution	<u>(49,608)</u>	<u>(44,193)</u>	<u>(32,622)</u>	<u>(30,957)</u>	<u>(27,535)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered payroll	\$ 413,399	\$ 339,946	\$ 326,217	\$ 309,574	\$ 305,945
Contributions as a percentage of covered payroll	12.00%	13.00%	10.00%	10.00%	9.00%

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 Contributions Ohio Police and Fire Pension Fund

For the Last Ten Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually-required contribution	\$ 1,629,823	1,543,225	\$ 1,522,576	\$ 1,534,192	\$ 1,552,780
Contributions in relation to the contractually-required contribution	<u>(1,629,823)</u>	<u>(1,543,225)</u>	<u>(1,522,576)</u>	<u>(1,534,192)</u>	<u>(1,552,780)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered payroll	\$ 7,761,669	\$ 7,338,794	\$ 7,235,102	\$ 7,292,482	\$ 7,387,575
Contributions as a percentage of covered payroll	21.00%	21.03%	21.04%	21.04%	21.02%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually-required contribution	\$ 1,413,097	\$ 1,209,419	\$ 952,073	\$ 866,244	\$ 943,463
Contributions in relation to the contractually-required contribution	<u>(1,413,097)</u>	<u>(1,209,419)</u>	<u>(952,073)</u>	<u>(866,244)</u>	<u>(943,463)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered payroll	\$ 6,699,634	\$ 6,712,291	\$ 6,424,504	\$ 5,841,179	\$ 6,380,377
Contributions as a percentage of covered payroll	21.09%	18.02%	14.82%	14.83%	14.79%

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 Public Employee Retirement System

For the Last Three Years

	<u>2019(1)</u>	<u>2018(1)</u>	<u>2017(1)</u>
City's proportion of the net OPEB liability	0.063813%	0.063020%	0.063332%
City's proportionate share of the net OPEB liability	\$ 8,319,709	\$ 6,843,509	\$ 6,396,753
City's covered payroll	\$ 8,966,207	\$ 8,951,607	\$ 8,904,621
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	92.79%	76.45%	71.84%
Plan fiduciary net position as a percentage of the total OPEB liability	46.33%	54.14%	n/a

(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 Three Years

	<u>2019(1)</u>	<u>2018(1)</u>	<u>2017(1)</u>
City's proportion of the net OPEB liability	0.332782%	0.328291%	0.332886%
City's proportionate share of the net OPEB liability	\$ 3,030,491	\$ 18,600,508	\$ 15,801,350
City's covered payroll	\$ 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	41.29%	257.09%	216.68%
Plan fiduciary net position as a percentage of the total OPEB liability	46.57%	14.13%	n/a

(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 Four Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually-required contribution	\$ 13,381	\$ 12,071	\$ 89,516	\$ 178,092
Contributions in relation to the contractually-required contribution	<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>
City covered payroll	\$ 9,556,893	\$ 8,966,207	\$ 8,951,607	\$ 8,904,621
Contributions as a percentage of covered payroll	0.14%	0.13%	1.00%	2.00%

(1) Information prior to 2016 is not available.

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 Police and Fire Pension Fund

For the Last Ten Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually-required contribution	\$ 38,808	\$ 36,694	\$ 36,175	\$ 36,462	\$ 36,938
Contributions in relation to the contractually-required contribution	<u>(38,808)</u>	<u>(36,694)</u>	<u>(36,175)</u>	<u>(36,462)</u>	<u>(36,938)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered payroll	\$ 7,761,669	\$ 7,338,794	\$ 7,235,102	\$ 7,292,482	\$ 7,387,575
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%	0.50%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually-required contribution	\$ 33,498	\$ 242,985	\$ 433,654	\$ 394,280	\$ 430,675
Contributions in relation to the contractually-required contribution	<u>(33,498)</u>	<u>(242,985)</u>	<u>(433,654)</u>	<u>(394,280)</u>	<u>(430,675)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered payroll	\$ 6,699,634	\$ 6,712,291	\$ 6,424,504	\$ 5,841,179	\$ 6,380,377
Contributions as a percentage of covered payroll	0.50%	3.62%	6.75%	6.75%	6.75%

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, 2019

Note 1: Net Pension Liability

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 – 2019

	OPERS <u>Traditional plan</u>	OPERS <u>Combined plan</u>
Valuation Date	December 31, 2018	December 31, 2018
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 though 2018 then 2.15% Simple

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

	OPERS <u>Traditional plan</u>	OPERS <u>Combined plan</u>
Valuation Date	December 31, 2017	December 31, 2017
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

City of North Olmsted, Ohio

Notes to Required Supplementary Information

For the Year Ended December 31, 2019

Note 1: Net Pension Liability (continued)

Changes in Assumptions – OPERS (continued)

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

	OPERS <u>Traditional plan</u>	OPERS <u>Combined plan</u>
Valuation Date	December 31, 2015	December 31, 2015
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

For 2019, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5% to 7.2%.

Mortality rates – 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.

City of North Olmsted, Ohio

Notes to Required Supplementary Information

For the Year Ended December 31, 2019

Note 1: Net Pension Liability (continued)

Changes in Assumptions – OP&F

Amounts reported for 2018 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 in 2017 and prior are presented below:

	2019-2018	2017 and Prior
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.00%	8.25%
Projected Salary Increases	3.75% to 10.50%	4.25% to 11.00%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.50%	Inflation rate of 3.25% plus productivity increase rate of 0.50%
Cost of Living Adjustments	3.00% simple; 2.20% simple for increased based on the lesser of the increase in CPI and 3%	3.00% simple; 2.60% simple for increased based on the lesser of the increase in CPI and 3%

Amounts reported for 2018 use valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

Amounts reported for 2018 use 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.

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

Amounts reported for 2017 and prior use valuation, rates of death were based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

City of North Olmsted, Ohio

Notes to Required Supplementary Information

For the Year Ended December 31, 2019

Note 2: Net OPEB Liability

Changes in Assumptions – OPERS

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.

For 2018, the single discount rate changed from 4.23% to 3.85%.

Changes in Assumptions – OP&F

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, 2019

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.

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.

Emergency Medical Services Fund – Until 2008, accounted for 25% of the resident emergency medical service's receipts. Expenditures are restricted to capital improvements for the Fire Division of the Department of Public Safety.

City of North Olmsted, Ohio

Combining Statements
Fund Descriptions

For the Year Ended December 31, 2019

Non-Major Special Revenue Funds (continued)

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.

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.

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.

City of North Olmsted, Ohio

Combining Statements
Fund Descriptions

For the Year Ended December 31, 2019

Non-Major Special Revenue Funds (continued)

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.

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 Funds

Library Bond Retirement Fund – Accounts for resources restricted to pay the principal, interest and related fiscal charges on the library bonded debt.

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

Non-Major Capital Projects Funds

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.

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 Governmental Funds

December 31, 2019

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 8,437,357	\$ 1,590,903	\$ 904,177	\$ 10,932,437
Income taxes receivable	667,662	-	-	667,662
Taxes receivable - property and other	1,458,781	317,064	-	1,775,845
Intergovernmental receivable	1,637,969	19,392	200,000	1,857,361
Accounts receivable	22,504	-	-	22,504
Interfund receivable	230,000	-	-	230,000
Inventories and supplies	95,388	-	-	95,388
Prepaid items	26,794	-	-	26,794
Total assets	<u>\$ 12,576,455</u>	<u>\$ 1,927,359</u>	<u>\$ 1,104,177</u>	<u>\$ 15,607,991</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts and contracts payable	\$ 262,418	\$ -	\$ 60,828	\$ 323,246
Accrued wages and benefits	65,681	-	-	65,681
Intergovernmental payable	4,176	-	-	4,176
Interfund payable	-	-	230,000	230,000
Retainage payable	-	-	66,219	66,219
Notes payable	135,000	-	235,000	370,000
Accrued interest payable	2,952	-	5,138	8,090
Total liabilities	<u>470,227</u>	<u>-</u>	<u>597,185</u>	<u>1,067,412</u>
Deferred inflows of resources:				
Property taxes	1,347,172	300,083	-	1,647,255
Payments in lieu of taxes	500,893	-	-	500,893
Unavailable revenues	1,194,144	36,373	-	1,230,517
Total deferred inflows of resources	<u>3,042,209</u>	<u>336,456</u>	<u>-</u>	<u>3,378,665</u>
Fund balances:				
Nonspendable	122,182	-	-	122,182
Restricted	8,262,503	1,590,903	506,992	10,360,398
Committed	679,334	-	-	679,334
Total fund balances	<u>9,064,019</u>	<u>1,590,903</u>	<u>506,992</u>	<u>11,161,914</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,576,455</u>	<u>\$ 1,927,359</u>	<u>\$ 1,104,177</u>	<u>\$ 15,607,991</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, 2019

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
Revenues:				
Property and other local taxes	\$ 1,817,046	\$ 1,154,706	\$ -	\$ 2,971,752
Municipal income taxes	2,410,623	-	-	2,410,623
Payments in lieu of taxes	346,180	-	-	346,180
Charges for services and sales	2,446,138	-	-	2,446,138
Fines, licenses and permits	502,879	-	130	503,009
Intergovernmental	2,235,700	145,439	200,000	2,581,139
Investment income	13,102	-	-	13,102
Miscellaneous	52,666	-	-	52,666
Total revenues	<u>9,824,334</u>	<u>1,300,145</u>	<u>200,130</u>	<u>11,324,609</u>
Expenditures:				
Current:				
General government	82,036	-	5,911	87,947
Security of persons and property	1,413,965	-	-	1,413,965
Public health and welfare	91,531	-	-	91,531
Transportation	1,620,468	-	-	1,620,468
Basic utility services	2,270,111	-	-	2,270,111
Leisure time activities	2,769,758	-	-	2,769,758
Economic development	17,000	-	-	17,000
Capital outlay	-	-	1,864,836	1,864,836
Debt service:				
Principal	3,047	1,005,000	160,000	1,168,047
Interest and fiscal charges	3,262	104,463	9,912	117,637
Issuance costs	7,914	-	11,826	19,740
Total expenditures	<u>8,279,092</u>	<u>1,109,463</u>	<u>2,052,485</u>	<u>11,441,040</u>
Excess (deficiency) of revenues over expenditures	<u>1,545,242</u>	<u>190,682</u>	<u>(1,852,355)</u>	<u>(116,431)</u>
Other financing sources (uses):				
Issuance of notes	1,170,000	-	1,715,000	2,885,000
Transfers - in	108,600	-	333,232	441,832
Transfers - out	(188,210)	-	-	(188,210)
Total other financing sources (uses)	<u>1,090,390</u>	<u>-</u>	<u>2,048,232</u>	<u>3,138,622</u>
Net change in fund balances	2,635,632	190,682	195,877	3,022,191
Fund balances, beginning of year	<u>6,428,387</u>	<u>1,400,221</u>	<u>311,115</u>	<u>8,139,723</u>
Fund balances, end of year	\$ <u>9,064,019</u>	\$ <u>1,590,903</u>	\$ <u>506,992</u>	\$ <u>11,161,914</u>

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Special Revenue Funds

December 31, 2019

	<u>Casualty Loss</u>	<u>CDBG</u>	<u>Alcohol Education</u>	<u>Economic Development</u>	<u>FEMA Grant</u>	<u>Federal Grants</u>	<u>Sidewalk Improvement</u>
Assets:							
Equity in pooled cash and cash equivalents	\$ 64,278	\$ 6,586	\$ 30,895	\$ 37,783	\$ 18,500	\$ 15,044	\$ 127,209
Income taxes receivable	-	-	-	-	-	-	-
Taxes receivable - property and other	-	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	-	-
Accounts receivable	-	-	281	-	-	-	-
Interfund receivable	-	-	-	-	-	-	-
Inventories and supplies	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Total assets	\$ <u>64,278</u>	\$ <u>6,586</u>	\$ <u>31,176</u>	\$ <u>37,783</u>	\$ <u>18,500</u>	\$ <u>15,044</u>	\$ <u>127,209</u>
Liabilities, deferred inflows of resources and fund balances:							
Liabilities:							
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:							
Property taxes	-	-	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-	-
Unavailable revenues	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	6,586	31,176	-	18,500	15,044	127,209
Committed	<u>64,278</u>	<u>-</u>	<u>-</u>	<u>37,783</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>64,278</u>	<u>6,586</u>	<u>31,176</u>	<u>37,783</u>	<u>18,500</u>	<u>15,044</u>	<u>127,209</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>64,278</u>	\$ <u>6,586</u>	\$ <u>31,176</u>	\$ <u>37,783</u>	\$ <u>18,500</u>	\$ <u>15,044</u>	\$ <u>127,209</u>

<u>Motor Vehicle License Tax</u>	<u>Recreation</u>	<u>Clague Park</u>	<u>Hotel/ Motel Tax</u>	<u>Emergency Medical Services</u>	<u>State Highway</u>	<u>Street Maintenance</u>	<u>Great Northern TIF</u>
\$ 94,175	\$ 262,493	\$ 3,065	\$ 361,516	\$ 1,861,550	\$ 253,581	\$ 799,867	\$ 2,024,420
-	-	-	-	-	-	-	-
-	948,190	-	35,197	-	-	-	-
113,734	58,176	-	-	-	69,066	858,317	500,893
-	1,553	-	-	-	-	-	-
-	230,000	-	-	-	-	-	-
16,702	-	-	-	-	10,827	67,859	-
-	26,794	-	-	-	-	-	-
<u>\$ 224,611</u>	<u>\$ 1,527,206</u>	<u>\$ 3,065</u>	<u>\$ 396,713</u>	<u>\$ 1,861,550</u>	<u>\$ 333,474</u>	<u>\$ 1,726,043</u>	<u>\$ 2,525,313</u>
\$ -	\$ 55,661	\$ -	\$ 739	\$ -	\$ 16,037	\$ 1,808	\$ -
-	48,495	-	-	-	-	11,441	-
-	4,176	-	-	-	-	-	-
-	-	-	-	135,000	-	-	-
-	-	-	-	2,952	-	-	-
<u>-</u>	<u>108,332</u>	<u>-</u>	<u>739</u>	<u>137,952</u>	<u>16,037</u>	<u>13,249</u>	<u>-</u>
-	897,248	-	-	-	-	-	-
-	-	-	-	-	-	-	500,893
<u>76,466</u>	<u>109,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,596</u>	<u>581,180</u>	<u>-</u>
<u>76,466</u>	<u>1,006,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,596</u>	<u>581,180</u>	<u>500,893</u>
16,702	26,794	-	-	-	10,827	67,859	-
131,443	385,714	-	-	1,723,598	260,014	1,063,755	2,024,420
-	-	3,065	395,974	-	-	-	-
<u>148,145</u>	<u>412,508</u>	<u>3,065</u>	<u>395,974</u>	<u>1,723,598</u>	<u>270,841</u>	<u>1,131,614</u>	<u>2,024,420</u>
<u>\$ 224,611</u>	<u>\$ 1,527,206</u>	<u>\$ 3,065</u>	<u>\$ 396,713</u>	<u>\$ 1,861,550</u>	<u>\$ 333,474</u>	<u>\$ 1,726,043</u>	<u>\$ 2,525,313</u>

(Continued)

City of North Olmsted, Ohio

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

December 31, 2019

	<u>Court Computerization</u>	<u>Solid Waste and Recycling</u>	<u>Community Diversion</u>	<u>Drug Enforcement</u>	<u>Endowment and Grant</u>	<u>Fair Capacity Housing</u>
Assets:						
Equity in pooled cash and cash equivalents	\$ 13,249	\$ 1,774,093	\$ 4,429	\$ 17,335	\$ 228,061	\$ 104,176
Income taxes receivable	-	667,662	-	-	-	-
Taxes receivable - property and other	-	-	-	-	-	-
Intergovernmental receivable	-	4,695	-	-	-	-
Accounts receivable	565	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-
Inventories and supplies	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	<u>\$ 13,814</u>	<u>\$ 2,446,450</u>	<u>\$ 4,429</u>	<u>\$ 17,335</u>	<u>\$ 228,061</u>	<u>\$ 104,176</u>
Liabilities, deferred inflows of resources and fund balances:						
Liabilities:						
Accounts and contracts payable	\$ -	\$ 183,118	\$ -	\$ -	\$ 1,500	\$ -
Accrued wages and benefits	-	-	720	-	-	-
Intergovernmental payable	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>183,118</u>	<u>720</u>	<u>-</u>	<u>1,500</u>	<u>-</u>
Deferred inflows of resources:						
Property taxes	-	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-
Unavailable revenues	-	322,817	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>322,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	13,814	1,940,515	3,709	17,335	226,561	104,176
Committed	-	-	-	-	-	-
Total fund balances	<u>13,814</u>	<u>1,940,515</u>	<u>3,709</u>	<u>17,335</u>	<u>226,561</u>	<u>104,176</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,814</u>	<u>\$ 2,446,450</u>	<u>\$ 4,429</u>	<u>\$ 17,335</u>	<u>\$ 228,061</u>	<u>\$ 104,176</u>

<u>Fire Pension</u>	<u>Law Enforcement</u>	<u>STOP Program</u>	<u>Police Pension</u>	<u>Senior Center</u>	<u>Title III</u>	<u>Public Way Management</u>	<u>Total</u>
\$ 35,611	\$ 30,310	\$ 152,798	\$ 35,611	\$ 13,403	\$ 42,670	\$ 24,649	\$ 8,437,357
-	-	-	-	-	-	-	667,662
237,697	-	-	237,697	-	-	-	1,458,781
14,544	-	-	14,544	-	4,000	-	1,637,969
-	-	20,105	-	-	-	-	22,504
-	-	-	-	-	-	-	230,000
-	-	-	-	-	-	-	95,388
-	-	-	-	-	-	-	26,794
<u>\$ 287,852</u>	<u>\$ 30,310</u>	<u>\$ 172,903</u>	<u>\$ 287,852</u>	<u>\$ 13,403</u>	<u>\$ 46,670</u>	<u>\$ 24,649</u>	<u>\$ 12,576,455</u>
\$ -	\$ -	\$ 3,345	\$ -	\$ 210	\$ -	\$ -	\$ 262,418
-	-	4,517	-	-	508	-	65,681
-	-	-	-	-	-	-	4,176
-	-	-	-	-	-	-	135,000
-	-	-	-	-	-	-	2,952
<u>-</u>	<u>-</u>	<u>7,862</u>	<u>-</u>	<u>210</u>	<u>508</u>	<u>-</u>	<u>470,227</u>
224,962	-	-	224,962	-	-	-	1,347,172
-	-	-	-	-	-	-	500,893
<u>27,279</u>	<u>-</u>	<u>-</u>	<u>27,279</u>	<u>-</u>	<u>3,409</u>	<u>-</u>	<u>1,194,144</u>
<u>252,241</u>	<u>-</u>	<u>-</u>	<u>252,241</u>	<u>-</u>	<u>3,409</u>	<u>-</u>	<u>3,042,209</u>
-	-	-	-	-	-	-	122,182
35,611	30,310	-	35,611	-	42,753	24,649	8,262,503
-	-	165,041	-	13,193	-	-	679,334
<u>35,611</u>	<u>30,310</u>	<u>165,041</u>	<u>35,611</u>	<u>13,193</u>	<u>42,753</u>	<u>24,649</u>	<u>9,064,019</u>
<u>\$ 287,852</u>	<u>\$ 30,310</u>	<u>\$ 172,903</u>	<u>\$ 287,852</u>	<u>\$ 13,403</u>	<u>\$ 46,670</u>	<u>\$ 24,649</u>	<u>\$ 12,576,455</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, 2019

	<u>Casualty Loss</u>	<u>CDBG</u>	<u>Alcohol Education</u>	<u>Economic Development</u>	<u>FEMA Grant</u>	<u>Federal Grants</u>	<u>Sidewalk Improvement</u>
Revenues:							
Property and other							
local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	-	-	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-	-
Charges for services and sales	9,678	-	-	-	-	-	101,852
Fines, licenses and permits	-	-	2,399	-	-	-	-
Intergovernmental	-	-	-	-	-	68,124	-
Investment income	-	-	-	-	-	-	-
Miscellaneous	-	-	-	13,214	-	-	-
Total revenues	<u>9,678</u>	<u>-</u>	<u>2,399</u>	<u>13,214</u>	<u>-</u>	<u>68,124</u>	<u>101,852</u>
Expenditures:							
Current:							
General government	3,250	-	-	-	-	67,376	-
Security of persons and property	11,945	-	-	-	-	748	-
Public health and welfare	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	189,069
Basic utility services	-	-	-	-	-	-	-
Leisure time activities	-	-	-	-	-	-	-
Economic development	-	-	-	17,000	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-	-
Total expenditures	<u>15,195</u>	<u>-</u>	<u>-</u>	<u>17,000</u>	<u>-</u>	<u>68,124</u>	<u>189,069</u>
(Deficiency) excess of revenues over expenditures	<u>(5,517)</u>	<u>-</u>	<u>2,399</u>	<u>(3,786)</u>	<u>-</u>	<u>-</u>	<u>(87,217)</u>
Other financing sources (uses):							
Issuance of notes	-	-	-	-	-	-	-
Transfers - in	50,000	-	-	-	-	-	58,600
Transfers - out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,600</u>
Net change in fund balances	44,483	-	2,399	(3,786)	-	-	(28,617)
Fund balances, beginning of year	<u>19,795</u>	<u>6,586</u>	<u>28,777</u>	<u>41,569</u>	<u>18,500</u>	<u>15,044</u>	<u>155,826</u>
Fund balance, end of year	\$ <u>64,278</u>	\$ <u>6,586</u>	\$ <u>31,176</u>	\$ <u>37,783</u>	\$ <u>18,500</u>	\$ <u>15,044</u>	\$ <u>127,209</u>

<u>Motor Vehicle License Tax</u>	<u>Recreation</u>	<u>Clague Park</u>	<u>Hotel/Motel Tax</u>	<u>Emergency Medical Services</u>	<u>State Highway</u>	<u>Street Maintenance</u>	<u>Great Northern TIF</u>
\$ -	\$ 923,740	\$ -	\$ 431,459	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	346,180
-	1,877,367	-	-	433,709	-	-	-
-	-	-	-	-	-	-	-
227,506	116,352	-	-	-	122,128	1,585,933	-
1,948	-	-	-	-	4,516	6,552	-
-	-	-	-	-	-	-	-
<u>229,454</u>	<u>2,917,459</u>	<u>-</u>	<u>431,459</u>	<u>433,709</u>	<u>126,644</u>	<u>1,592,485</u>	<u>346,180</u>
-	-	-	-	-	-	-	-
-	-	-	238,557	171,340	-	-	-
-	-	-	-	-	-	-	8,180
248,361	-	-	-	-	180,818	968,680	33,540
-	-	-	-	-	-	-	-
-	2,762,937	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,712	-	-	-	-	-	-
-	175	-	-	2,952	-	-	-
-	-	-	-	7,914	-	-	-
<u>248,361</u>	<u>2,764,824</u>	<u>-</u>	<u>238,557</u>	<u>182,206</u>	<u>180,818</u>	<u>968,680</u>	<u>41,720</u>
<u>(18,907)</u>	<u>152,635</u>	<u>-</u>	<u>192,902</u>	<u>251,503</u>	<u>(54,174)</u>	<u>623,805</u>	<u>304,460</u>
-	-	-	-	1,170,000	-	-	-
-	-	-	-	-	-	-	-
-	(7,560)	-	-	-	-	-	(180,650)
-	(7,560)	-	-	1,170,000	-	-	(180,650)
(18,907)	145,075	-	192,902	1,421,503	(54,174)	623,805	123,810
<u>167,052</u>	<u>267,433</u>	<u>3,065</u>	<u>203,072</u>	<u>302,095</u>	<u>325,015</u>	<u>507,809</u>	<u>1,900,610</u>
\$ <u>148,145</u>	\$ <u>412,508</u>	\$ <u>3,065</u>	\$ <u>395,974</u>	\$ <u>1,723,598</u>	\$ <u>270,841</u>	\$ <u>1,131,614</u>	\$ <u>2,024,420</u>

(Continued)

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, 2019

	<u>Court Computerization</u>	<u>Solid Waste and Recycling</u>	<u>Community Diversion</u>	<u>Drug Enforcement</u>	<u>Endowment and Grant</u>	<u>Fair Capacity Housing</u>
Revenues:						
Property and other						
local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	-	2,410,623	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-
Charges for services and sales	10,848	-	4,140	-	-	-
Fines, licenses and permits	-	-	-	-	-	-
Intergovernmental	-	14,391	25,000	-	-	-
Investment income	-	-	-	-	86	-
Miscellaneous	-	-	-	-	33,594	-
Total revenues	<u>10,848</u>	<u>2,425,014</u>	<u>29,140</u>	<u>-</u>	<u>33,680</u>	<u>-</u>
Expenditures:						
Current:						
General government	11,410	-	-	-	-	-
Security of persons and property	-	-	-	-	11,472	-
Public health and welfare	-	-	25,966	-	34,949	-
Transportation	-	-	-	-	-	-
Basic utility services	-	2,270,111	-	-	-	-
Leisure time activities	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-
Total expenditures	<u>11,410</u>	<u>2,270,111</u>	<u>25,966</u>	<u>-</u>	<u>46,421</u>	<u>-</u>
(Deficiency) excess of revenues over expenditures	<u>(562)</u>	<u>154,903</u>	<u>3,174</u>	<u>-</u>	<u>(12,741)</u>	<u>-</u>
Other financing sources (uses):						
Issuance of notes	-	-	-	-	-	-
Transfers - in	-	-	-	-	-	-
Transfers - out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(562)	154,903	3,174	-	(12,741)	-
Fund balances, beginning of year	<u>14,376</u>	<u>1,785,612</u>	<u>535</u>	<u>17,335</u>	<u>239,302</u>	<u>104,176</u>
Fund balances, end of year	<u>\$ 13,814</u>	<u>\$ 1,940,515</u>	<u>\$ 3,709</u>	<u>\$ 17,335</u>	<u>\$ 226,561</u>	<u>\$ 104,176</u>

<u>Fire Pension</u>	<u>Law Enforcement</u>	<u>STOP Program</u>	<u>Police Pension</u>	<u>Senior Center</u>	<u>Title III</u>	<u>Public Way Management</u>	<u>Total</u>
\$ 230,924	\$ -	\$ -	\$ 230,923	\$ -	\$ -	\$ -	\$ 1,817,046
-	-	-	-	-	-	-	2,410,623
-	-	-	-	-	-	-	346,180
-	-	-	-	754	6,062	1,728	2,446,138
-	67,848	429,332	-	3,300	-	-	502,879
29,088	-	-	29,088	-	18,090	-	2,235,700
-	-	-	-	-	-	-	13,102
-	-	-	-	5,858	-	-	52,666
<u>260,012</u>	<u>67,848</u>	<u>429,332</u>	<u>260,011</u>	<u>9,912</u>	<u>24,152</u>	<u>1,728</u>	<u>9,824,334</u>
-	-	-	-	-	-	-	82,036
230,924	111,517	406,538	230,924	-	-	-	1,413,965
-	-	-	-	-	22,436	-	91,531
-	-	-	-	-	-	-	1,620,468
-	-	-	-	-	-	-	2,270,111
-	-	-	-	6,821	-	-	2,769,758
-	-	-	-	-	-	-	17,000
-	-	-	-	1,335	-	-	3,047
-	-	-	-	135	-	-	3,262
-	-	-	-	-	-	-	7,914
<u>230,924</u>	<u>111,517</u>	<u>406,538</u>	<u>230,924</u>	<u>8,291</u>	<u>22,436</u>	<u>-</u>	<u>8,279,092</u>
<u>29,088</u>	<u>(43,669)</u>	<u>22,794</u>	<u>29,087</u>	<u>1,621</u>	<u>1,716</u>	<u>1,728</u>	<u>1,545,242</u>
-	-	-	-	-	-	-	1,170,000
-	-	-	-	-	-	-	108,600
-	-	-	-	-	-	-	(188,210)
-	-	-	-	-	-	-	1,090,390
29,088	(43,669)	22,794	29,087	1,621	1,716	1,728	2,635,632
<u>6,523</u>	<u>73,979</u>	<u>142,247</u>	<u>6,524</u>	<u>11,572</u>	<u>41,037</u>	<u>22,921</u>	<u>6,428,387</u>
\$ <u><u>35,611</u></u>	\$ <u><u>30,310</u></u>	\$ <u><u>165,041</u></u>	\$ <u><u>35,611</u></u>	\$ <u><u>13,193</u></u>	\$ <u><u>42,753</u></u>	\$ <u><u>24,649</u></u>	\$ <u><u>9,064,019</u></u>

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Debt Service Funds

December 31, 2019

	<u>Library Bond Retirement</u>	<u>Fire Station Bond Retirement</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 927,187	\$ 663,716	\$ 1,590,903
Taxes receivable – property and other	-	317,064	317,064
Intergovernmental receivable	-	<u>19,392</u>	<u>19,392</u>
Total assets	<u>\$ 927,187</u>	<u>\$ 1,000,172</u>	<u>\$ 1,927,359</u>
Liabilities, deferred inflows of resources and fund balances:			
Deferred inflows of resources:			
Property taxes	\$ -	\$ 300,083	\$ 300,083
Unavailable revenues	-	<u>36,373</u>	<u>36,373</u>
Total deferred inflows of resources	<u>-</u>	<u>336,456</u>	<u>336,456</u>
Fund balances:			
Restricted	<u>927,187</u>	<u>663,716</u>	<u>1,590,903</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 927,187</u>	<u>\$ 1,000,172</u>	<u>\$ 1,927,359</u>

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2019

	Library Bond <u>Retirement</u>	Fire Station Bond <u>Retirement</u>	<u>Total</u>
Revenues:			
Property and other local taxes	\$ 846,786	\$ 307,920	\$ 1,154,706
Intergovernmental	<u>106,655</u>	<u>38,784</u>	<u>145,439</u>
Total revenues	<u>953,441</u>	<u>346,704</u>	<u>1,300,145</u>
Expenditures:			
Debt service:			
Principal	775,000	230,000	1,005,000
Interest and fiscal charges	<u>46,700</u>	<u>57,763</u>	<u>104,463</u>
Total expenditures	<u>821,700</u>	<u>287,763</u>	<u>1,109,463</u>
Net change in fund balances	131,741	58,941	190,682
Fund balances, beginning of year	<u>795,446</u>	<u>604,775</u>	<u>1,400,221</u>
Fund balances, end of year	\$ <u><u>927,187</u></u>	\$ <u><u>663,716</u></u>	\$ <u><u>1,590,903</u></u>

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Capital Project Funds

December 31, 2019

	<u>Capital Improvement</u>	<u>Building and Land Acquisition and Improvement</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 902,177	\$ 2,000	\$ 904,177
Intergovernmental receivable	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total assets	<u>\$ 1,102,177</u>	<u>\$ 2,000</u>	<u>\$ 1,104,177</u>
Liabilities, deferred inflows of resources and fund balances:			
Liabilities:			
Accounts and contracts payable	\$ 60,828	\$ -	\$ 60,828
Interfund payable	230,000	-	230,000
Retainage payable	66,219	-	66,219
Notes payable	235,000	-	235,000
Accrued interest payable	<u>5,138</u>	<u>-</u>	<u>5,138</u>
Total liabilities	<u>597,185</u>	<u>-</u>	<u>597,185</u>
Fund balances:			
Restricted	<u>504,992</u>	<u>2,000</u>	<u>506,992</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,102,177</u>	<u>\$ 2,000</u>	<u>\$ 1,104,177</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, 2019

	<u>Capital Improvement</u>	<u>Building and Land Acquisition and Improvement</u>	<u>Total</u>
Revenues:			
Fines, licenses and permits	\$ 130	\$ -	\$ 130
Intergovernmental	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total revenues	<u>200,130</u>	<u>-</u>	<u>200,130</u>
Expenditures:			
Current:			
General government	5,911	-	5,911
Capital outlay	1,864,836	-	1,864,836
Debt service:			
Principal	160,000	-	160,000
Interest and fiscal charges	9,912	-	9,912
Issuance costs	<u>11,826</u>	<u>-</u>	<u>11,826</u>
Total expenditures	<u>2,052,485</u>	<u>-</u>	<u>2,052,485</u>
Deficiency of revenues over expenditures	<u>(1,852,355)</u>	<u>-</u>	<u>(1,852,355)</u>
Other financing sources:			
Issuance of notes	1,715,000	-	1,715,000
Transfer - in	<u>333,232</u>	<u>-</u>	<u>333,232</u>
Total other financing sources	<u>2,048,232</u>	<u>-</u>	<u>2,048,232</u>
Net change in fund balance	195,877	-	195,877
Fund balances, beginning of year	<u>309,115</u>	<u>2,000</u>	<u>311,115</u>
Fund balances, end of year	\$ <u>504,992</u>	\$ <u>2,000</u>	\$ <u>506,992</u>

City of North Olmsted, Ohio

Combining Statement of Fund Net Position Internal Service Funds

December 31, 2019

	<u>Hospitalization</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ <u>3,244,015</u>	\$ <u>1,448,492</u>	\$ <u>4,692,507</u>
Liabilities:			
Current liabilities:			
Accounts and contracts payable	-	901	901
Intergovernmental payable	-	7,367	7,367
Claims payable	<u>593,063</u>	<u>46,415</u>	<u>639,478</u>
Total current liabilities	593,063	54,683	647,746
Long-term liabilities:			
Claims payable	<u>-</u>	<u>15,472</u>	<u>15,472</u>
Total liabilities	<u>593,063</u>	<u>70,155</u>	<u>663,218</u>
Net position:			
Unrestricted	\$ <u>2,650,952</u>	\$ <u>1,378,337</u>	\$ <u>4,029,289</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, 2019

	<u>Hospitalization</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Charges for services and sales	\$ 3,419,610	\$ 334,268	\$ 3,753,878
Miscellaneous	<u>25,752</u>	<u>-</u>	<u>25,752</u>
Total operating revenues	<u>3,445,362</u>	<u>334,268</u>	<u>3,779,630</u>
Operating expenses:			
Contractual services	602,141	107,638	709,779
Claims	<u>3,147,294</u>	<u>94,547</u>	<u>3,241,841</u>
Total operating expenses	<u>3,749,435</u>	<u>202,185</u>	<u>3,951,620</u>
Change in net position	(304,073)	132,083	(171,990)
Net position, beginning of year	<u>2,955,025</u>	<u>1,246,254</u>	<u>4,201,279</u>
Net position, end of year	\$ <u>2,650,952</u>	\$ <u>1,378,337</u>	\$ <u>4,029,289</u>

City of North Olmsted, Ohio

Combining Statement of Cash Flows Internal Service Funds

For the Year Ended December 31, 2019

	<u>Hospitalization</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Cash flows from operating activities:			
Receipts from customers and users	\$ 3,445,362	\$ 334,268	\$ 3,779,630
Cash paid for goods and services	(605,575)	(106,238)	(711,813)
Cash paid for claims	<u>(2,795,189)</u>	<u>(123,122)</u>	<u>(2,918,311)</u>
Net cash provided by operating activities	<u>44,598</u>	<u>104,908</u>	<u>149,506</u>
Net increase in cash and cash equivalents	44,598	104,908	149,506
Cash and cash equivalents, beginning of year	<u>3,199,417</u>	<u>1,343,584</u>	<u>4,543,001</u>
Cash and cash equivalents, end of year	\$ <u><u>3,244,015</u></u>	\$ <u><u>1,448,492</u></u>	\$ <u><u>4,692,507</u></u>
Reconciliation of operating (loss) income to net cash from operating activities:			
Operating (loss) income	\$ (304,073)	\$ 132,083	\$ (171,990)
Adjustments:			
Changes in assets/liabilities:			
Accounts and contracts payable	(3,434)	(1,265)	(4,699)
Intergovernmental payable	-	2,665	2,665
Claims payable	<u>352,105</u>	<u>(28,575)</u>	<u>323,530</u>
Net cash provided by operating activities	\$ <u><u>44,598</u></u>	\$ <u><u>104,908</u></u>	\$ <u><u>149,506</u></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, 2019

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Municipal income tax	\$ 10,698,000	\$ 11,483,000	\$ 11,494,750	\$ 11,750
Property and other taxes	6,314,797	6,314,797	6,443,217	128,420
Charges for services and sales	1,608,500	1,718,500	1,794,833	76,333
Fees, licenses and permits	1,227,500	1,227,500	1,244,651	17,151
Fines and forfeitures	265,000	265,000	307,652	42,652
Intergovernmental revenue	1,591,885	1,591,885	1,751,843	159,958
Investment income	600,000	700,000	763,986	63,986
Miscellaneous	20,000	20,000	21,933	1,933
Total revenue	<u>22,325,682</u>	<u>23,320,682</u>	<u>23,822,865</u>	<u>502,183</u>
Expenditures:				
Current:				
General government				
Council				
Salaries	169,567	166,717	164,373	2,344
Benefits	40,226	43,076	41,695	1,381
Materials and supplies	1,300	1,300	508	792
Contractual services	34,600	32,600	14,004	18,596
Capital outlay	<u>3,000</u>	<u>5,000</u>	<u>3,136</u>	<u>1,864</u>
Total council	<u>248,693</u>	<u>248,693</u>	<u>223,716</u>	<u>24,977</u>
Office of the mayor				
Salaries	176,121	176,121	167,359	8,762
Benefits	48,072	49,672	46,538	3,134
Materials and supplies	19,899	19,899	7,439	12,460
Contractual services	<u>59,300</u>	<u>59,300</u>	<u>51,823</u>	<u>7,477</u>
Total office of the mayor	<u>303,392</u>	<u>304,992</u>	<u>273,159</u>	<u>31,833</u>
Mayor's court				
Salaries	181,610	183,910	178,043	5,867
Benefits	46,973	52,773	51,126	1,647
Materials and supplies	13,700	12,900	11,828	1,072
Contractual services	6,455	10,255	9,553	702
Capital outlay	<u>3,400</u>	<u>3,400</u>	<u>356</u>	<u>3,044</u>
Total mayor's court	<u>252,138</u>	<u>263,238</u>	<u>250,906</u>	<u>12,332</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, 2019

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Finance department				
Salaries	356,509	362,509	359,912	2,597
Benefits	156,031	157,031	152,431	4,600
Materials and supplies	10,600	10,600	7,815	2,785
Contractual services	692,084	696,084	684,250	11,834
Total finance department	<u>1,215,224</u>	<u>1,226,224</u>	<u>1,204,408</u>	<u>21,816</u>
Law department				
Salaries	211,448	212,848	204,112	8,736
Benefits	119,652	118,252	116,098	2,154
Materials and supplies	1,000	1,000	193	807
Contractual services	18,340	28,340	15,828	12,512
Capital outlay	500	500	-	500
Total law department	<u>350,940</u>	<u>360,940</u>	<u>336,231</u>	<u>24,709</u>
Department of human resources				
Salaries	302,576	300,226	298,598	1,628
Benefits	110,002	113,057	111,637	1,420
Materials and supplies	29,901	29,901	17,249	12,652
Contractual services	216,536	236,536	229,031	7,505
Total department of human resources	<u>659,015</u>	<u>679,720</u>	<u>656,515</u>	<u>23,205</u>
Civil service				
Salaries	2,248	2,248	253	1,995
Benefits	373	373	147	226
Materials and supplies	400	400	248	152
Contractual services	46,200	40,200	32,656	7,544
Total civil service	<u>49,221</u>	<u>43,221</u>	<u>33,304</u>	<u>9,917</u>
Division of information technology				
Salaries	155,176	155,176	155,088	88
Benefits	28,727	28,727	28,653	74
Materials and supplies	8,300	8,300	236	8,064
Contractual services	72,991	97,281	80,165	17,116
Capital outlay	28,362	50,597	28,041	22,556
Total division of information technology	<u>293,556</u>	<u>340,081</u>	<u>292,183</u>	<u>47,898</u>
Boards and commissions				
Materials and supplies	8,568	8,568	7,960	608
Contractual services	29,603	29,603	27,309	2,294
Total boards and commissions	<u>38,171</u>	<u>38,171</u>	<u>35,269</u>	<u>2,902</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Building department				
Salaries	806,889	778,653	721,263	57,390
Benefits	355,171	337,831	301,443	36,388
Materials and supplies	19,993	17,643	16,768	875
Contractual services	156,374	156,374	108,864	47,510
Capital outlay	3,000	5,350	4,624	726
Total building department	<u>1,341,427</u>	<u>1,295,851</u>	<u>1,152,962</u>	<u>142,889</u>
Engineering department				
Salaries	142,207	144,807	143,512	1,295
Benefits	43,607	42,807	42,786	21
Materials and supplies	1,250	1,250	1,250	-
Contractual services	<u>185,184</u>	<u>183,384</u>	<u>167,912</u>	<u>15,472</u>
Total engineering department	<u>372,248</u>	<u>372,248</u>	<u>355,460</u>	<u>16,788</u>
Total general government	<u>5,124,025</u>	<u>5,173,379</u>	<u>4,814,113</u>	<u>359,266</u>
Security of persons and property				
Department of public safety				
Salaries	101,353	101,353	101,295	58
Benefits	42,345	42,345	41,633	712
Materials and supplies	2,065	2,065	501	1,564
Contractual services	<u>32,925</u>	<u>32,925</u>	<u>6,980</u>	<u>25,945</u>
Total department of public safety	<u>178,688</u>	<u>178,688</u>	<u>150,409</u>	<u>28,279</u>
Division of fire				
Salaries	3,774,465	3,784,925	3,647,242	137,683
Benefits	1,699,833	1,689,373	1,608,044	81,329
Materials and supplies	144,921	144,921	93,457	51,464
Contractual services	310,235	310,235	209,439	100,796
Capital outlay	<u>84,316</u>	<u>84,316</u>	<u>84,217</u>	<u>99</u>
Total division of fire	<u>6,013,770</u>	<u>6,013,770</u>	<u>5,642,399</u>	<u>371,371</u>
Division of police				
Salaries	4,568,184	4,512,984	4,376,725	136,259
Benefits	1,781,159	1,756,159	1,637,368	118,791
Materials and supplies	134,332	178,332	161,385	16,947
Contractual services	346,466	358,542	282,851	75,691
Capital outlay	<u>60,000</u>	<u>60,000</u>	<u>53,226</u>	<u>6,774</u>
Total division of police	<u>6,890,141</u>	<u>6,866,017</u>	<u>6,511,555</u>	<u>354,462</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central dispatch				
Salaries	591,070	591,070	546,677	44,393
Benefits	210,215	210,215	202,059	8,156
Materials and supplies	2,500	2,500	332	2,168
Contractual services	10,500	10,500	3,057	7,443
Total central dispatch	<u>814,285</u>	<u>814,285</u>	<u>752,125</u>	<u>62,160</u>
Corrections				
Salaries	83,827	94,227	91,504	2,723
Benefits	45,229	45,229	40,145	5,084
Materials and supplies	6,000	6,000	1,508	4,492
Contractual services	99,058	85,058	47,306	37,752
Total corrections	<u>234,114</u>	<u>230,514</u>	<u>180,463</u>	<u>50,051</u>
Total security of persons and property	<u>14,130,998</u>	<u>14,103,274</u>	<u>13,236,951</u>	<u>866,323</u>
Public health and welfare				
Division of aging				
Salaries	218,660	208,850	196,315	12,535
Benefits	84,446	94,256	93,509	747
Materials and supplies	7,035	7,035	4,851	2,184
Contractual services	101,347	101,347	93,256	8,091
Total division of aging	<u>411,488</u>	<u>411,488</u>	<u>387,931</u>	<u>23,557</u>
Division of youth and family services				
Salaries	104,208	104,208	101,666	2,542
Benefits	27,281	27,281	26,780	501
Materials and supplies	2,975	2,975	2,519	456
Contractual services	11,475	11,475	8,472	3,003
Capital outlay	3,100	3,100	1,792	1,308
Total division of youth and family services	<u>149,039</u>	<u>149,039</u>	<u>141,229</u>	<u>7,810</u>
Total public health and welfare	<u>560,527</u>	<u>560,527</u>	<u>529,160</u>	<u>31,367</u>
Transportation				
Department of public service				
Salaries	95,947	95,947	95,893	54
Benefits	25,937	25,937	25,762	175
Materials and supplies	1,300	1,300	1,093	207
Contractual services	578,104	568,104	531,020	37,084
Capital outlay	800	800	749	51
Total department of public service	<u>702,088</u>	<u>692,088</u>	<u>654,517</u>	<u>37,571</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Division of public works				
Salaries	1,211,984	1,216,919	1,158,910	58,009
Benefits	584,882	582,647	524,636	58,011
Materials and supplies	161,802	161,802	102,970	58,832
Contractual services	527,503	527,503	341,160	186,343
Capital outlay	71,981	71,981	61,057	10,924
Total division of public works	<u>2,558,152</u>	<u>2,560,852</u>	<u>2,188,733</u>	<u>372,119</u>
Division of fleet				
Salaries	399,678	397,728	379,231	18,497
Benefits	151,967	153,917	148,465	5,452
Materials and supplies	388,935	388,935	230,036	158,899
Contractual services	19,403	19,403	12,974	6,429
Total division of fleet	<u>959,983</u>	<u>959,983</u>	<u>770,706</u>	<u>189,277</u>
Total transportation	<u>4,220,223</u>	<u>4,212,923</u>	<u>3,613,956</u>	<u>598,967</u>
Basic utility services				
Service department				
Contractual services	<u>40,137</u>	<u>40,137</u>	<u>28,222</u>	<u>11,915</u>
Economic development				
Department of planning and development				
Salaries	204,725	204,725	187,751	16,974
Benefits	94,750	94,750	88,256	6,494
Materials and supplies	1,500	1,500	1,344	156
Contractual services	229,536	240,336	236,357	3,979
Capital outlay	5,000	5,000	5,000	-
Total economic development	<u>535,511</u>	<u>546,311</u>	<u>518,708</u>	<u>27,603</u>
Total expenditures	<u>24,611,421</u>	<u>24,636,551</u>	<u>22,741,110</u>	<u>1,895,441</u>
Excess (deficiency) of revenues over expenditures	<u>(2,285,739)</u>	<u>(1,315,869)</u>	<u>1,081,755</u>	<u>2,397,624</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Refunds	-	-	(45)	(45)
Sale of capital assets	8,000	8,000	33,081	25,081
Transfers – in	250,000	250,000	250,000	-
Transfers – out	<u>(719,400)</u>	<u>(1,084,482)</u>	<u>(1,084,482)</u>	<u>-</u>
Total other financing sources (uses)	<u>(461,400)</u>	<u>(826,482)</u>	<u>(801,446)</u>	<u>25,036</u>
Net change in fund balance	(2,747,139)	(2,142,351)	280,309	2,422,660
Prior year encumbrances appropriated	406,527	406,527	406,527	-
Fund balance, beginning of year	<u>3,852,388</u>	<u>3,852,388</u>	<u>3,852,388</u>	<u>-</u>
Fund balance, end of year	\$ <u>1,511,776</u>	\$ <u>2,116,564</u>	\$ <u>4,539,224</u>	\$ <u>2,422,660</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General government				
Department of planning and development				
Salaries	\$ -	\$ 2,300	\$ 2,294	\$ 6
Division of building				
Salaries	-	3,700	3,685	15
Security of persons and property				
Division of fire				
Salaries	\$ 197,459	\$ 197,459	\$ 118,728	\$ 78,731
Division of police				
Salaries	342,353	162,553	1,700	160,853
Central dispatch				
Salaries	100,426	100,426	-	100,426
Transportation				
Department of public service				
Salaries	-	92,550	92,270	280
Division of fleet maintenance				
Salaries	-	1,250	1,155	95
Leisure time activities				
Recreation department				
Salaries	1,500	2,200	668	1,532
Golf course and ballroom				
Salaries	-	9,300	9,258	42
Sewer				
Salaries	60,000	130,000	69,279	60,721
Total expenditures	701,738	701,738	299,037	402,701

(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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess (deficiency) of revenues over expenditures	\$ (701,738)	\$ (701,738)	\$ (299,037)	\$ 402,701
Other financing sources (uses): Transfers – in	<u>345,000</u>	<u>345,000</u>	<u>345,000</u>	<u>-</u>
Net change in fund balance	(356,738)	(356,738)	45,963	402,701
Fund balance, beginning of year	<u>1,408,558</u>	<u>1,408,558</u>	<u>1,408,558</u>	<u>-</u>
Fund balance, end of year	\$ <u>1,051,820</u>	\$ <u>1,051,820</u>	\$ <u>1,454,521</u>	\$ <u>402,701</u>

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Transfers – in	\$ 76,000	\$ 76,000	\$ 76,000	\$ -
Net change in fund balance	76,000	76,000	76,000	-
Fund balance, beginning of year	228,000	228,000	228,000	-
Fund balance, end of year	\$ 304,000	\$ 304,000	\$ 304,000	\$ -

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income tax	\$ 2,288,000	\$ 2,288,000	\$ 2,463,161	\$ 175,161
Intergovernmental revenue	<u>8,000</u>	<u>258,000</u>	<u>259,391</u>	<u>1,391</u>
Total revenue	<u>2,296,000</u>	<u>2,546,000</u>	<u>2,722,552</u>	<u>176,552</u>
Expenditures:				
Current:				
Transportation Service				
Contractual services	45,000	45,000	45,000	-
Capital outlay	<u>2,735,476</u>	<u>3,514,650</u>	<u>2,669,390</u>	<u>845,260</u>
Total service	<u>2,780,476</u>	<u>3,559,650</u>	<u>2,714,390</u>	<u>845,260</u>
Engineering				
Contractual services	2,768	2,768	2,768	-
Capital outlay	<u>243,340</u>	<u>243,340</u>	<u>84,664</u>	<u>158,676</u>
Total engineering	<u>246,108</u>	<u>246,108</u>	<u>87,432</u>	<u>158,676</u>
Total transportation	<u>3,026,584</u>	<u>3,805,758</u>	<u>2,801,822</u>	<u>1,003,936</u>
Debt service:				
Principal	-	1,728,500	1,728,500	-
Interest and fiscal charges	-	6,519	43,092	(36,573)
Issuance costs	<u>15,000</u>	<u>15,000</u>	<u>13,160</u>	<u>1,840</u>
Total debt service	<u>15,000</u>	<u>1,750,019</u>	<u>1,784,752</u>	<u>(34,733)</u>
Total expenditures	<u>3,041,584</u>	<u>5,555,777</u>	<u>4,586,574</u>	<u>969,203</u>
Excess (deficiency) of revenues over expenditures	<u>(745,584)</u>	<u>(3,009,777)</u>	<u>(1,864,022)</u>	<u>1,145,755</u>
Other financing sources (uses):				
Note proceeds	600,000	2,170,000	2,170,000	-
Transfers – out	<u>(1,241,881)</u>	<u>(1,241,881)</u>	<u>(1,241,881)</u>	<u>-</u>
Total other financing sources (uses)	<u>(641,881)</u>	<u>928,119</u>	<u>928,119</u>	<u>-</u>
Net change in fund balance	(1,387,465)	(2,081,658)	(935,903)	1,145,755
Prior year encumbrances appropriated	430,154	430,154	430,154	-
Fund balance, beginning of year	<u>4,353,361</u>	<u>4,353,361</u>	<u>4,353,361</u>	<u>-</u>
Fund balance, end of year	\$ <u>3,396,050</u>	\$ <u>2,701,857</u>	\$ <u>3,847,612</u>	\$ <u>1,145,755</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 1,281,015	\$ 1,281,015	\$ 1,308,656	\$ 27,641
Intergovernmental revenue	304,417	304,417	164,831	(139,586)
Investment income	<u>18,000</u>	<u>18,000</u>	<u>23,156</u>	<u>5,156</u>
Total revenue	<u>1,603,432</u>	<u>1,603,432</u>	<u>1,496,643</u>	<u>(106,789)</u>
Debt service:				
Contractual services	29,400	29,400	14,400	15,000
Principal	5,138,977	5,138,977	5,111,893	27,084
Interest and fiscal charges	1,800,978	1,800,978	1,786,676	14,302
Issuance cost	<u>50,000</u>	<u>50,000</u>	<u>4,650</u>	<u>45,350</u>
Total debt service	<u>7,019,355</u>	<u>7,019,355</u>	<u>6,917,619</u>	<u>101,736</u>
Total expenditures	<u>7,019,355</u>	<u>7,019,355</u>	<u>6,917,619</u>	<u>101,736</u>
Excess (deficiency) of revenues over expenditures	<u>(5,415,923)</u>	<u>(5,415,923)</u>	<u>(5,420,976)</u>	<u>(5,053)</u>
Other financing sources (uses):				
Premium on bonds	-	73,102	73,102	-
Transfers – in	<u>5,732,549</u>	<u>5,732,549</u>	<u>5,442,363</u>	<u>(290,186)</u>
Total other financing sources (uses)	<u>5,732,549</u>	<u>5,805,651</u>	<u>5,515,465</u>	<u>(290,186)</u>
Net change in fund balance	316,626	389,728	94,489	(295,239)
Prior year encumbrances appropriated	14,400	14,400	14,400	-
Fund balance, beginning of year	<u>2,934,153</u>	<u>2,934,153</u>	<u>2,934,153</u>	<u>-</u>
Fund balance, end of year	\$ <u>3,265,179</u>	\$ <u>3,338,281</u>	\$ <u>3,043,042</u>	\$ <u>(295,239)</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 20,000	\$ 20,000	\$ 9,678	\$ (10,322)
Expenditures:				
Current:				
General government				
Department of human resources				
Contractual services	25,000	13,055	3,250	9,805
Division of building				
Contractual services	-	11,945	11,945	-
Division of engineering				
Contractual services	25,000	25,000	-	25,000
Total expenditures	50,000	50,000	15,195	34,805
Excess (deficiency) of revenues over expenditures	(30,000)	(30,000)	(5,517)	24,483
Other financing sources (uses):				
Transfers – in	50,000	50,000	50,000	-
Net change in fund balance	20,000	20,000	44,483	24,483
Fund balance, beginning of year	19,795	19,795	19,795	-
Fund balance, end of year	\$ 39,795	\$ 39,795	\$ 64,278	\$ 24,483

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, 2019

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund balance, end of year	\$ <u>6,586</u>	\$ <u>6,586</u>	\$ <u>6,586</u>	\$ <u>-</u>
Fund balance, end of year	\$ <u><u>6,586</u></u>	\$ <u><u>6,586</u></u>	\$ <u><u>6,586</u></u>	\$ <u><u>-</u></u>

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 2,000	\$ 2,000	\$ 2,293	\$ 293
Net change in fund balance	2,000	2,000	2,293	293
Fund balance, beginning of year	28,602	28,602	28,602	-
Fund balance, end of year	\$ 30,602	\$ 30,602	\$ 30,895	\$ 293

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 22,000	\$ 22,000	\$ 13,214	\$ (8,786)
Expenditures:				
Current:				
Economic development				
Department of planning and development				
Contractual services	33,398	33,398	18,398	15,000
Net change in fund balance	(11,398)	(11,398)	(5,184)	6,214
Prior year encumbrances appropriated	1,398	1,398	1,398	-
Fund balance, beginning of year	41,570	41,570	41,570	-
Fund balance, end of year	\$ 31,570	\$ 31,570	\$ 37,784	\$ 6,214

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, 2019

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund balance, beginning of year	\$ <u>18,500</u>	\$ <u>18,500</u>	\$ <u>18,500</u>	\$ <u>-</u>
Fund balance, end of year	\$ <u><u>18,500</u></u>	\$ <u><u>18,500</u></u>	\$ <u><u>18,500</u></u>	\$ <u><u>-</u></u>

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 138,620	\$ 138,620	\$ 68,124	\$ (70,496)
Expenditures:				
Current:				
General government				
Office of the mayor				
Salaries	5,012	5,012	-	5,012
Benefits	1,738	1,738	-	1,738
Contractual services	20,850	20,850	13,486	7,364
Capital outlay	107,520	107,520	53,891	53,629
Total general government	135,120	135,120	67,377	67,743
Economic development				
Department of planning and development				
Capital outlay	3,500	3,500	747	2,753
Total expenditures	138,620	138,620	68,124	70,496
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 – Sidewalk Improvement Fund

For the Year Ended December 31, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 150,000	\$ 150,000	\$ 101,852	\$ (48,148)
Expenditures:				
Current:				
Transportation				
Public service and properties				
Materials and supplies	4,800	4,800	4,746	54
Contractual services	368,819	368,819	205,530	163,289
Total expenditures	373,619	373,619	210,276	163,343
Excess (deficiency) of revenues over expenditures	(223,619)	(223,619)	(108,424)	115,195
Other financing sources (uses):				
Transfers – in	58,600	58,600	58,600	-
Net change in general fund balance	(165,019)	(165,019)	(49,824)	115,195
Prior year encumbrances appropriated	91,819	91,819	91,819	-
Fund balance, beginning of year	73,230	73,230	73,230	-
Fund balance, end of year	\$ 30	\$ 30	\$ 115,225	\$ 115,195

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 231,505	\$ 231,505	\$ 227,468	\$ (4,037)
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>1,948</u>	<u>(52)</u>
Total revenue	<u>233,505</u>	<u>233,505</u>	<u>229,416</u>	<u>(4,089)</u>
Expenditures:				
Current:				
Transportation				
Department of public service				
Materials and supplies	76,300	76,300	57,806	18,494
Contractual services	<u>212,800</u>	<u>212,800</u>	<u>183,558</u>	<u>29,242</u>
Total expenditures	<u>289,100</u>	<u>289,100</u>	<u>241,364</u>	<u>47,736</u>
Net change in fund balance	(55,595)	(55,595)	(11,948)	43,647
Prior year encumbrances appropriated	2,300	2,300	2,300	-
Fund balance, beginning of year	<u>102,318</u>	<u>102,318</u>	<u>102,318</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>49,023</u></u>	\$ <u><u>49,023</u></u>	\$ <u><u>92,670</u></u>	\$ <u><u>43,647</u></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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 901,339	\$ 901,339	\$ 923,740	\$ 22,401
Charges for services and sales	1,913,830	1,954,830	1,876,301	(78,529)
Intergovernmental revenue	117,341	117,341	116,352	(989)
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>1,146</u>	<u>146</u>
Total revenue	<u>2,933,510</u>	<u>2,974,510</u>	<u>2,917,539</u>	<u>(56,971)</u>
Expenditures:				
Current:				
Leisure time activities				
Recreation department				
Salaries	1,201,516	1,248,516	1,190,426	58,090
Benefits	423,873	442,223	416,016	26,207
Materials and supplies	190,563	183,163	160,885	22,278
Contractual services	1,123,233	1,121,643	973,185	148,458
Capital outlay	<u>53,239</u>	<u>66,999</u>	<u>66,835</u>	<u>164</u>
Total expenditures	<u>2,992,424</u>	<u>3,062,544</u>	<u>2,807,347</u>	<u>255,197</u>
Excess (deficiency) of revenues over expenditures	(58,914)	(88,034)	110,192	198,226
Other financing sources (uses):				
Advances – out	-	(230,000)	(230,000)	-
Transfers – out	<u>(7,560)</u>	<u>(7,560)</u>	<u>(7,560)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,560)</u>	<u>(237,560)</u>	<u>(237,560)</u>	<u>-</u>
Net change in fund balance	(66,474)	(325,594)	(127,368)	198,226
Fund balance (deficit) at beginning of year	263,647	263,647	263,647	-
Prior year encumbrances appropriated	<u>62,439</u>	<u>62,439</u>	<u>62,439</u>	<u>-</u>
Fund balance (deficit) at end of year	\$ <u>259,612</u>	\$ <u>492</u>	\$ <u>198,718</u>	\$ <u>198,226</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, 2019

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund balance, beginning of year	\$ <u>3,065</u>	\$ <u>3,065</u>	\$ <u>3,065</u>	\$ <u>-</u>
Fund balance, end of year	\$ <u><u>3,065</u></u>	\$ <u><u>3,065</u></u>	\$ <u><u>3,065</u></u>	\$ <u><u>-</u></u>

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 426,000	\$ 426,000	\$ 417,881	\$ (8,119)
Expenditures:				
Current:				
Security of persons and property				
Fire department				
Materials and supplies	28,075	28,075	22,296	5,779
Contractual services	46,100	46,100	38,476	7,624
Capital outlay	128,857	128,857	83,682	45,175
Total fire department	203,032	203,032	144,454	58,578
Police department				
Materials and supplies	30,319	30,319	28,461	1,858
Contractual services	12,000	12,000	9,840	2,160
Capital outlay	122,700	122,700	102,954	19,746
Total police department	165,019	165,019	141,255	23,764
Total expenditures	368,051	368,051	285,709	82,342
Excess (deficiency) of revenues over expenditures	57,949	57,949	132,172	74,223
Other financing sources (uses):				
Transfers – out	(48,800)	(48,800)	-	48,800
Net change in fund balance	9,149	9,149	132,172	123,023
Prior year encumbrances appropriated	15,741	15,741	15,741	-
Fund balance, beginning of year	175,970	175,970	175,970	-
Fund balance, end of year	\$ 200,860	\$ 200,860	\$ 323,883	\$ 123,023

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 432,000	\$ 432,000	\$ 433,709	\$ 1,709
Expenditures:				
Current:				
Security of persons and property				
Fire department				
Contractual services	37,857	37,857	34,816	3,041
Capital outlay	1,461,128	1,461,128	1,370,053	91,075
Total security of persons and property	1,498,985	1,498,985	1,404,869	94,116
Debt service:				
Issuance fee	25,000	25,000	7,914	17,086
Total expenditures	1,523,985	1,523,985	1,412,783	111,202
Excess (deficiency) of revenues over expenditures	(1,091,985)	(1,091,985)	(979,074)	112,911
Other financing sources (uses):				
Note proceeds	1,300,000	1,305,000	1,305,000	-
Net change in fund balance	208,015	213,015	325,926	112,911
Prior year encumbrances appropriated	2,857	2,857	2,857	-
Fund balance, beginning of year	301,719	301,719	301,719	-
Fund balance, end of year	\$ 512,591	\$ 517,591	\$ 630,502	\$ 112,911

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 97,692	\$ 97,692	\$ 115,396	\$ 17,704
Interest	<u>3,500</u>	<u>3,500</u>	<u>4,516</u>	<u>1,016</u>
Total revenues	<u>101,192</u>	<u>101,192</u>	<u>119,912</u>	<u>18,720</u>
Expenditures:				
Current:				
Transportation				
Service department				
Materials and supplies	198,000	198,000	109,246	88,754
Contractual services	<u>99,800</u>	<u>99,800</u>	<u>85,285</u>	<u>14,515</u>
Total expenditures	<u>297,800</u>	<u>297,800</u>	<u>194,531</u>	<u>103,269</u>
Net change in fund balance	(196,608)	(196,608)	(74,619)	121,989
Prior year encumbrances appropriated	5,800	5,800	5,800	-
Fund balance, beginning of year	<u>271,583</u>	<u>271,583</u>	<u>271,583</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>80,775</u></u>	\$ <u><u>80,775</u></u>	\$ <u><u>202,764</u></u>	\$ <u><u>121,989</u></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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 1,204,875	\$ 1,246,875	\$ 1,502,914	\$ 256,039
Interest	<u>2,000</u>	<u>2,000</u>	<u>6,552</u>	<u>4,552</u>
Total revenue	<u>1,206,875</u>	<u>1,248,875</u>	<u>1,509,466</u>	<u>260,591</u>
Expenditures:				
Current:				
Transportation				
Service department				
Salaries	269,746	269,746	162,968	106,778
Benefits	74,252	89,362	66,649	22,713
Materials and supplies	477,692	477,692	393,541	84,151
Contractual services	201,403	201,403	169,174	32,229
Capital outlay	<u>195,092</u>	<u>195,092</u>	<u>194,807</u>	<u>285</u>
Total expenditures	<u>1,218,185</u>	<u>1,233,295</u>	<u>987,139</u>	<u>246,156</u>
Net change in fund balance	(11,310)	15,580	522,327	506,747
Prior year encumbrances appropriated	22,487	22,487	22,487	-
Fund balance, beginning of year	<u>239,951</u>	<u>239,951</u>	<u>239,951</u>	-
Fund balance, end of year	\$ <u>251,128</u>	\$ <u>278,018</u>	\$ <u>784,765</u>	\$ <u>506,747</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ <u>598,242</u>	\$ <u>598,242</u>	\$ <u>346,180</u>	\$ <u>(252,062)</u>
Expenditures:				
Current:				
General government				
Capital outlay	<u>228,336</u>	<u>228,336</u>	<u>196,288</u>	<u>32,048</u>
Excess (deficiency) of revenues over expenditures	369,906	369,906	149,892	(220,014)
Other financing sources (uses):				
Transfers – out	<u>(180,650)</u>	<u>(180,650)</u>	<u>(180,650)</u>	<u>-</u>
Net change in fund balance	189,256	189,256	(30,758)	(220,014)
Prior year encumbrances appropriated	153,336	153,336	153,336	-
Fund balance, beginning of year	<u>1,849,086</u>	<u>1,849,086</u>	<u>1,849,086</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>2,191,678</u></u>	\$ <u><u>2,191,678</u></u>	\$ <u><u>1,971,664</u></u>	\$ <u><u>(220,014)</u></u>

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 9,000	\$ 9,000	\$ 11,110	\$ 2,110
Expenditures:				
Current:				
Public health and welfare				
Contractual services	10,100	10,300	9,886	414
Capital outlay	<u>2,000</u>	<u>1,800</u>	<u>1,523</u>	<u>277</u>
Total expenditures	<u>12,100</u>	<u>12,100</u>	<u>11,409</u>	<u>691</u>
Net change in fund balance	(3,100)	(3,100)	(299)	2,801
Fund balance, beginning of year	<u>13,549</u>	<u>13,549</u>	<u>13,549</u>	-
Fund balance, end of year	\$ <u><u>10,449</u></u>	\$ <u><u>10,449</u></u>	\$ <u><u>13,250</u></u>	\$ <u><u>2,801</u></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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income tax	\$ 2,288,000	\$ 2,288,000	\$ 2,463,161	\$ 175,161
Intergovernmental revenue	<u>13,000</u>	<u>13,000</u>	<u>14,391</u>	<u>1,391</u>
Total revenue	<u>2,301,000</u>	<u>2,301,000</u>	<u>2,477,552</u>	<u>176,552</u>
Expenditures:				
Current:				
Basic utility services				
Service department				
Salaries	165,000	165,000	153,754	11,246
Benefits	69,018	69,018	48,252	20,766
Contractual services	2,036,055	2,035,975	1,968,125	67,850
Capital outlay	<u>60,300</u>	<u>60,380</u>	<u>55,379</u>	<u>5,001</u>
Total expenditures	<u>2,330,373</u>	<u>2,330,373</u>	<u>2,225,510</u>	<u>104,863</u>
Net change in fund balance	(29,373)	(29,373)	252,042	281,415
Prior year encumbrances appropriated	7,965	7,965	7,965	-
Fund balance, beginning of year	<u>1,507,389</u>	<u>1,507,389</u>	<u>1,507,389</u>	-
Fund balance, end of year	\$ <u>1,485,981</u>	\$ <u>1,485,981</u>	\$ <u>1,767,396</u>	\$ <u>281,415</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 16,000	\$ 16,000	\$ 15,140	\$ (860)
Intergovernmental revenue	<u>15,000</u>	<u>15,000</u>	<u>14,000</u>	<u>(1,000)</u>
Total revenue	<u>31,000</u>	<u>31,000</u>	<u>29,140</u>	<u>(1,860)</u>
Expenditures:				
Current:				
Public health and welfare				
Division of youth services				
Salaries	22,633	22,633	19,860	2,773
Benefits	3,951	3,951	3,506	445
Materials and supplies	900	900	555	345
Contractual services	<u>3,607</u>	<u>3,607</u>	<u>1,940</u>	<u>1,667</u>
Total expenditures	<u>31,091</u>	<u>31,091</u>	<u>25,861</u>	<u>5,230</u>
Net change in fund balance	(91)	(91)	3,279	3,370
Prior year encumbrances appropriated	57	57	57	-
Fund balance, beginning of year	<u>1,094</u>	<u>1,094</u>	<u>1,094</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>1,060</u></u>	\$ <u><u>1,060</u></u>	\$ <u><u>4,430</u></u>	\$ <u><u>3,370</u></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, 2019

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund balance, beginning of year	\$ <u>17,335</u>	\$ <u>17,335</u>	\$ <u>17,335</u>	\$ <u>-</u>
Fund balance, end of year	\$ <u><u>17,335</u></u>	\$ <u><u>17,335</u></u>	\$ <u><u>17,335</u></u>	\$ <u><u>-</u></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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 29,500	\$ 36,321	\$ 33,680	\$ (2,641)
Expenditures:				
Security of persons and property				
Fire department				
Capital outlay	9,062	9,062	9,062	-
Police department				
Materials and supplies	20,100	20,100	2,410	17,690
Total security of persons and property	29,162	29,162	11,472	17,690
Public health and welfare				
Division of youth and family services				
Materials and supplies	97,989	97,988	24,155	73,833
Contractual services	34,695	34,695	14,279	20,416
Total public health and welfare	132,684	132,683	38,434	94,249
Total expenditures	161,846	161,845	49,906	111,939
Net change in fund balance	(132,346)	(125,524)	(16,226)	109,298
Prior year encumbrances appropriated	2,210	2,210	2,210	-
Fund balance, beginning of year	240,468	240,468	240,468	-
Fund balance, end of year	\$ 110,332	\$ 117,154	\$ 226,452	\$ 109,298

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, 2019

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Fund balance, beginning of year	\$ <u>104,176</u>	\$ <u>104,176</u>	\$ <u>104,176</u>	\$ <u>-</u>
Fund balance, end of year	\$ <u><u>104,176</u></u>	\$ <u><u>104,176</u></u>	\$ <u><u>104,176</u></u>	\$ <u><u>-</u></u>

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 226,060	\$ 226,060	\$ 230,924	\$ 4,864
Intergovernmental revenue	<u>28,610</u>	<u>28,610</u>	<u>29,088</u>	<u>478</u>
Total revenue	<u>254,670</u>	<u>254,670</u>	<u>260,012</u>	<u>5,342</u>
Expenditures:				
Current:				
Security of persons and property				
Fire department				
Benefits	<u>257,583</u>	<u>257,583</u>	<u>230,924</u>	<u>26,659</u>
Net change in fund balance	(2,913)	(2,913)	29,088	32,001
Fund balance, beginning of year	<u>6,523</u>	<u>6,523</u>	<u>6,523</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>3,610</u></u>	\$ <u><u>3,610</u></u>	\$ <u><u>35,611</u></u>	\$ <u><u>32,001</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 5,000	\$ 68,000	\$ 67,848	\$ (152)
Expenditures:				
Current:				
Security of persons and property				
Police department				
Materials and supplies	8,800	8,800	3,594	5,206
Contractual services	5,000	47,000	46,184	816
Capital outlay	<u>72,609</u>	<u>72,609</u>	<u>71,615</u>	<u>994</u>
Total expenditures	<u>86,409</u>	<u>128,409</u>	<u>121,393</u>	<u>7,016</u>
Net change in fund balance	(81,409)	(60,409)	(53,545)	6,864
Prior year encumbrances appropriated	68,609	68,609	68,609	-
Fund balance, beginning of year	<u>15,246</u>	<u>15,246</u>	<u>15,246</u>	<u>-</u>
Fund balance, end of year	\$ <u>2,446</u>	\$ <u>23,446</u>	\$ <u>30,310</u>	\$ <u>6,864</u>

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 350,000	\$ 460,000	\$ 440,399	\$ (19,601)
Expenditures:				
Current:				
Security of persons and property				
Law department				
Salaries	32,104	32,954	32,910	44
Benefits	20,277	20,447	19,656	791
Total law department	52,381	53,401	52,566	835
Police department				
Salaries	175,000	274,000	247,437	26,563
Benefits	66,666	96,666	89,225	7,441
Materials and supplies	41,900	41,900	9,491	32,409
Contractual services	28,300	28,300	11,537	16,763
Total police department	311,866	440,866	357,690	83,176
Total expenditures	364,247	494,267	410,256	84,011
Net change in fund balance	(14,247)	(34,267)	30,143	64,410
Fund balance, beginning of year	119,334	119,334	119,334	-
Fund balance, end of year	\$ 105,087	\$ 85,067	\$ 149,477	\$ 64,410

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 226,060	\$ 226,060	\$ 230,924	\$ 4,864
Intergovernmental revenue	<u>28,610</u>	<u>28,610</u>	<u>29,088</u>	<u>478</u>
Total revenue	<u>254,670</u>	<u>254,670</u>	<u>260,012</u>	<u>5,342</u>
Expenditures:				
Current:				
Security of persons and property				
Police department				
Benefits	<u>257,583</u>	<u>257,583</u>	<u>230,924</u>	<u>26,659</u>
Net change in fund balance	(2,913)	(2,913)	29,088	32,001
Fund balance, beginning of year	<u>6,523</u>	<u>6,523</u>	<u>6,523</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>3,610</u></u>	\$ <u><u>3,610</u></u>	\$ <u><u>35,611</u></u>	\$ <u><u>32,001</u></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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 2,600	\$ 2,600	\$ 754	\$ (1,846)
Fines and forfeitures	1,500	1,500	3,300	1,800
Donations	<u>3,500</u>	<u>3,500</u>	<u>5,858</u>	<u>2,358</u>
Total revenues	<u>7,600</u>	<u>7,600</u>	<u>9,912</u>	<u>2,312</u>
Expenditures:				
Current:				
Leisure time activities				
Department of community life services				
Materials and supplies	12,838	12,713	8,938	3,775
Contractual services	<u>-</u>	<u>125</u>	<u>122</u>	<u>3</u>
Total expenditures	<u>12,838</u>	<u>12,838</u>	<u>9,060</u>	<u>3,778</u>
Net change in fund balance	(5,238)	(5,238)	852	6,090
Prior year encumbrances appropriated	638	638	638	-
Fund balance, beginning of year	<u>11,283</u>	<u>11,283</u>	<u>11,283</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>6,683</u></u>	\$ <u><u>6,683</u></u>	\$ <u><u>12,773</u></u>	\$ <u><u>6,090</u></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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 5,000	\$ 5,800	\$ 6,062	\$ 262
Intergovernmental revenue	<u>7,621</u>	<u>9,121</u>	<u>9,335</u>	<u>214</u>
Total revenue	<u>12,621</u>	<u>14,921</u>	<u>15,397</u>	<u>476</u>
Expenditures:				
Current:				
Public health and welfare				
Senior services				
Salaries	11,566	11,566	11,119	447
Benefits	<u>1,978</u>	<u>1,978</u>	<u>1,921</u>	<u>57</u>
Total expenditures	<u>13,544</u>	<u>13,544</u>	<u>13,040</u>	<u>504</u>
Net change in fund balance	(923)	1,377	2,357	980
Fund balance, beginning of year	<u>40,312</u>	<u>40,312</u>	<u>40,312</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>39,389</u></u>	\$ <u><u>41,689</u></u>	\$ <u><u>42,669</u></u>	\$ <u><u>980</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ -	\$ -	\$ 1,728	\$ 1,728
Net change in fund balance	-	-	1,728	1,728
Fund balance, beginning of year	22,921	22,921	22,921	-
Fund balance, end of year	\$ 22,921	\$ 22,921	\$ 24,649	\$ 1,728

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 828,890	\$ 828,890	\$ 846,786	\$ 17,896
Intergovernmental revenue	<u>104,900</u>	<u>104,900</u>	<u>106,656</u>	<u>1,756</u>
Total revenue	<u>933,790</u>	<u>933,790</u>	<u>953,442</u>	<u>19,652</u>
Expenditures:				
Debt service:				
Principal	775,000	775,000	775,000	-
Interest and fiscal charges	46,700	46,700	46,700	-
Issuance fee	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total expenditures	<u>836,700</u>	<u>836,700</u>	<u>821,700</u>	<u>15,000</u>
Net change in fund balance	97,090	97,090	131,742	34,652
Fund balance, beginning of year	<u>795,446</u>	<u>795,446</u>	<u>795,446</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>892,536</u></u>	\$ <u><u>892,536</u></u>	\$ <u><u>927,188</u></u>	\$ <u><u>34,652</u></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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 301,416	\$ 301,416	\$ 307,920	\$ 6,504
Intergovernmental revenue	<u>38,144</u>	<u>38,144</u>	<u>38,784</u>	<u>640</u>
Total revenue	<u>339,560</u>	<u>339,560</u>	<u>346,704</u>	<u>7,144</u>
Expenditures:				
Debt service:				
Principal	230,000	230,000	230,000	-
Interest and fiscal charges	57,763	57,763	57,763	-
Issuance fee	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total expenditures	<u>302,763</u>	<u>302,763</u>	<u>287,763</u>	<u>15,000</u>
Net change in fund balance	36,797	36,797	58,941	22,144
Fund balance, beginning of year	<u>604,775</u>	<u>604,775</u>	<u>604,775</u>	<u>-</u>
Fund balance end of year	\$ <u><u>641,572</u></u>	\$ <u><u>641,572</u></u>	\$ <u><u>663,716</u></u>	\$ <u><u>22,144</u></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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ -	\$ -	\$ 130	\$ 130
Intergovernmental revenue	<u>200,000</u>	<u>310,000</u>	<u>-</u>	<u>(310,000)</u>
Total revenue	<u>200,000</u>	<u>310,000</u>	<u>130</u>	<u>(309,870)</u>
Expenditures:				
Current:				
General government				
Division of finance				
Capital outlay	<u>54,739</u>	<u>54,739</u>	<u>27,901</u>	<u>26,838</u>
Division of information technology				
Capital outlay	<u>752,002</u>	<u>793,267</u>	<u>614,115</u>	<u>179,152</u>
Division of public service and properties				
Capital outlay	<u>300,000</u>	<u>859,840</u>	<u>274,827</u>	<u>585,013</u>
Total general government	<u>1,106,741</u>	<u>1,707,846</u>	<u>916,843</u>	<u>791,003</u>
Security of persons and property				
Division of police				
Capital outlay	<u>1,155,000</u>	<u>1,055,000</u>	<u>1,026,625</u>	<u>28,375</u>
Leisure time activities				
Recreation department				
Capital outlay	<u>-</u>	<u>230,000</u>	<u>228,774</u>	<u>1,226</u>
Debt service:				
Principal	-	261,500	261,500	-
Interest and fiscal charges	-	43,092	43,092	-
Issuance fee	<u>25,000</u>	<u>25,000</u>	<u>11,826</u>	<u>13,174</u>
Total debt service	<u>25,000</u>	<u>329,592</u>	<u>316,418</u>	<u>13,174</u>
Total expenditures	<u>2,286,741</u>	<u>3,322,438</u>	<u>2,488,660</u>	<u>833,778</u>
Excess (deficiency) of revenues over expenditures	(2,086,741)	(3,012,438)	(2,488,530)	523,908
Other financing sources (uses):				
Note proceeds	1,775,000	1,950,000	1,950,000	-
Advances – in	-	320,000	230,000	(90,000)
Transfers – in	<u>-</u>	<u>333,232</u>	<u>333,232</u>	<u>-</u>
Total other financing sources (uses)	<u>1,775,000</u>	<u>2,603,232</u>	<u>2,513,232</u>	<u>(90,000)</u>
Net change in fund balance	(311,741)	(409,206)	24,702	433,908
Prior year encumbrances appropriated	15,684	15,684	15,684	-
Fund balance, beginning of year	<u>396,676</u>	<u>396,676</u>	<u>396,676</u>	<u>-</u>
Fund balance, end of year	\$ <u>100,619</u>	\$ <u>3,154</u>	\$ <u>437,062</u>	\$ <u>433,908</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, 2019

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund balance, beginning of year	\$ <u>2,000</u>	\$ <u>2,000</u>	\$ <u>2,000</u>	\$ <u>-</u>
Fund balance, end of year	\$ <u><u>2,000</u></u>	\$ <u><u>2,000</u></u>	\$ <u><u>2,000</u></u>	\$ <u><u>-</u></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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 1,745,000	\$ 1,745,000	\$ 1,712,188	\$ (32,812)
Expenditures:				
Golf course and ballroom				
Salaries	545,390	535,426	493,312	42,114
Benefits	128,199	128,199	114,746	13,453
Materials and supplies	382,351	382,351	365,007	17,344
Contractual services	334,207	309,207	280,795	28,412
Capital outlay	<u>1,721,625</u>	<u>1,988,439</u>	<u>1,963,552</u>	<u>24,887</u>
Total golf course and ballroom	3,111,772	3,343,622	3,217,412	126,210
Debt service:				
Issuance fee	<u>25,000</u>	<u>25,000</u>	<u>8,187</u>	<u>16,813</u>
Total expenditures	<u>3,136,772</u>	<u>3,368,622</u>	<u>3,225,599</u>	<u>143,023</u>
Excess (deficiency) of revenues over expenses	(1,391,772)	(1,623,622)	(1,513,411)	110,211
Other financing sources (uses):				
Refunds	(3,000)	(3,000)	(1,746)	1,254
Note proceeds	1,350,000	1,350,000	1,350,000	-
Transfers – in	-	256,850	256,850	-
Transfers – out	<u>(398,580)</u>	<u>(423,580)</u>	<u>(423,580)</u>	<u>-</u>
Total other financing sources (uses)	<u>948,420</u>	<u>1,180,270</u>	<u>1,181,524</u>	<u>1,254</u>
Net change in fund equity	(443,352)	(443,352)	(331,887)	111,465
Prior year encumbrances appropriated	312,872	312,872	312,872	-
Fund equity, beginning of year	<u>201,352</u>	<u>201,352</u>	<u>201,352</u>	<u>-</u>
Fund equity, end of year	\$ <u><u>70,872</u></u>	\$ <u><u>70,872</u></u>	\$ <u><u>182,337</u></u>	\$ <u><u>111,465</u></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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 10,403,000	\$ 10,471,700	\$ 10,426,053	\$ (45,647)
Expenditures:				
Current:				
Sewer				
Salaries	1,864,316	1,852,962	1,785,111	67,851
Benefits	751,163	762,517	746,694	15,823
Materials and supplies	786,759	786,759	595,891	190,868
Contractual services	2,525,804	2,525,804	1,903,898	621,906
Capital outlay	<u>1,645,585</u>	<u>1,645,585</u>	<u>1,577,295</u>	<u>68,290</u>
Total expenditures	<u>7,573,627</u>	<u>7,573,627</u>	<u>6,608,889</u>	<u>964,738</u>
Excess (deficiency) of revenues over expenses	2,829,373	2,898,073	3,817,164	919,091
Other financing sources (uses):				
Proceeds from sale of assets	-	600	861	261
Transfers – out	<u>(3,915,278)</u>	<u>(3,915,278)</u>	<u>(3,873,892)</u>	<u>41,386</u>
Total other financing sources (uses)	<u>(3,915,278)</u>	<u>(3,914,678)</u>	<u>(3,873,031)</u>	<u>41,647</u>
Net change in fund equity	(1,085,905)	(1,016,605)	(55,867)	960,738
Prior year encumbrances appropriated	562,298	562,298	562,298	-
Fund equity, beginning of year	<u>12,608,258</u>	<u>12,608,258</u>	<u>12,608,258</u>	<u>-</u>
Fund equity, end of year	\$ <u>12,084,651</u>	\$ <u>12,153,951</u>	\$ <u>13,114,689</u>	\$ <u>960,738</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ <u>3,815,977</u>	\$ <u>3,847,577</u>	\$ <u>3,445,361</u>	\$ <u>(402,216)</u>
Expenditures:				
Contractual services	<u>3,811,955</u>	<u>3,811,955</u>	<u>3,400,764</u>	<u>411,191</u>
Net change in fund equity	4,022	35,622	44,597	8,975
Prior year encumbrances appropriated	3,600	3,600	3,600	-
Fund equity, beginning of year	<u>3,195,817</u>	<u>3,195,817</u>	<u>3,195,817</u>	<u>-</u>
Fund equity, end of year	\$ <u><u>3,203,439</u></u>	\$ <u><u>3,235,039</u></u>	\$ <u><u>3,244,014</u></u>	\$ <u><u>8,975</u></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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ <u>300,000</u>	\$ <u>306,500</u>	\$ <u>334,268</u>	\$ <u>27,768</u>
Expenditures:				
Contractual services	<u>361,106</u>	<u>361,106</u>	<u>231,543</u>	<u>129,563</u>
Net change in fund equity	(61,106)	(54,606)	102,725	157,331
Prior year encumbrances appropriated	4,106	4,106	4,106	-
Fund equity, beginning of year	<u>1,339,479</u>	<u>1,339,479</u>	<u>1,339,479</u>	<u>-</u>
Fund equity, end of year	\$ <u><u>1,282,479</u></u>	\$ <u><u>1,288,979</u></u>	\$ <u><u>1,446,310</u></u>	\$ <u><u>157,331</u></u>

City of North Olmsted, Ohio

Fund Description

For the Year Ended December 31, 2019

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Agency Fund

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.

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.

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 Changes in Assets and Liabilities Agency Funds

For the Year Ended December 31, 2019

	<u>Balance 12/31/18</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/19</u>
Deposits Fund				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>865,929</u>	\$ <u>237,300</u>	\$ <u>156,877</u>	\$ <u>946,352</u>
Liabilities:				
Deposits held and due to others	\$ <u>865,929</u>	\$ <u>237,300</u>	\$ <u>156,877</u>	\$ <u>946,352</u>
Mayor's Court Fund				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>135,544</u>	\$ <u>1,773,288</u>	\$ <u>1,782,069</u>	\$ <u>126,763</u>
Liabilities:				
Deposits held and due to others	\$ <u>135,544</u>	\$ <u>1,773,288</u>	\$ <u>1,782,069</u>	\$ <u>126,763</u>
Mayor's Court Bond Fund				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>2,050</u>	\$ <u>5,965</u>	\$ <u>7,010</u>	\$ <u>1,005</u>
Liabilities:				
Deposits held and due to others	\$ <u>2,050</u>	\$ <u>5,965</u>	\$ <u>7,010</u>	\$ <u>1,005</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>1,003,523</u>	\$ <u>2,016,553</u>	\$ <u>1,945,956</u>	\$ <u>1,074,120</u>
Liabilities:				
Deposits held and due to others	\$ <u>1,003,523</u>	\$ <u>2,016,553</u>	\$ <u>1,945,956</u>	\$ <u>1,074,120</u>

**STATISTICAL
SECTION**

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City of North Olmsted, Ohio

Statistical Section

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

<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 comprehensive annual financial reports for the relevant year.

City of North Olmsted, Ohio

Net Position by Component Accrual Basis of Accounting

Last Ten Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental activities:										
Net investment in capital assets	\$ 31,226,859	\$ 28,803,658	\$ 28,401,591	\$ 28,628,989	\$ 27,813,444	\$ 29,341,888	\$ 31,940,364	\$ 35,550,385	\$ 36,787,582	\$ 38,558,141
Restricted for:										
Debt service	10,643,195	9,929,253	9,360,400	8,442,223	7,889,330	7,384,896	6,851,903	6,094,752	5,196,104	4,680,441
Capital projects	4,701,550	5,084,730	4,699,150	4,977,260	4,693,516	1,138,817	762,911	623,236	797,848	597,111
Community development	-	-	-	-	-	73,955	60,633	42,307	49,644	50,857
Highways and streets	4,231,232	3,395,990	2,829,310	2,455,507	2,081,713	4,723,437	4,353,921	3,328,866	4,224,951	4,654,165
Public safety	750,142	493,398	562,154	148,194	182,360	509,197	736,249	825,663	615,805	642,429
Recreation	-	-	-	-	4,588	86,380	222,472	215,836	88,177	87,335
Solid waste and recycling	2,263,332	2,036,908	1,861,445	1,603,317	1,313,809	1,136,124	965,775	577,462	509,787	672,589
Federal and other grants	417,029	427,285	575,606	432,021	454,162	535,346	524,945	530,871	655,170	610,274
Unrestricted	<u>(26,229,122)</u>	<u>(38,091,498)</u>	<u>(34,963,857)</u>	<u>(13,255,530)</u>	<u>(11,683,065)</u>	<u>(12,213,118)</u>	<u>7,178,951</u>	<u>6,779,505</u>	<u>6,476,551</u>	<u>4,154,220</u>
Total net position – governmental activities	<u>28,004,217</u>	<u>12,079,724</u>	<u>13,325,799</u>	<u>33,431,981</u>	<u>32,749,857</u>	<u>32,716,922</u>	<u>53,598,124</u>	<u>54,568,883</u>	<u>55,401,619</u>	<u>54,707,562</u>
Business-type activities:										
Net investment in capital assets	17,036,222	15,530,540	14,882,798	14,329,123	14,995,099	14,085,646	15,645,038	13,838,058	13,329,367	13,079,015
Unrestricted	<u>3,717,927</u>	<u>4,401,047</u>	<u>3,538,916</u>	<u>3,717,562</u>	<u>4,450,639</u>	<u>3,409,913</u>	<u>917,874</u>	<u>1,573,485</u>	<u>948,996</u>	<u>577,913</u>
Total net position – business-type activities	<u>20,754,149</u>	<u>19,931,587</u>	<u>18,421,714</u>	<u>18,046,685</u>	<u>19,445,738</u>	<u>17,495,559</u>	<u>16,562,912</u>	<u>15,411,543</u>	<u>14,278,363</u>	<u>13,656,928</u>
Primary government:										
Net investment in capital assets	48,263,081	44,334,198	43,284,389	42,958,112	42,808,543	43,427,534	47,585,402	49,388,443	50,116,949	51,637,156
Restricted	23,006,480	21,367,564	19,888,065	18,058,522	16,619,478	15,588,152	14,478,809	12,238,993	12,137,486	11,995,201
Unrestricted	<u>(22,511,195)</u>	<u>(33,690,451)</u>	<u>(31,424,941)</u>	<u>(9,537,968)</u>	<u>(7,232,426)</u>	<u>(8,803,205)</u>	<u>8,096,825</u>	<u>8,352,990</u>	<u>7,425,547</u>	<u>4,732,133</u>
Total net position – primary government	\$ <u>48,758,366</u>	\$ <u>32,011,311</u>	\$ <u>31,747,513</u>	\$ <u>51,478,666</u>	\$ <u>52,195,595</u>	\$ <u>50,212,481</u>	\$ <u>70,161,036</u>	\$ <u>69,980,426</u>	\$ <u>69,679,982</u>	\$ <u>68,364,490</u>

(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.

Source: City financial records

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting

Last Ten Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental activities:										
Charges for services and sales:										
General government	\$ 2,630,330	\$ 2,599,478	\$ 2,361,850	\$ 2,816,339	\$ 2,298,332	\$ 2,030,517	\$ 2,109,396	\$ 1,528,928	\$ 1,599,848	\$ 1,247,442
Security of persons and property	1,485,528	1,777,970	1,446,643	1,511,930	1,436,003	1,341,069	1,253,737	1,287,158	1,206,279	1,191,835
Public health and welfare	10,202	8,494	7,923	9,016	8,926	7,446	10,698	17,015	20,989	40,077
Transportation	161,126	211,072	159,121	120,094	210,341	241,171	235,112	283,571	257,183	173,141
Leisure time activities	1,883,979	1,927,823	1,973,255	1,971,094	1,838,790	1,570,024	1,523,574	1,413,519	1,282,907	1,226,424
Economic development	<u>13,214</u>	<u>19,028</u>	<u>11,177</u>	<u>12,524</u>	<u>17,618</u>	<u>18,608</u>	<u>25,663</u>	<u>19,421</u>	<u>21,206</u>	<u>19,875</u>
Total charges for services and sales	<u>6,184,379</u>	<u>6,543,865</u>	<u>5,959,969</u>	<u>6,440,997</u>	<u>5,810,010</u>	<u>5,208,835</u>	<u>5,158,180</u>	<u>4,549,612</u>	<u>4,388,412</u>	<u>3,898,794</u>
Operating grants and contributions:										
General government	779	3,560	10	1,555	30,939	55,726	37,500	41,442	11,260	48,547
Security of persons and property	206,289	300,643	149,160	160,833	411,329	129,368	342,433	415,442	26,322	54,646
Public health and welfare	72,204	53,055	73,571	61,731	61,366	60,909	64,031	63,112	60,327	63,017
Transportation	2,114,982	1,586,738	1,624,759	1,542,246	1,526,293	1,545,273	1,632,366	1,510,295	1,381,255	1,603,510
Basic utility services	5,000	5,000	5,000	5,500	5,000	5,000	12,441	-	3,282	3,634
Leisure time activities	20	-	-	-	1,940	55	12,185	9,500	62,491	69,136
Economic development	<u>67,377</u>	<u>1,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,000</u>	<u>15,400</u>
Total operating grants and contributions	<u>2,466,651</u>	<u>1,950,646</u>	<u>1,852,500</u>	<u>1,771,865</u>	<u>2,036,867</u>	<u>1,796,331</u>	<u>2,100,956</u>	<u>2,039,791</u>	<u>1,609,937</u>	<u>1,857,890</u>
Capital grants and contributions:										
General government	200,000	-	32,765	-	34,654	-	32,877	67,419	134,839	-
Security of persons and property	747	5,397	3,808	3,518	7,793	-	-	-	288,228	-
Public health and welfare	-	149,670	-	-	-	-	115,000	-	105,000	-
Transportation	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,295</u>	<u>299,061</u>	<u>246,967</u>	<u>8,162,080</u>
Total capital grants and contributions	<u>450,747</u>	<u>155,067</u>	<u>36,573</u>	<u>3,518</u>	<u>42,447</u>	<u>-</u>	<u>418,172</u>	<u>366,480</u>	<u>775,034</u>	<u>8,162,080</u>
Total governmental activities program revenues	<u>9,101,777</u>	<u>8,649,578</u>	<u>7,849,042</u>	<u>8,216,380</u>	<u>7,889,324</u>	<u>7,005,166</u>	<u>7,677,308</u>	<u>6,955,883</u>	<u>6,773,383</u>	<u>13,918,764</u>

(Continued)

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting (Continued)

Last Ten Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Business-type activities:										
Charges for services and sales:										
Springvale Golf Course and Ballroom	1,710,443	1,666,414	1,704,829	1,739,923	1,694,648	1,655,305	1,524,267	1,476,024	1,166,214	1,304,849
Sewer	<u>10,448,403</u>	<u>10,364,252</u>	<u>11,059,171</u>	<u>10,039,509</u>	<u>9,181,973</u>	<u>8,738,033</u>	<u>7,770,214</u>	<u>7,327,028</u>	<u>6,673,982</u>	<u>6,769,950</u>
Total charges for services and sales	<u>12,158,846</u>	<u>12,030,666</u>	<u>12,764,000</u>	<u>11,779,432</u>	<u>10,876,621</u>	<u>10,393,338</u>	<u>9,294,481</u>	<u>8,803,052</u>	<u>7,840,196</u>	<u>8,074,799</u>
Capital grants and contributions:										
Sewer	<u>64,970</u>	<u>105,103</u>	<u>63,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,676</u>	<u>62,299</u>	<u>187,887</u>	<u>71,428</u>
Total business-type activities program revenues	<u>12,223,816</u>	<u>12,135,769</u>	<u>12,827,424</u>	<u>11,779,432</u>	<u>10,876,621</u>	<u>10,393,338</u>	<u>9,326,157</u>	<u>8,865,351</u>	<u>8,028,083</u>	<u>8,146,227</u>
Total primary government program revenues	<u>21,325,593</u>	<u>20,785,347</u>	<u>20,676,466</u>	<u>19,995,812</u>	<u>18,765,945</u>	<u>17,398,504</u>	<u>17,003,465</u>	<u>15,821,234</u>	<u>14,801,466</u>	<u>22,064,991</u>
Expenses:										
Governmental activities:										
General government	6,179,418	5,375,605	5,512,075	5,299,633	4,516,867	4,200,635	4,612,689	4,096,769	3,582,339	3,276,027
Security of persons and property	2,958,665	17,388,852	15,348,078	15,959,086	14,205,425	12,948,527	12,974,261	12,847,883	11,367,748	11,627,831
Public health services	664,427	686,988	692,738	631,709	551,565	529,304	504,219	527,602	489,183	467,464
Transportation	7,761,803	8,093,205	8,240,799	7,352,641	8,416,485	9,608,806	10,161,662	10,314,338	10,125,472	9,184,733
Basic utility services	2,271,866	2,142,175	2,192,149	2,063,026	1,929,636	1,920,086	1,700,564	2,100,931	2,306,879	2,246,112
Leisure time activities	3,481,815	3,083,618	3,171,864	3,191,927	3,136,618	2,850,349	2,583,952	2,472,946	2,414,279	2,519,617
Economic development	517,720	494,603	376,806	271,870	275,635	328,696	339,198	476,253	432,497	377,094
Interest and fiscal charges	<u>540,558</u>	<u>514,478</u>	<u>669,103</u>	<u>668,492</u>	<u>1,049,394</u>	<u>941,826</u>	<u>1,371,593</u>	<u>1,197,352</u>	<u>1,370,320</u>	<u>1,580,084</u>
Total governmental activities expenses	<u>24,376,272</u>	<u>37,779,524</u>	<u>36,203,612</u>	<u>35,438,384</u>	<u>34,081,625</u>	<u>33,328,229</u>	<u>34,248,138</u>	<u>34,034,074</u>	<u>32,088,717</u>	<u>31,278,962</u>

(Continued)

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting (Continued)

Last Ten Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Business-type activities:										
Springvale Golf Course and Ballroom	1,800,252	1,823,985	2,019,106	1,665,971	1,557,162	1,547,407	1,598,902	1,561,234	1,393,346	1,403,969
Sewer revenue	<u>9,580,212</u>	<u>8,749,271</u>	<u>8,857,451</u>	<u>8,005,368</u>	<u>7,408,132</u>	<u>6,311,785</u>	<u>6,562,518</u>	<u>5,959,665</u>	<u>5,950,651</u>	<u>5,965,290</u>
Total business-type activities expenses	<u>11,380,464</u>	<u>10,573,256</u>	<u>10,876,557</u>	<u>9,671,339</u>	<u>8,965,294</u>	<u>7,859,192</u>	<u>8,161,420</u>	<u>7,520,899</u>	<u>7,343,997</u>	<u>7,369,259</u>
Total primary government expenses	<u>35,756,736</u>	<u>48,352,780</u>	<u>47,080,169</u>	<u>45,109,723</u>	<u>43,046,919</u>	<u>41,187,421</u>	<u>42,409,558</u>	<u>41,554,973</u>	<u>39,432,714</u>	<u>38,648,221</u>
Net (expense) revenue:										
Governmental activities	(15,274,495)	(29,129,946)	(28,354,570)	(27,222,004)	(26,192,301)	(26,323,063)	(26,570,830)	(27,078,191)	(25,315,334)	(17,360,198)
Business-type activities	<u>843,352</u>	<u>1,562,513</u>	<u>1,950,867</u>	<u>2,108,093</u>	<u>1,911,327</u>	<u>2,534,146</u>	<u>1,164,737</u>	<u>1,344,452</u>	<u>684,086</u>	<u>776,968</u>
Total primary government net expense	<u>(14,431,143)</u>	<u>(27,567,433)</u>	<u>(26,403,703)</u>	<u>(25,113,911)</u>	<u>(24,280,974)</u>	<u>(23,788,917)</u>	<u>(25,406,093)</u>	<u>(25,733,739)</u>	<u>(24,631,248)</u>	<u>(16,583,230)</u>
General revenues and other changes in net position:										
Governmental activities:										
Property taxes and other local taxes	10,873,713	9,781,544	9,813,776	9,622,781	9,558,074	9,183,826	9,525,254	9,743,908	9,782,378	9,895,600
Municipal income taxes	16,544,287	15,357,622	16,311,456	15,531,341	14,039,569	13,926,264	13,815,005	13,286,957	12,197,549	12,142,212
Grants and entitlements	2,679,464	2,006,231	2,363,717	2,569,538	2,554,370	2,201,218	2,147,473	2,919,512	3,736,906	3,954,223
Investment earnings	957,900	629,054	194,422	64,238	36,912	39,775	61,556	40,217	37,499	62,463
Gain on sale of capital assets	-	-	-	-	-	-	-	9,086	-	-
Other	122,834	56,780	61,591	63,590	75,163	63,894	37,415	34,503	35,478	22,728
Transfers	20,790	52,640	52,640	52,640	(38,852)	40,223	13,368	211,272	62,651	(75,800)
Special item – sale of capital assets	-	-	-	-	-	-	-	-	156,930	-
Total governmental activities general revenues and other changes in net position	<u>31,198,988</u>	<u>27,883,871</u>	<u>28,797,602</u>	<u>27,904,128</u>	<u>26,225,236</u>	<u>25,455,200</u>	<u>25,600,071</u>	<u>26,245,455</u>	<u>26,009,391</u>	<u>26,001,426</u>

(Continued)

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting (Continued)

Last Ten Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Business-type activities:										
Transfers	(20,790)	(52,640)	(52,640)	(52,640)	-	(40,223)	(13,368)	(211,272)	(62,651)	75,800
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	<u>(20,790)</u>	<u>(52,640)</u>	<u>(52,640)</u>	<u>(3,507,146)</u>	<u>38,852</u>	<u>(40,223)</u>	<u>(13,368)</u>	<u>(211,272)</u>	<u>(62,651)</u>	<u>75,800</u>
Total primary government general revenues and other changes in net position	<u>31,178,198</u>	<u>27,831,231</u>	<u>28,744,962</u>	<u>24,396,982</u>	<u>26,264,088</u>	<u>25,414,977</u>	<u>25,586,703</u>	<u>26,034,183</u>	<u>25,946,740</u>	<u>26,077,226</u>
Change in net position:										
Governmental activities	15,924,493	(1,246,075)	443,032	682,124	32,935	(867,863)	(970,759)	(832,736)	694,057	8,641,228
Business-type activities	<u>822,562</u>	<u>1,509,873</u>	<u>1,898,227</u>	<u>(1,399,053)</u>	<u>1,950,179</u>	<u>2,493,923</u>	<u>1,151,369</u>	<u>1,133,180</u>	<u>621,435</u>	<u>852,768</u>
Total primary government change in net position	\$ <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>	\$ <u>300,444</u>	\$ <u>1,315,492</u>	\$ <u>9,493,996</u>

Information from 2009 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 2010 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

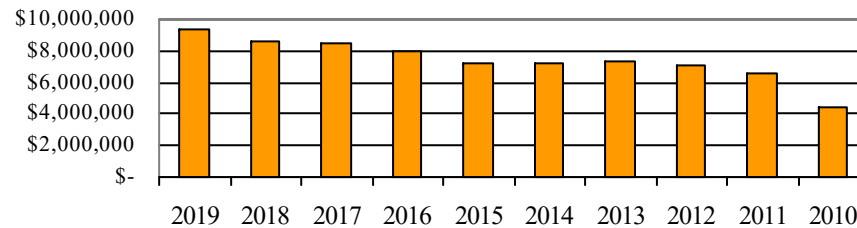
Last Ten Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund										
Nonspendable	\$ 1,542,670	\$ 1,477,689	\$ 1,377,161	\$ 1,283,563	\$ 1,173,952	\$ 1,180,719	\$ 1,077,862	\$ 988,055	\$ 910,466	\$ -
Committed	22,724	101,884	114,747	62,454	42,000	-	-	-	-	-
Assigned	4,899,174	4,433,189	4,941,368	4,684,994	4,237,354	4,714,841	4,860,515	1,799,392	875,618	-
Unassigned	2,871,912	2,569,478	2,097,203	1,938,143	1,729,097	1,270,324	1,433,619	4,338,011	4,752,859	-
Reserved	-	-	-	-	-	-	-	-	-	870,953
Unreserved	-	-	-	-	-	-	-	-	-	3,620,708
Total General Fund	<u>9,336,480</u>	<u>8,582,240</u>	<u>8,530,479</u>	<u>7,969,154</u>	<u>7,182,403</u>	<u>7,165,884</u>	<u>7,371,996</u>	<u>7,125,458</u>	<u>6,538,943</u>	<u>4,491,661</u>
All other governmental funds										
Nonspendable	122,182	146,064	64,079	103,105	124,839	75,935	20,717	17,671	16,322	-
Restricted	23,344,844	20,669,583	18,407,748	16,601,938	10,447,657	13,617,900	12,319,432	10,089,351	10,071,569	-
Committed	679,334	421,320	269,040	252,989	5,152,340	477,523	738,571	699,742	568,849	-
Unassigned	-	-	(130,659)	(5,516)	-	-	-	(55,939)	(56,562)	-
Reserved	-	-	-	-	-	-	-	-	-	423,390
Unreserved (deficit), reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	5,290,424
Debt service funds	-	-	-	-	-	-	-	-	-	4,074,995
Capital projects funds	-	-	-	-	-	-	-	-	-	569,830
Total all other governmental funds	<u>24,146,360</u>	<u>21,236,967</u>	<u>18,610,208</u>	<u>16,952,516</u>	<u>15,724,836</u>	<u>14,171,358</u>	<u>13,078,720</u>	<u>10,750,825</u>	<u>10,600,178</u>	<u>10,358,639</u>
Total governmental funds	\$ <u>33,482,840</u>	\$ <u>29,819,207</u>	\$ <u>27,140,687</u>	\$ <u>24,921,670</u>	\$ <u>22,907,239</u>	\$ <u>21,337,242</u>	\$ <u>20,450,716</u>	\$ <u>17,876,283</u>	\$ <u>17,139,121</u>	\$ <u>14,850,300</u>

In 2011, the City implemented GASB 54.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues:										
Property taxes	\$ 10,725,717	\$ 9,730,635	\$ 9,816,294	\$ 9,565,720	\$ 9,653,946	\$ 9,291,474	\$ 9,503,797	9,799,407	\$ 9,924,695	\$ 9,985,313
Income taxes	16,070,820	16,008,308	15,890,897	15,283,047	14,252,984	14,317,492	13,435,417	12,655,722	12,346,450	11,770,310
Payment in lieu of taxes	346,180	598,242	287,273	530,152	501,075	-	-	-	-	-
Charges for services and sales	4,188,437	4,148,407	3,817,020	3,790,286	3,209,751	2,750,607	2,751,882	2,552,793	2,384,556	2,414,501
Fines, licenses and permits	2,050,085	2,033,943	1,922,317	2,451,773	1,876,649	1,681,117	1,654,123	1,628,181	1,670,972	1,212,137
Intergovernmental	4,941,924	4,042,030	3,863,185	3,939,110	4,183,068	4,131,025	4,889,076	5,770,274	6,409,008	5,802,595
Special assessments	-	-	-	-	-	-	-	-	-	90,000
Interest	952,243	610,034	194,422	64,238	36,912	39,775	61,556	40,217	37,499	62,463
Miscellaneous	71,964	88,636	101,233	108,250	717,963	662,055	615,578	176,983	181,063	208,977
Total revenues	<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>	<u>32,623,577</u>	<u>32,954,243</u>	<u>31,546,296</u>
Expenditures:										
Current:										
General government	4,660,721	4,548,826	4,633,871	4,603,782	4,192,227	4,190,529	4,108,722	3,662,591	3,646,056	3,457,202
Security of persons and property	15,307,520	15,438,843	14,234,086	13,840,984	14,106,951	13,194,930	13,176,566	12,436,324	11,513,761	11,947,782
Public health and welfare	667,671	643,619	1,675,311	547,434	590,039	522,122	640,545	513,659	628,225	477,740
Transportation	7,249,823	6,590,232	7,002,141	5,651,644	6,070,558	5,249,876	5,105,094	5,990,651	5,163,746	4,422,054
Basic utility services	2,270,111	2,144,646	2,193,395	2,056,094	1,933,777	1,923,981	1,700,564	2,100,931	2,306,879	2,246,112
Leisure time activities	2,779,684	2,679,376	2,891,054	2,863,912	2,796,243	2,620,445	2,881,644	2,198,920	2,287,806	2,343,545
Economic development	506,484	510,988	473,494	328,076	272,427	321,058	435,643	738,357	468,200	556,467
Capital outlay	1,864,836	135,554	503,137	421,515	714,701	1,746,234	132,499	833,444	376,161	122,399
Debt Service:										
Principal	4,746,264	3,075,506	4,494,145	4,343,608	11,542,007	3,872,081	5,877,646	4,770,492	4,002,500	7,588,715
Interest and fiscal charge	542,678	578,786	634,587	729,247	844,228	974,312	1,119,953	1,183,155	1,368,647	1,606,408
Note issuance costs	-	-	-	-	-	-	-	23,250	17,426	25,522
Bond issuance costs	37,550	22,111	148,689	17,048	233,131	28,056	133,477	-	-	83,872
Total expenditures	<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>	<u>34,451,774</u>	<u>31,779,407</u>	<u>34,877,818</u>
Excess (deficiency) of revenues over expenditures	<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>	<u>(1,828,197)</u>	<u>1,174,836</u>	<u>(3,331,522)</u>

(Continued)

City of North Olmsted, Ohio

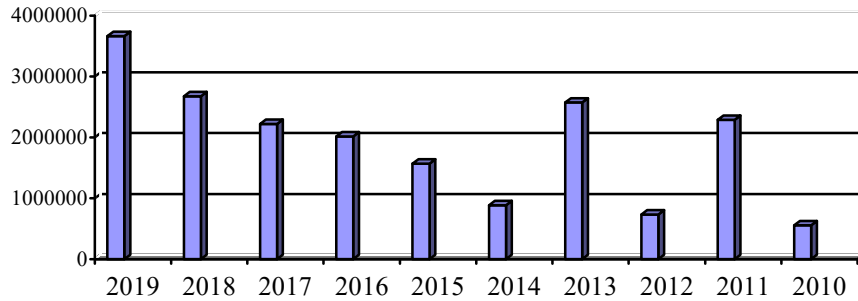
Changes in Fund Balances, Governmental Funds Modified Accrual Basis of Accounting (Continued)

Last Ten Years

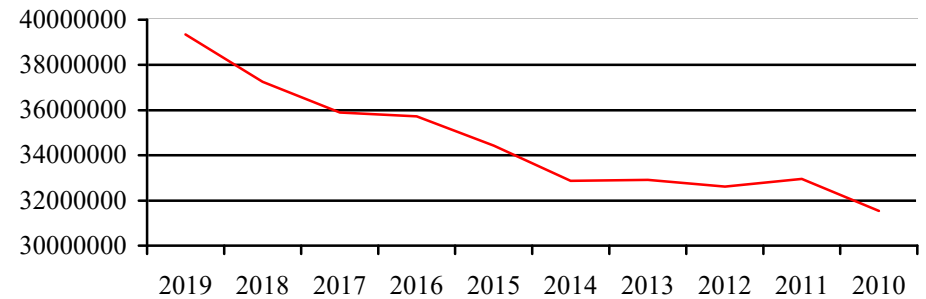
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Other financing sources (uses):										
Issuance of notes	4,835,000	1,720,000	-	1,605,000	5,095,000	2,425,000	-	2,468,700	880,000	-
Inception of capital leases	-	-	-	-	60,299	176,472	-	-	-	59,763
Proceeds from issuance of bonds	-	-	8,371,000	-	8,380,000	-	4,770,000	-	-	3,715,000
Premium on issuance of bonds	73,102	13,632	464,139	7,383	518,568	11,510	120,394	-	-	168,945
Payment to bond escrow agent	-	-	(3,689,134)	-	3,593,275	-	-	-	-	-
Sale of capital assets	20,713	500	11,641	20,176	16,033	3,400	55,130	12,300	171,334	20,284
Transfers - in	1,924,563	1,970,156	1,615,615	1,697,609	1,603,124	1,595,893	1,756,925	2,382,025	3,147,873	1,860,769
Transfers - out	(1,903,773)	(1,917,516)	(1,562,972)	(1,644,969)	(1,645,811)	(1,555,670)	(1,727,092)	(2,297,666)	(3,085,222)	(1,936,569)
Total other financing sources (uses)	4,949,605	1,786,772	5,210,286	1,685,199	10,433,938	2,656,605	4,975,357	2,565,359	1,113,985	3,888,192
Net change in fund balance	\$ 3,663,633	\$ 2,678,520	\$ 2,219,017	\$ 2,014,431	\$ 1,569,997	\$ 886,526	\$ 2,574,433	\$ 737,162	\$ 2,288,821	\$ 556,670
Debt service as a percentage of noncapital expenditures	14.89%	10.99%	15.16%	15.43%	30.43%	15.31%	21.68%	19.21%	18.33%	36.66%

Source: City financial records

Net Change in Fund Balance, Governmental Funds



Governmental Funds Revenues



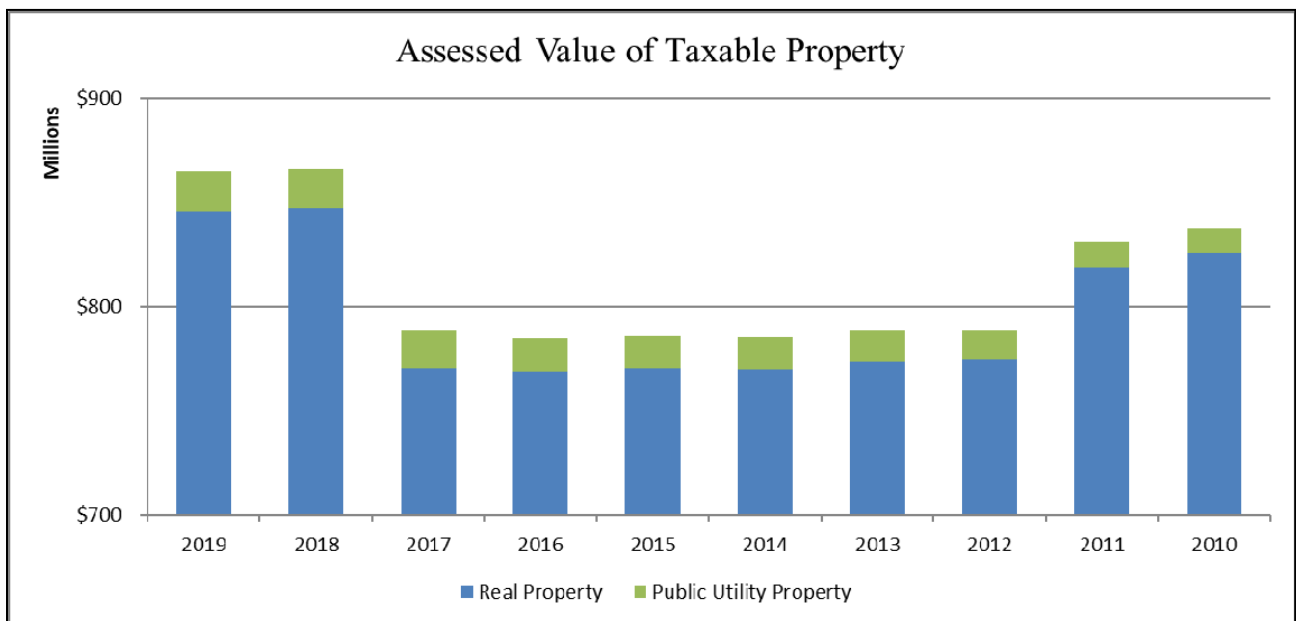
City of North Olmsted, Ohio

Assessed Valuations and Estimated Actual Values of Taxable Property

Last Ten Years

Tax Year	Real Property	Public Utility Property	Total	Estimated True Values of Taxable Property	Total Direct Tax Rate	Ratio
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
2012	775,022,110	13,514,220	788,536,330	2,233,813,966	13.30	35.3
2011	818,595,110	12,549,000	831,144,110	2,353,103,398	13.30	35.3
2010	825,718,930	11,747,350	837,466,280	2,372,546,204	13.30	35.3

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



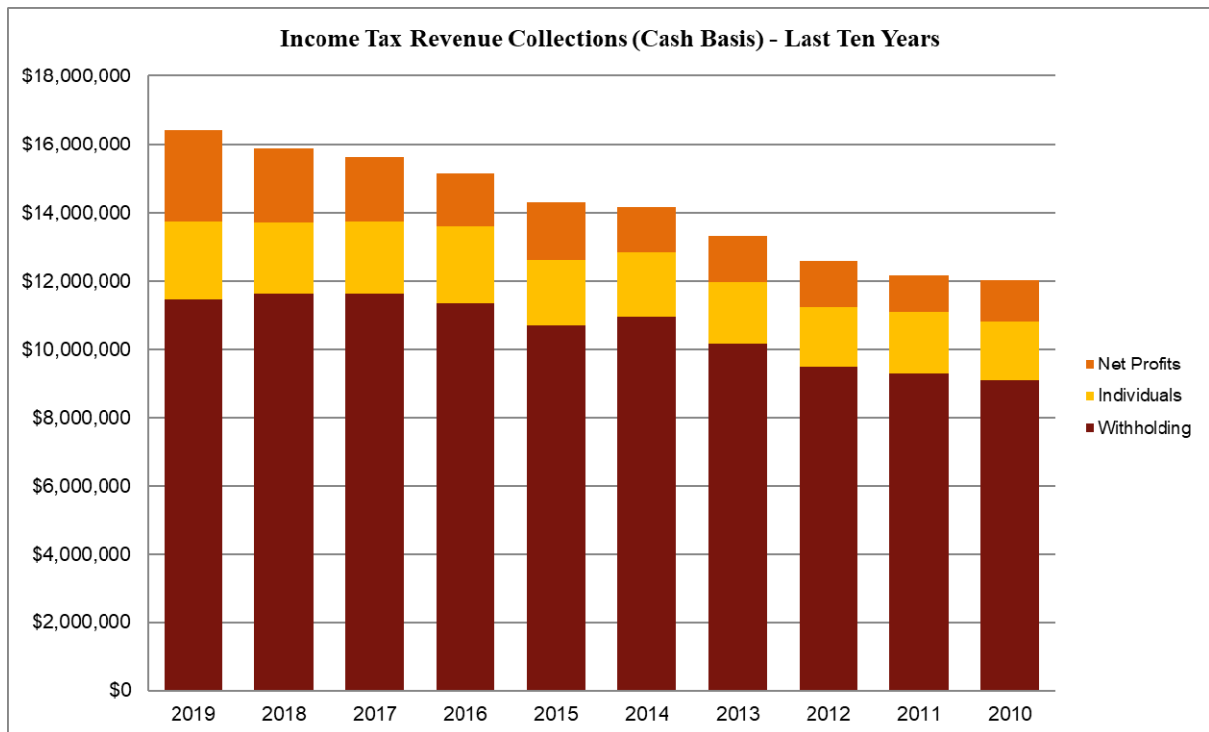
City of North Olmsted, Ohio

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
2019	2.00%	\$ 16,421,072	\$ 11,459,249	69.8%	\$ 2,268,061	13.8%	\$ 2,693,762	16.4%
2018	2.00	15,864,176	11,608,492	73.2	2,090,585	13.2	2,165,099	13.6
2017	2.00	15,608,623	11,613,989	74.4	2,119,234	13.6	1,875,400	12.0
2016	2.00	15,160,112	11,334,047	74.8	2,263,281	14.9	1,562,784	10.3
2015	2.00	14,326,364	10,691,137	74.6	1,934,541	13.5	1,700,686	11.9
2014	2.00	14,170,871	10,955,677	77.3	1,890,416	13.3	1,324,778	9.4
2013	2.00	13,314,563	10,163,612	76.3	1,815,366	13.6	1,335,585	10.1
2012	2.00	12,577,000	9,479,691	75.4	1,744,443	13.9	1,352,866	10.7
2011	2.00	12,162,050	9,275,836	76.3	1,814,680	14.9	1,071,534	8.8
2010	2.00	12,026,344	9,090,112	75.6	1,722,631	14.3	1,213,601	10.1

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						
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	
2012	6.70	4.80	1.20	0.60	13.30	91.40	20.80	2.40	127.90	
2011	6.70	4.80	1.20	0.60	13.30	91.40	20.80	2.40	127.90	
2010	6.70	4.80	1.20	0.60	13.30	91.40	20.90	2.40	128.00	

(a) Includes Metroparks and Library Millage

Source: Cuyahoga County Fiscal Officer

City of North Olmsted, Ohio

Real Property Tax Levies, and Collections

Last Ten Years

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Collections</u>	<u>Percentage of Current Collections to Tax Levy</u>	<u>Delinquent Collections</u>	<u>Total Collections(1)</u>	<u>Percentage of Total Collections to Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Delinquent Taxes to Total Tax Levy</u>
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
2012	11,066,789	10,627,072	96.03	263,342	10,890,414	98.41	384,324	3.5
2011	11,146,571	10,756,740	96.50	251,889	11,008,629	98.76	440,506	4.0
2010	11,800,535	10,623,422	90.03	391,697	11,015,119	93.34	574,690	4.9

Source: 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

2019 and 2010

Name of Taxpayer	December 31, 2019	
	Assessed Value (1)	Percent of Total Assessed Value
Star-West Great Northern Mall LLC	\$ 37,360,810	4.32%
BRE DDR Great Northern LLC	19,692,140	2.28
Cleveland Electric Illuminating Company	13,740,870	1.59
PWA Great Northern Corporate Center	8,283,310	0.96
JVM Butternut Apartments LLC	6,238,400	0.72
B&G Properties LTD Partnership	6,021,500	0.70
DDR MDT Great Northern LLC	5,294,810	0.61
Moen Inc.	4,779,460	0.55
GGF1 North Olmsted LLC	4,450,150	0.51
Water Tower Square LTD	4,174,380	0.48
Total	\$ <u>110,035,830</u>	<u>12.72%</u>
Total assessed valuation	\$ <u>865,015,510</u>	

Name of Taxpayer	December 31, 2010	
	Assessed Value (1)	Percent of Total Assessed Value
Great Northern Partnership	\$ 29,579,140	3.53%
DDR MDT Great Northern	22,867,310	2.73
Cleveland Electric Illuminating Company	10,069,260	1.20
Duke Realty Ohio	8,465,210	1.01
B&G Properties LTD Partnership	6,107,700	0.73
JVM Butternut Apartments LLC	5,985,000	0.71
Moen, Inc.	5,654,680	0.68
Water Tower Square LTD Partnership	4,638,730	0.55
Wal Mart	4,200,010	0.50
Higbee Company	3,850,010	0.46
Total	\$ <u>101,417,050</u>	<u>12.10%</u>
Total assessed valuation	\$ <u>837,466,280</u>	

Source: Cuyahoga County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2019 and 2010 assessed taxes were based.

City of North Olmsted, Ohio

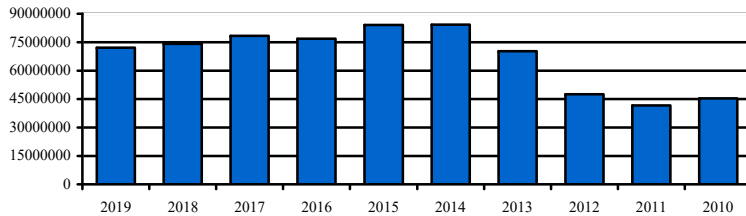
Ratio of Outstanding Debt to Total Personal Income and Debt per Capita

Last Ten Years

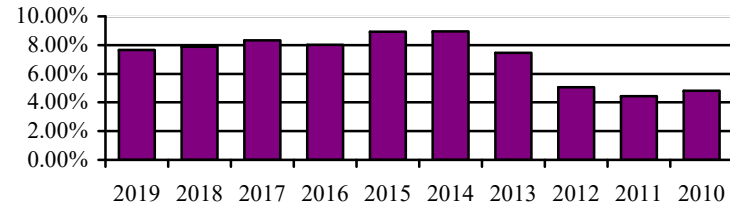
Year	Governmental Activities				Business-Type Activities					Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	OPWC Loans	Long-Term Notes	Capital Leases	General Obligation Bonds	Long-Term Notes	Capital Leases	OWDA Loans	OPWC Loans			
2019	\$ 13,505,410	\$ -	\$ 4,835,000	\$ 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
2012	22,895,878	20,418	2,468,700	27,443	9,255,248	421,300	1,838	11,896,042	456,167	47,443,034	5.04	1,450
2011	26,786,843	27,224	880,000	40,052	10,765,047	485,000	2,653	2,114,162	521,335	41,622,316	4.42	1,272
2010	30,783,808	40,837	-	51,989	12,222,846	-	3,427	1,436,697	651,668	45,191,272	4.80	1,381

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

<u>Tax Year</u>	<u>Population (1)</u>	<u>Assessed (2) Value</u>	<u>Gross (3) Bonded Debt</u>	<u>Debt Service Monies Available</u>
2019	32,718 (a)	\$ 865,015,510	\$ 18,577,475	\$ 10,485,105
2018	32,718 (a)	866,136,220	22,416,125	9,694,135
2017	32,718 (a)	788,992,320	26,284,779	9,079,502
2016	32,718 (a)	785,288,450	20,734,028	8,093,533
2015	32,718 (a)	786,089,110	27,037,059	7,582,319
2014	32,718 (a)	785,432,790	27,213,808	7,035,079
2013	32,718 (a)	788,722,540	32,885,751	6,478,501
2012	32,718 (a)	788,536,330	32,151,126	5,657,199
2011	32,718 (a)	831,144,110	37,551,890	4,698,520
2010	32,718 (a)	837,466,280	43,006,654	4,074,995

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

(a) 2010 Federal Census

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

(3) Includes all general obligation bonded debt

	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt Per Capita</u>
\$	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
	26,493,927	3.36	810
	32,853,370	3.95	1,004
	38,931,659	4.65	1,190

City of North Olmsted, Ohio

Computation of Direct and Overlapping Debt

December 31, 2019

	<u>Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City of North Olmsted</u>
Jurisdiction:			
Direct:			
City of North Olmsted			
General obligation bonds	\$ 13,505,409	100.00%	\$ 13,505,409
Long-term notes	4,835,000	100.00%	4,835,000
Capital lease payable	<u>11,648</u>	100.00%	<u>11,648</u>
Total direct debt	<u>18,352,057</u>		<u>18,352,057</u>
Overlapping:			
North Olmsted School District	70,403,668	100.00%	70,403,668
North Olmsted/Olmsted Falls School District	31,314,960	1.51%	472,856
Cuyahoga County	245,120,000	3.13%	7,672,256
Cuyahoga Community College	<u>207,010,000</u>	3.13%	<u>6,479,413</u>
Total overlapping debt	<u>553,848,628</u>		<u>85,028,193</u>
Total	\$ <u><u>572,200,686</u></u>		\$ <u><u>103,380,251</u></u>

Source: Cuyahoga County Fiscal Officer

- (1) Percentages 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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Assessed valuation	\$ <u>865,015,510</u>	\$ <u>866,136,220</u>	\$ <u>788,992,320</u>	\$ <u>785,288,450</u>	\$ <u>786,089,110</u>	\$ <u>785,432,790</u>	\$ <u>788,722,540</u>	\$ <u>788,536,330</u>	\$ <u>831,144,110</u>	\$ <u>837,466,280</u>
Overall debt limitation – 10 1/2 % of assessed valuation	\$ 90,826,629	\$ 90,944,303	\$ 82,844,194	\$ 82,455,287	\$ 82,539,357	\$ 82,470,443	\$ 82,815,867	\$ 82,796,315	\$ 87,270,132	\$ 87,933,959
Outstanding debt:										
General obligation debt	18,577,475	22,416,125	26,284,779	20,734,028	27,038,015	27,213,808	32,885,751	32,151,126	37,551,890	43,006,654
General obligation bond anticipation notes	6,095,000	1,720,000	-	1,605,000	-	2,575,000	-	2,890,000	1,365,000	-
Less: Amount available in debt service fund	<u>(10,485,105)</u>	<u>(9,694,135)</u>	<u>(9,079,502)</u>	<u>(8,093,533)</u>	<u>(7,582,319)</u>	<u>(7,035,079)</u>	<u>(6,478,501)</u>	<u>(5,657,199)</u>	<u>(4,698,520)</u>	<u>(4,074,995)</u>
Total outstanding debt	<u>14,187,370</u>	<u>14,441,990</u>	<u>17,205,277</u>	<u>14,245,495</u>	<u>19,455,696</u>	<u>22,753,729</u>	<u>26,407,250</u>	<u>29,383,927</u>	<u>34,218,370</u>	<u>38,931,659</u>
Less exemptions:										
General obligation bonds and notes that are considered self supporting	-	-	-	261,000	1,660,000	3,051,000	4,368,000	5,625,000	6,823,000	7,961,000
Securities issued to pay final judgments and settlements	-	-	-	-	-	-	-	-	16,000	34,000
Securities to extent authorizing legislation contains covenants to appropriate, levy and collect municipal income taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>627,000</u>	<u>1,217,000</u>	<u>1,777,000</u>	<u>2,312,000</u>	<u>3,617,000</u>	<u>4,867,000</u>
Total exemptions	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,000</u>	<u>2,287,000</u>	<u>4,268,000</u>	<u>6,145,000</u>	<u>7,937,000</u>	<u>10,456,000</u>	<u>12,862,000</u>
Net debt within 10 1/2% Limitation	<u>14,187,370</u>	<u>14,441,990</u>	<u>17,205,277</u>	<u>13,984,495</u>	<u>17,168,696</u>	<u>18,485,729</u>	<u>20,262,250</u>	<u>21,446,927</u>	<u>23,762,370</u>	<u>26,069,659</u>
Overall debt margin	\$ <u>76,639,259</u>	\$ <u>76,502,313</u>	\$ <u>65,638,917</u>	\$ <u>68,470,792</u>	\$ <u>65,370,661</u>	\$ <u>63,984,714</u>	\$ <u>62,553,617</u>	\$ <u>61,349,388</u>	\$ <u>63,507,762</u>	\$ <u>61,864,300</u>
Unvoted debt limitation 5 1/2 of assessed value	\$ 47,575,853	\$ 47,637,492	\$ 43,394,578	\$ 43,190,865	\$ 43,234,901	\$ 43,198,803	\$ 43,379,740	\$ 43,369,498	\$ 45,712,926	\$ 46,060,645
Amount of principal of unvoted bonds and notes subject to 5 1/2%	<u>8,872,369</u>	<u>9,126,990</u>	<u>11,890,277</u>	<u>8,669,495</u>	<u>10,963,696</u>	<u>11,435,729</u>	<u>12,412,250</u>	<u>12,096,927</u>	<u>14,412,370</u>	<u>16,009,659</u>
Unvoted debt margin	\$ <u>38,703,484</u>	\$ <u>38,510,502</u>	\$ <u>31,504,301</u>	\$ <u>34,521,370</u>	\$ <u>32,271,205</u>	\$ <u>31,763,074</u>	\$ <u>30,967,490</u>	\$ <u>31,272,571</u>	\$ <u>31,300,556</u>	\$ <u>30,050,986</u>

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

2019		2018		2017			
Employer	Percent of Total Income Taxes	Employer	Percent of Total Income Taxes	Employer	Percent of Total Income Taxes		
FB Global Plumbing Group LLC	5.53%	Moen Incorporated	9.74%	Moen Incorporated	12.82%		
North Olmsted School District	4.36	North Olmsted School District	4.49	North Olmsted School District	4.49		
Moen Incorporated	3.79	The City of North Olmsted	2.14	The City of North Olmsted	2.11		
The City of North Olmsted	2.10	Bernie Moreno Companies	1.64	Bernie Moreno Companies	1.72		
Champlain Enterprises LLC	1.37	Champlain Enterprises LLC	1.32	Factory Mutual Insurance Company	1.43		
Factory Mutual Insurance Company	1.36	Factory Mutual Insurance Company	1.25	Wal Mart Associates, Inc.	1.14		
Ganley Westside Imports	1.25	Palmer Holland, Inc.	1.25	Ganley Westside Imports	1.12		
Palmer Holland, Inc.	1.14	Wal Mart Associates, Inc.	1.23	Associates, Inc.	0.99		
Wal Mart Associates, Inc.	1.07	Ganley Westside Imports	1.18	Champlain Enterprises LLC	1.01		
Riser Foods Company	0.85	The Cleveland Clinic Foundation	0.84	Palmer Holland, Inc.	0.97		
	<u>22.82%</u>		<u>25.08%</u>		<u>27.89%</u>		
2014		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 Companies			
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		Riser Foods Company		Riser Foods Company			
Cargill, Inc.		Cargill, Inc		Advanstar Communications			
2013		2012		2011		2010	
Moen Incorporated		Moen Incorporated		Moen Incorporated		Moen Incorporated	
North Olmsted School District		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		The City of North Olmsted	
Factory Mutual Insurance Company		Factory Mutual Insurance Company		Factory Mutual Insurance Company		Factory Mutual Insurance Company	
Bernie Moreno Companies		Bernie Moreno Companies		Advanstar Communications, Inc.		Advanstar Communications, Inc.	
Wal Mart Associates, Inc.		Advanstar Communications, Inc.		United Transportation		AT&T Mobility	
Ganley Westside Imports		United Transportation		Heartland Payment Systems, Inc.		Heartland Employment Services, Inc.	
Palmer Holland, Inc.		Riser Foods Company		Bernie Moreno Companies		Wal Mart Associates, Inc.	
Riser Foods Company		Ganley Westside Imports		Heartland Employment Services, Inc.		Heartland Payment Systems, Inc.	
Advanstar Communications		Wal Mart Associates, Inc		Cargill, Inc.		Sunnyside Automotive, Inc.	

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					
2019	32,718 (a)	588,925	4.2%	4.1%	3.7%	3,748	612	\$ 151,100	\$ 940,773,372	\$ 28,754 (a)
2018	32,718 (a)	612,200	5.2	4.6	3.9	3,789	597	143,000	940,773,372	28,754 (a)
2017	32,718 (a)	575,100	5.9	5.0	4.4	3,794	571	142,273	940,773,372	28,754 (a)
2016	32,718 (a)	577,200	5.4	4.9	4.9	3,814	540	127,441	940,773,372	28,754 (a)
2015	32,718 (a)	579,500	5.0	4.9	5.3	3,856	499	126,838	940,773,372	28,754 (a)
2014	32,718 (a)	584,400	6.4	6.2	5.7	3,876	452	119,802	940,773,372	28,754 (a)
2013	32,718 (a)	572,600	7.7	7.4	7.4	4,040	468	120,619	940,773,372	28,754 (a)
2012	32,718 (a)	579,600	7.3	7.2	8.1	4,107	368	111,541	940,773,372	28,754 (a)
2011	32,718 (a)	593,400	8.0	8.6	8.9	4,117	202	126,710	940,773,372	28,754 (a)
2010	32,718 (a)	574,600	9.5	10.1	9.6	4,193	224	136,610	940,773,372	28,754 (a)

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

(a) 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 Officer

(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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Function/program:										
General government:										
Council	1	1	1	1	1	1	1	1	1	1
Mayor	2	2.5	2	2	2	2	2	2	2	2
Mayor's court	2	1.5	1	1	2	2	1	1	0	0
General clerical	1	1	1	1	1	1	1	1	1	1
Boards and commissions	0	0	0	0	1	1	1	1	1	1
Finance	5	5	5	5	5	5	5	5	5	6
Law	1	1	1	1	1	1	1	1	1	1
Information systems	2	2	1	0	0	1	2	1	2	1
Human resources	4	4	4	4	4	4	4	3	3	3
Building	11	11	11	10	9	8	8	9	9	9
Engineering	1	1	1	1	0	0	0	0	0	0
Total	<u>30</u>	<u>30</u>	<u>28</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>25</u>	<u>25</u>	<u>25</u>
Security of persons and property:										
Safety director	2	2	2	2	2	2	1	2	2	2
Fire	42	41	41	42	41	40	41	42	42	43
Dispatch	8	8	8	8	8	8	8	8	8	8
Corrections	1	1	1	1	1	1	1	1	1	1
Police	48	48	45	45	44	45	42	43	44	46
Youth Services										
(see Public health and welfare)	1	1	1	1	1	1	1	1	1	1
Fire clerk	1.5	1	1	1	1	1	1	1	2	1
Police clerk	5.5	5	5	5	5	4	5	5	5	5
Total	<u>109</u>	<u>107</u>	<u>104</u>	<u>105</u>	<u>103</u>	<u>102</u>	<u>100</u>	<u>103</u>	<u>105</u>	<u>107</u>
Leisure time activities:										
Senior center	4	4	4	4	4	3	3	3	3	3
Recreation	11	11	11	11	11	11	9	9	8	7
Springvale	3	4	3	4	3	4	4	4	4	4
Total	<u>18</u>	<u>19</u>	<u>18</u>	<u>19</u>	<u>18</u>	<u>18</u>	<u>16</u>	<u>16</u>	<u>15</u>	<u>14</u>
Transportation:										
Service director	1	1	1	1	1	1	1	1	1	1
Public service and properties										
Public works administrative	0	0	0	0	0	0	0	0	0	0
Animal warden	0	0	0	0	0	0	0	0	1	1
Building maintenance	1	1	1	1	1	1	2	2	2	3
Road	10	9	9	9	10	9	8	8	7	9
Forestry	6.5	8	7	7	6	6	7	7	6.5	4
Storm	7.5	9	9	9	7	6	6	6	7.5	3
Subtotal	<u>25</u>	<u>27</u>	<u>26</u>	<u>26</u>	<u>24</u>	<u>22</u>	<u>23</u>	<u>23</u>	<u>24</u>	<u>20</u>
Fleet	5	6	6	6	6	6	6	7	7	7
Bus	0	0	0	0	0	0	0	0	0	0
Total	<u>31</u>	<u>34</u>	<u>32</u>	<u>32</u>	<u>31</u>	<u>29</u>	<u>30</u>	<u>31</u>	<u>32</u>	<u>28</u>
Economic development										
Planning	3	3	3	3	2	2	2	2	2	2
Basic utility services:										
Wastewater treatment plant	25	26	26	26	25	25	26	29	29	28
Total	<u>216</u>	<u>219</u>	<u>212</u>	<u>212</u>	<u>205</u>	<u>202</u>	<u>200</u>	<u>206</u>	<u>208</u>	<u>204</u>

Source: City payroll records

City of North Olmsted, Ohio

Operating Indicators by Function/Program

Last Ten Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Function/Program:										
General government:										
Council and clerk										
Number of ordinances and resolutions submitted	122	142	92	142	111	100	116	133	143	162
Number of ordinances and resolutions passed	119	140	91	140	108	97	114	131	143	159
Mayor's Court (b)										
Number of traffic cases	10,522	9,961	6,842	7,705	9,927	7,602	7,345	N/A	N/A	N/A
Number of OVI cases	50	42	40	45	54	62	59	N/A	N/A	N/A
Number of criminal cases	352	315	307	258	255	260	273	N/A	N/A	N/A
Number of parking cases	290	290	190	246	303	225	261	N/A	N/A	N/A
Number of cases transferred	225	212	159	172	122	105	116	N/A	N/A	N/A
Number of cases waived, total	9,155	8,471	5,859	6,952	7,932	6,513	6,063	N/A	N/A	N/A
Number of cases waived, online	6,065	5,467	3,581	3,924	4,406	3,396	3,380	N/A	N/A	N/A
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	175	151	168	81	34	45	45	59	39	38
Real property fines collected	\$ 5,445	\$ 7,759	\$ 4,877	\$ 7,445	\$ 6,282	\$ 4,050	\$ 5,410	\$ 23,655	\$ 575	\$ 7,405
Criminal cases prosecuted	1,009	895	808	1,048	959	1,049	700(c)	1,088	873	922
Traffic cases prosecuted	1,080	610	614	615	559	388	505(c)	1,274	1,536	1,062
Building										
Estimated valuation of permits issued	\$ 46,362,390	\$ 30,452,071	\$ 35,115,507	\$ 98,619,912	\$ 29,338,654	\$ 22,923,368	\$ 71,039,906(a)	\$ 39,405,961	\$ 48,029,378	\$ 15,650,821
Number of permits issued	1,831	1,539	1,663	1,593	1,409	1,315	1,450	1,605	1,744	1,103

(Continued)

City of North Olmsted, Ohio

Operating Indicators by Function/Program (Continued)

Last Ten Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Security of persons and property:										
Police										
Number of criminal arrests	1,805	1,773	1,345	1,534	1,710	1,739	2,435	2,431	2,010	2,028
Number of DUI arrests	116	81	82	91	115	103	59	81	110	93
Number of motor vehicle accidents	786	835	849	827	915	857	814	867	791	751
Number of prisoners confined	1,299	1,267	1,062	1,220	1,335	1,329	1,254	1,468	1,349	1,413
Number of traffic citations issued	11,443	10,836	7,527	8,175	9,875	8,090	8,034	8,549	7,916	7,635
Number of parking citations issued	1,674	1,961	1,314	1,669	1,588	1,849	1,749	1,730	1,976	2,013
Fire										
Number of fire responses	678	711	681	642	686	689	718	728	801	703
Number of squad responses	3,764	3,780	3,730	3,626	3,655	3,297	3,175	3,128	3,111	2,971
Total number of emergency responses	4,483	4,491	4,411	4,268	4,341	3,986	3,893	3,856	3,912	3,674
Number of runs per day	12.0	12.0	12.1	12.0	11.9	10.9	10.7	10.5	10.7	10.1
Public health and welfare:										
Youth and family services										
Food cupboard distributions	1,745	1,808	1,800	1,735	1,787	1,833	1,618	1,413	1,213	1,147
Holiday adopt-a-family	39	43	48	48	47	54	56	62	64	52
Senior center (g)										
Hot lunch program – meals served	6,405	5,082	5,242	5,806	6,021	5,998	6,106	6,583	7,234	8,223
Meals on wheels clients served	46	53	40	30	38	62	60	63	74	68
Senior transportation connection medical trips	977	895	960	912	1,002	1,893	1,955	1,939	2,322	2,622
Senior transportation connection other trips	2,460	2,641	1,904	2,662	2,988	3,172	3,636	4,270	5,524	5,518
Leisure time activities:										
Senior center										
Cabin rentals	117	137	125 (f)	137	172	185	185	190	185	358
Activity participants except hot lunch program	12,991	14,764	20,776	21,520	22,683	23,665	23,652	23,219	24,222	19,978
Springvale Golf Course and Ballroom										
Number of golf rounds	32,472	22,148	25,013	25,274	26,542	22,715	21,731	22,625	15,723	23,083
Number of golf outings	40	36	33	42	42	37	39	41	34	47
Number of ballroom rentals	62	58	47	50	45	53	50	62	64	56
Recreation										
Skate programs and events participants	5,417	5,381	5,008	5,572	5,423	4,567(d)	5,005	5,041	5,033	4,897
Pool programs	1,326	1,355	1,394	1,366	1,229	928(d)	1,031	1,055	481	1,315
Summer camp participants	222	217	228	265	220	200(d)	220	222	220	225
Fitness pass visits	121,618	115,321	101,036	87,511	55,919(e)	N/A	N/A	N/A	N/A	N/A
Prime and Silver Sneaker Pass Visits	26,710	25,012	23,429	21,053	11,645(e)	N/A	N/A	N/A	N/A	N/A

(Continued)

City of North Olmsted, Ohio

Operating Indicators by Function/Program (Continued)

Last Ten Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Transportation:										
Snowfall in inches	33.0	42.0	45.0	42.0	32.8	65.9	44.0	33.80	57.15	62.9
Street salting and plowing – number of hours	2,548	2,430	2,472	3,270	1,261	2,660	2,483	1,010	2,229	2,936
Street asphalt and concrete repair – number of hours	11,550	10,500	10,713	10,401	6,622	5,089	5,815	5,006	N/A	3,849
Tree planting and maintenance – number of hours	2,905	2,820	2,693	2,155	2,906	2,768	3,127	1,264	2,698	2,115
Vehicle maintenance and repair – number of hours	5,143	6,664	6,579	6,961	6,572	6,673	7,262	8,445	8,098	8,070
Street improvements - asphalt overlay/recycling - square feet	602,064	420,786	413,721	440,730	443,394	146,146	507,619	395,239	437,693	430,765
Cost of road salt purchased	\$ 311,231	\$ 166,706	\$ 248,932	\$ 168,175	\$ 447,634	\$ 405,950	\$ 168,120	\$ 108,432	\$ 268,423	\$ 258,409
Cost of unleaded and diesel fuel used	\$ 406,038	\$ 414,601	\$ 315,092	\$ 353,216	\$ 341,499	\$ 567,864	\$ 555,348	\$ 538,795	\$ 527,070	\$ 392,702
Wastewater:										
Sanitary sewer rate per 1,000 cubic ft.	\$ 86.06	\$ 83.56	\$ 94.10	\$ 81.46	\$ 74.07	\$ 67.98	\$ 64.75	\$ 58.18	\$ 52.27	\$ 47.74
Total 1,000 cubic feet billed	112,604	118,132	117,881	118,592	118,525	121,268	122,844	129,072	136,367	138,580
Total flow of wastewater treatment plant (billions of gallons)	2,288	2,660	2,106	1,958	2,033	2,467	2,293	2,150	2,510	1,505
Average daily flow (millions of gallons per day)	6.474	7.287	5.782	5.364	5.570	6.759	6.286	5.870	6.874	4.121
Tons of wet sludge removed	4,981	5,465	5,857	5,201	6,106	4,793	5,295	5,048	5,644	5,532
Solid waste (h):										
Tons recycled	2,682	2,939	3,360	3,226	2,971	2,960	N/A	N/A	N/A	N/A
Tons composted	5,131	6,092	4,912	5,756	N/A	N/A	N/A	N/A	N/A	N/A
Tons landfilled	10,746	7,869	7,964	8,282	5,412	6,812	N/A	N/A	N/A	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.

City of North Olmsted, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government:										
Number of administrative vehicles	12	10	10	9	7	8	8	8	8	8
Security of persons and property:										
Fire:										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of vehicles	17	17	16	16	15	14	14	14	12	12
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of vehicles	33	32	31	29	28	26	28	25	25	24
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	7	7	7	7	6	5	8	10
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	2	1	1	1	1	1	1	1	2	3
Senior center:										
Senior center facility	1	1	1	1	1	1	1	1	1	1
Number of vehicles	2	1	1	1	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	53	54	50	52	49	50	48	55	51	45
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	25	24	24	26	23	23	20	21	17	17

City of North Olmsted, Ohio

Capital Assets by Function

Last Ten Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
General government:										
Non-depreciable										
Land and art	\$ 4,338,482	\$ 4,284,592	\$ 4,284,592	\$ 4,119,592	\$ 4,119,592	\$ 4,119,592	\$ 4,119,592	\$ 4,119,592	\$ 3,728,055	\$ 3,728,055
CIP	709,545	24,075	345,587	-	60,299	-	-	-	-	18,986
Other capital assets										
Cost	15,699,251	15,544,553	15,244,608	14,960,300	14,880,955	14,903,823	14,865,654	14,768,258	14,289,159	13,863,148
Net book value	6,661,026	6,968,052	7,120,198	7,227,249	7,568,209	7,987,500	8,377,429	8,717,046	8,802,130	8,828,478
Security of persons and property:										
<i>Fire:</i>										
Non-depreciable										
Land	349,400	349,400	349,400	349,400	349,400	349,400	349,400	349,400	349,400	349,400
Other capital assets										
Cost	10,613,167	10,545,253	10,011,153	9,931,593	9,813,853	10,131,597	10,076,706	10,034,683	9,468,972	9,521,134
Net book value	4,970,993	5,135,225	4,922,582	5,104,932	5,315,192	5,617,704	5,855,145	5,922,426	5,621,875	5,863,147
<i>Police:</i>										
Non-depreciable										
CIP	997,949	-	-	333,718	15,000	-	287,610	-	-	-
Other capital assets										
Cost	4,659,318	4,552,145	4,370,310	3,866,321	3,927,420	3,455,139	2,970,279	2,903,904	2,940,562	2,883,521
Net book value	1,647,954	1,644,132	1,555,410	1,198,839	1,213,570	1,205,287	751,412	762,733	833,760	833,697
Public health and welfare:										
<i>Youth and family:</i>										
Other capital assets										
Cost	200,253	200,253	200,253	200,253	200,253	165,706	165,706	165,706	165,706	-
Net book value	128,492	138,325	148,158	157,991	167,824	142,507	149,135	155,764	162,392	-
Leisure time activities:										
<i>Recreation:</i>										
Non-depreciable										
CIP	3,815	-	-	-	1,653,610	1,211,618	22,478	-	-	-
Other capital assets										
Cost	12,298,521	12,267,589	12,260,724	11,865,850	10,204,381	10,182,522	9,942,010	9,968,018	9,927,018	9,436,242
Net book value	3,033,719	3,173,833	3,358,448	3,067,390	1,566,174	1,682,392	1,657,819	1,333,282	1,563,183	1,333,826

(Continued)

City of North Olmsted, Ohio

Capital Assets by Function (Continued)

Last Ten Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<i>Senior center:</i>										
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	696,496	696,496	687,186
Net book value	836,407	887,834	558,568	573,679	573,878	484,586	513,103	383,564	402,082	415,593
<i>Transportation:</i>										
Non-depreciable CIP	3,070,411	3,442,835	2,837,499	522,532	751,070	267,707	58,798	253,095	39,185	-
Other capital assets										
Cost	5,501,749	5,490,031	5,179,007	4,921,255	4,695,385	4,740,585	4,432,139	4,405,211	3,857,118	3,707,236
Net book value	1,972,204	1,853,868	1,642,389	1,473,524	1,279,369	1,309,219	1,153,149	1,243,141	788,365	791,339
Infrastructure										
Cost	151,058,739	148,141,857	147,134,364	146,269,502	144,433,404	143,179,372	142,664,860	141,635,998	140,178,515	139,422,954
Net book value	19,188,814	18,659,624	20,847,006	23,606,741	25,071,185	28,005,185	32,938,273	37,722,781	42,231,274	47,272,254
<i>Economic development:</i>										
Other capital assets										
Cost	106,490	106,490	106,491	106,491	122,673	122,673	122,673	-	-	-
Net book value	78,804	83,064	87,323	91,582	99,309	105,881	112,452	-	-	-
Totals:										
Non-depreciable										
Land and art	4,687,882	4,633,992	4,633,992	4,468,992	4,468,992	4,468,992	4,468,992	4,468,992	4,077,455	4,077,455
CIP	4,781,720	3,466,910	3,183,086	856,250	2,479,979	1,590,295	368,886	253,095	39,185	18,986
Other capital assets										
Cost	50,505,778	50,100,840	48,395,664	46,858,155	44,819,158	44,557,897	43,431,019	42,942,276	41,345,031	40,098,467
Net book value	19,329,599	19,884,333	19,393,076	15,895,186	17,783,525	18,535,076	18,569,644	18,517,956	18,173,787	18,066,080
Infrastructure										
Cost	151,058,739	148,141,857	147,134,364	146,269,502	144,433,404	143,179,372	142,664,860	141,635,998	140,178,515	139,422,954
Net book value	<u>19,188,814</u>	<u>18,659,624</u>	<u>20,847,006</u>	<u>23,606,741</u>	<u>25,071,185</u>	<u>28,005,185</u>	<u>32,938,273</u>	<u>37,722,781</u>	<u>42,231,274</u>	<u>47,272,254</u>
Total governmental activities-cost	\$ <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>190,933,757</u>	\$ <u>189,300,361</u>	\$ <u>185,640,186</u>	\$ <u>183,617,862</u>
Total governmental activities-net book value	\$ <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>56,345,795</u>	\$ <u>60,962,824</u>	\$ <u>64,521,701</u>	\$ <u>69,434,775</u>

(Continued)

City of North Olmsted, Ohio

Capital Assets by Function (Continued)

Last Ten Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Business-type activities:										
Springvale Golf Course and Ballroom:										
Cost	\$ 13,061,728	\$ 11,163,275	\$ 9,492,696	\$ 7,978,527	\$ 7,823,515	\$ 7,589,715	\$ 7,461,986	\$ 7,401,729	\$ 7,386,087	\$ 6,906,494
Net book value	9,391,110	7,735,689	6,295,678	4,992,251	5,065,202	4,951,925	5,031,022	5,161,855	5,351,051	4,993,308
Sewer revenue:										
Cost	98,870,645	97,801,719	97,247,792	96,167,396	123,128,118	122,092,107	112,208,937	81,116,335	70,628,454	69,798,659
Net book value	61,761,859	63,413,790	65,544,822	66,716,782	71,686,671	72,363,287	64,146,307	30,706,798	21,474,976	22,008,808
NOMBL:										
Cost	-	-	-	-	-	-	-	-	564,130	564,130
Net book value	-	-	-	-	-	-	-	-	391,537	391,537
Total business-type activities cost	\$ <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>	\$ <u>88,518,064</u>	\$ <u>78,578,671</u>	\$ <u>77,269,283</u>
Total business-type activities net book value	\$ <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>	\$ <u>35,868,653</u>	\$ <u>27,217,564</u>	\$ <u>27,393,653</u>

Source: City Finance Department – capital asset 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 8/18/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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