

**CITY OF ENGLEWOOD**  
MONTGOMERY COUNTY, OHIO

**SINGLE AUDIT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2020**



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

City Council  
City of Englewood  
333 West National Road  
Englewood, Ohio 45322

We have reviewed the *Independent Auditor's Report* of the City of Englewood, Montgomery County, prepared by Julian & Grube, Inc., for the audit period January 1, 2020 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber  
Auditor of State  
Columbus, Ohio

September 07, 2021

**This page intentionally left blank.**

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor’s Report .....	1 - 2
Management’s Discussion and Analysis .....	3 - 17
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.....	19
Statement of Activities.....	20 - 21
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	22 - 23
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	25
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	26 - 27
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	28
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) -	
General Fund.....	29
Fire and Rescue .....	30
Police.....	31
Street .....	32
Statement of Net Position - Proprietary Funds.....	33
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds .....	34
Statement of Cash Flows - Proprietary Funds.....	35 - 36
Statement of Fiduciary Net Position - Fiduciary Fund.....	37
Statement of Changes in Net Position - Fiduciary Fund .....	38
Notes to the Basic Financial Statements .....	39 - 88
Required Supplementary Information:	
Schedule of the City’s Proportionate Share of the Net Pension Liability/Asset:	
Ohio Public Employees Retirement System (OPERS) .....	90 - 91
Ohio Police and Fire (OP&F) Pension Fund.....	92 - 93
Schedule of the City’s Pension Contributions:	
Ohio Public Employees Retirement System (OPERS).....	94 - 95
Ohio Police and Fire (OP&F) Pension Fund.....	96 - 97
Schedule of the City’s Proportionate Share of the Net OPEB Liability:	
Ohio Public Employees Retirement System (OPERS) .....	98
Ohio Police and Fire (OP&F) Pension Fund.....	99
Schedule of the City’s OPEB Contributions:	
Ohio Public Employees Retirement System (OPERS).....	100 - 101
Ohio Police and Fire (OP&F) Pension Fund.....	102 - 103
Notes to Required Supplementary Information Fund.....	104 - 105
Supplementary Information:	
Schedule of Expenditures of Federal Awards.....	106
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	107 - 108
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	109 - 110
Schedule of Findings 2 <i>CFR</i> § 200.515.....	111

**This page intentionally left blank.**

## Independent Auditor's Report

City of Englewood  
Montgomery County  
333 West National Road  
Englewood, Ohio 45322

To the Members of Council and Mayor:

### *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 Englewood, Montgomery County, Ohio, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Englewood's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Englewood, Montgomery County, Ohio, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the general, fire and rescue, police, and street funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As described in Note 22 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City of Englewood. Our opinions are not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

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

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Englewood's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2021, on our consideration of the City of Englewood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Englewood's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Englewood's internal control over financial reporting and compliance.

*Julian & Grube, Inc.*



**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

The management's discussion and analysis of the City of Englewood's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2020. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

**Financial Highlights**

Key financial highlights for 2020 are as follows:

- The total net position of the City decreased \$33,776. Net position of governmental activities decreased \$862,083 or 2.22% from 2019's net position and net position of business-type activities increased \$828,307 or 3.87% from 2019's net position.
- General revenues accounted for \$10,932,369 or 72.16% of total governmental activities revenue. Program specific revenues accounted for \$4,218,491 or 27.84% of total governmental activities revenue.
- The City had \$16,012,943 in expenses related to governmental activities; \$4,218,491 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$11,794,452 were partially offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$10,932,369.
- The general fund had revenues and other financing sources of \$9,696,592 in 2020. This represents a decrease of \$514,716 from 2019. The expenditures and other financing uses of the general fund, which totaled \$10,428,946 in 2020, decreased \$596,148 from 2019. Expenditures excluding transfers decreased \$80,577. The net decrease in fund balance for the general fund was \$732,354 or 12.03% over the 2019 fund balance.
- The fire and rescue fund had revenues and other financing sources of \$2,880,360 in 2020. This represents an increase of \$317,436 from 2019 revenues and other sources. The expenditures of the fire and rescue fund, which totaled \$2,300,003 in 2020, decreased \$162,425 from 2019. State grant revenue partially offset capital acquisitions, and EMS service revenue offset the cost of increased staffing. The net increase in fund balance for the fire and rescue fund was \$580,357 or 124.47%.
- The police fund had revenues and other financing sources of \$3,448,400 in 2020. This represents a decrease of \$147,597 from 2019 revenues and other sources. The expenditures of the police fund, which totaled \$3,271,194 in 2020, increased \$7,694 from 2019. The net increase in fund balance for the police fund was \$177,206 or 25.62%.
- The street fund had revenues and other financing sources of \$2,786,566 in 2020. This represents an increase of \$91,833 from 2019 revenues and other financing sources. The expenditures of the street fund, which totaled \$2,144,314 in 2020, decreased \$11,675 from 2019. The net increase in the fund balance for the street fund was \$642,252 or 39.94%.
- The capital improvement fund had revenues and other financing sources of \$1,464,252 in 2020. The expenditures of the capital improvement fund totaled \$1,696,422 in 2020. The net decrease in the fund balance for the capital improvement fund was \$232,170 or 3.89%.
- Net position for the business-type activities, which are made up of the water, sewer, and solid waste enterprise funds, increased in 2020 by \$828,307.
- Budgetary information is presented for the general fund, fire and rescue fund, police fund, and street fund. In the general fund, the actual revenues and other financing sources came in \$3,767 less than they were in the final budget and actual expenditures and other financing uses were \$1,002,351 less than the amount in the final budget. Budgeted revenues and other financing sources stayed the same from the original to the final budget and budgeted expenditures and other financing uses increased \$61,108 from the original to the final budget.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Using this Annual Financial Report**

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the City as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the City as a whole, presenting both an aggregate view of the City's finances and a longer-term view of those finances. 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 remains 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 as a Whole**

*Statement of Net Position and the Statement of Activities*

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2020?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take 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 changes in net position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

In the statement of net position and the statement of activities, the City is divided into two distinct kinds of activities:

Governmental activities - Most of the City's programs and services are reported here including police, fire and rescue, street maintenance, capital improvements and general administration. These services are funded primarily by property and income taxes and intergovernmental revenues including federal and state grants and other shared revenues.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's water, sewer, and solid waste operations are reported here.

The City's statement of net position and statement of activities can be found on pages 19-21 of this report.

**Reporting the City's Most Significant Funds**

*Fund Financial Statements*

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

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 11.

***Governmental Funds***

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

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, fire and rescue fund, police fund, street fund, and capital improvement fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 22-32 of this report.

***Proprietary Funds***

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, and solid waste management functions. All of the City's enterprise funds are considered major funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions.

***Fiduciary Funds***

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

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability/asset and net OPEB liability, along with contributions to the pension systems.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Government-Wide Financial Analysis**

The statement of net position provides the perspective of the City as a whole. The table below provides a summary of the City's net position for 2020 compared to 2019.

	<b>Net Position</b>					
	2020 Governmental Activities	2019 Governmental Activities	2020 Business-type Activities	2019 Business-type Activities	2020 Total	2019 Total
<u>Assets</u>						
Current and other assets	\$ 23,276,690	\$ 27,255,960	\$ 3,398,431	\$ 3,123,111	\$ 26,675,121	\$ 30,379,071
Capital assets, net	<u>31,977,147</u>	<u>32,798,222</u>	<u>21,090,558</u>	<u>20,520,358</u>	<u>53,067,705</u>	<u>53,318,580</u>
Total assets	<u>55,253,837</u>	<u>60,054,182</u>	<u>24,488,989</u>	<u>23,643,469</u>	<u>79,742,826</u>	<u>83,697,651</u>
<u>Deferred outflows</u>	<u>3,746,558</u>	<u>5,791,660</u>	<u>264,122</u>	<u>521,782</u>	<u>4,010,680</u>	<u>6,313,442</u>
<u>Liabilities</u>						
Current liabilities	381,481	5,782,499	325,107	416,151	706,588	6,198,650
Long-term liabilities:						
Due within one year	344,625	371,251	43,104	43,096	387,729	414,347
Net pension liability	10,988,509	14,040,843	1,033,229	1,509,735	12,021,738	15,550,578
Net OPEB liability	3,549,642	3,404,015	672,800	670,171	4,222,442	4,074,186
Other liabilities	<u>448,494</u>	<u>341,181</u>	<u>21,110</u>	<u>13,040</u>	<u>469,604</u>	<u>354,221</u>
Total liabilities	<u>15,712,751</u>	<u>23,939,789</u>	<u>2,095,350</u>	<u>2,652,193</u>	<u>17,808,101</u>	<u>26,591,982</u>
<u>Deferred inflows</u>	<u>5,328,768</u>	<u>3,085,094</u>	<u>403,588</u>	<u>87,192</u>	<u>5,732,356</u>	<u>3,172,286</u>
<u>Net Position</u>						
Investment in capital assets	31,977,147	32,798,222	21,090,558	20,465,809	53,067,705	53,264,031
Restricted	3,646,837	2,603,649	-	-	3,646,837	2,603,649
Unrestricted	<u>2,334,892</u>	<u>3,419,088</u>	<u>1,163,615</u>	<u>960,057</u>	<u>3,498,507</u>	<u>4,379,145</u>
Total net position	<u>\$ 37,958,876</u>	<u>\$ 38,820,959</u>	<u>\$ 22,254,173</u>	<u>\$ 21,425,866</u>	<u>\$ 60,213,049</u>	<u>\$ 60,246,825</u>

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net pension asset.

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

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

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 and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2020, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$60,213,049. At year-end, net position was \$37,958,876 and \$22,254,173 for governmental activities and business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets net represented 66.55% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment, vehicles, software, and infrastructure. The City's investment in capital assets at December 31, 2020, was \$31,977,147 and \$21,090,558 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending.

As of December 31, 2020, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

A portion of the City's net position, \$3,646,837 represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position of \$2,334,892 may be used to meet the government's ongoing obligations to citizens and creditors.

The table below shows the changes in net position for years 2020 and 2019.

**Change in Net Position**

	2020 Governmental Activities	2019 Governmental Activities	2020 Business-Type Activities	2019 Business-Type Activities	2020 Total	2019 Total
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 2,519,965	\$ 2,486,215	\$ 4,158,607	\$ 3,995,884	\$ 6,678,572	\$ 6,482,099
Operating grants and contributions	1,604,403	909,355	-	-	1,604,403	909,355
Capital grants and contributions	94,123	137,191	512,491	197,222	606,614	334,413
<b>Total program revenues</b>	<b>4,218,491</b>	<b>3,532,761</b>	<b>4,671,098</b>	<b>4,193,106</b>	<b>8,889,589</b>	<b>7,725,867</b>
General revenues:						
Property taxes	1,944,679	1,723,652	-	-	1,944,679	1,723,652
Income taxes	7,603,513	7,956,825	-	-	7,603,513	7,956,825
Unrestricted grants and entitlements	397,999	407,615	-	-	397,999	407,615
Payment in lieu of taxes	514,261	513,092	-	-	514,261	513,092
Investment earnings	107,272	424,866	13,457	40,001	120,729	464,867
Change in fair market value	-	157,598	-	-	-	157,598
Miscellaneous	364,645	136,402	82,667	64,095	447,312	200,497
<b>Total general revenues</b>	<b>10,932,369</b>	<b>11,320,050</b>	<b>96,124</b>	<b>104,096</b>	<b>11,028,493</b>	<b>11,424,146</b>
<b>Total revenues</b>	<b>15,150,860</b>	<b>14,852,811</b>	<b>4,767,222</b>	<b>4,297,202</b>	<b>19,918,082</b>	<b>19,150,013</b>
Expenses:						
General government	2,225,572	2,234,184	-	-	2,225,572	2,234,184
Security of persons and property	8,388,704	3,343,738	-	-	8,388,704	3,343,738
Public health and welfare	6,979	3,620	-	-	6,979	3,620
Transportation	4,038,020	3,740,787	-	-	4,038,020	3,740,787
Community environment	871,869	752,203	-	-	871,869	752,203
Leisure time activity	465,363	737,766	-	-	465,363	737,766
Interest and fiscal charges	12,083	124,025	-	-	12,083	124,025
Other	4,353	25,309	-	-	4,353	25,309
Water	-	-	1,539,036	1,708,379	1,539,036	1,708,379
Sewer	-	-	1,438,292	1,410,265	1,438,292	1,410,265
Solid waste	-	-	961,587	925,594	961,587	925,594
<b>Total expenses</b>	<b>16,012,943</b>	<b>10,961,632</b>	<b>3,938,915</b>	<b>4,044,238</b>	<b>19,951,858</b>	<b>15,005,870</b>
<b>Change in net position</b>	<b>(862,083)</b>	<b>3,891,179</b>	<b>828,307</b>	<b>252,964</b>	<b>(33,776)</b>	<b>4,144,143</b>
<b>Net position at beginning of year</b>	<b>38,820,959</b>	<b>34,929,780</b>	<b>21,425,866</b>	<b>21,172,902</b>	<b>60,246,825</b>	<b>56,102,682</b>
<b>Net position at end of year</b>	<b>\$ 37,958,876</b>	<b>\$ 38,820,959</b>	<b>\$ 22,254,173</b>	<b>\$ 21,425,866</b>	<b>\$ 60,213,049</b>	<b>\$ 60,246,825</b>

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Governmental Activities**

Governmental activities net position decreased 2.22% percent or \$862,083 in 2020.

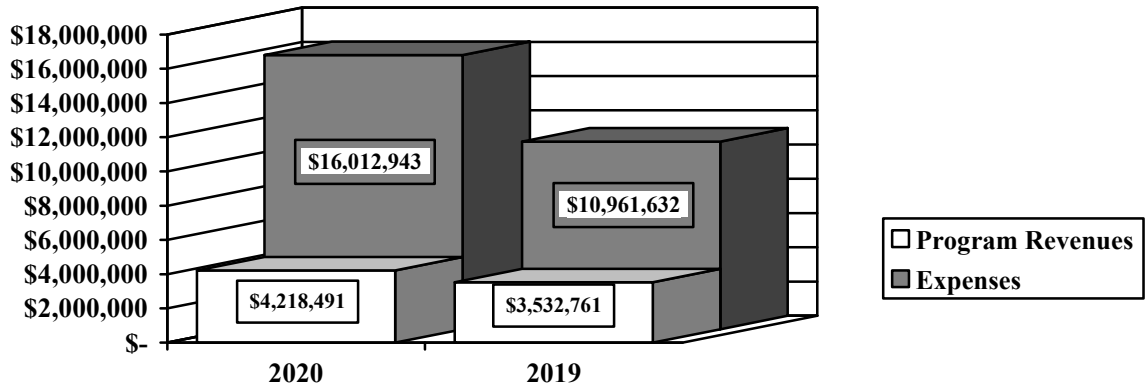
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$8,388,704 of the total governmental expenses of the City. These expenses were partially funded by \$1,585,729 in direct charges to users of the services and \$806,552 in operating grants and contributions. The significant increase in security of persons and property expenses was due to increasing expenses due to the COVID-19 pandemic. Transportation expenses totaled \$4,038,020. Transportation expenses were partially funded by \$224,224 in direct charges to users of the services and \$796,045 in operating grants and contributions.

The state and federal government contributed to the City a total of \$1,604,403 in operating grants and contributions and \$94,123 in capital grants and contributions. These revenues are restricted to a particular program or purpose.

General revenues totaled \$10,932,369 and amounted to 72.16% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$9,548,192. Unrestricted grants and entitlements of \$397,999, which includes local government funds, and payments in lieu of taxes of \$514,261 are the other primary sources of general revenues.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state grants and entitlements. As can be seen in the graph below, the City is highly dependent upon property and income taxes as well as unrestricted grants and entitlements to support its governmental activities.

**Governmental Activities - Program Revenues vs. Total Expenses**



**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

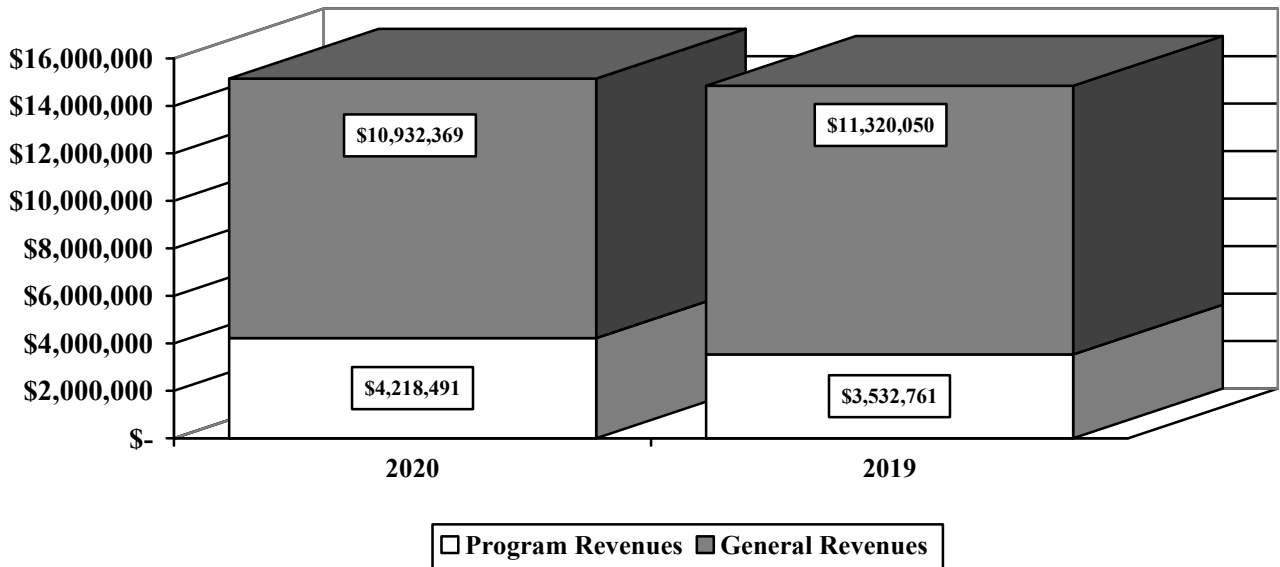
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Governmental Activities**

	Total Cost of Services <u>2020</u>	Total Cost of Services <u>2019</u>	Net Cost of Services <u>2020</u>	Net Cost of Services <u>2019</u>
<b>Program Expenses:</b>				
General government	\$ 2,225,572	\$ 2,234,184	\$ 1,773,811	\$ 1,551,977
Security of persons and property	8,388,704	3,343,738	5,996,423	1,856,169
Public health and welfare	6,979	3,620	6,979	3,620
Transportation	4,038,020	3,740,787	3,017,751	2,764,175
Community environment	871,869	752,203	665,622	579,206
Leisure time activity	465,363	737,766	327,210	551,416
Other	4,353	25,309	(5,427)	(1,717)
Interest and fiscal charges	<u>12,083</u>	<u>124,025</u>	<u>12,083</u>	<u>124,025</u>
<b>Total Expenses</b>	<b><u>\$ 16,012,943</u></b>	<b><u>\$ 10,961,632</u></b>	<b><u>\$ 11,794,452</u></b>	<b><u>\$ 7,428,871</u></b>

The dependence upon general revenues for governmental activities is apparent, with 73.66% of expenses supported through taxes and other general revenues.

**Governmental Activities - General and Program Revenues**





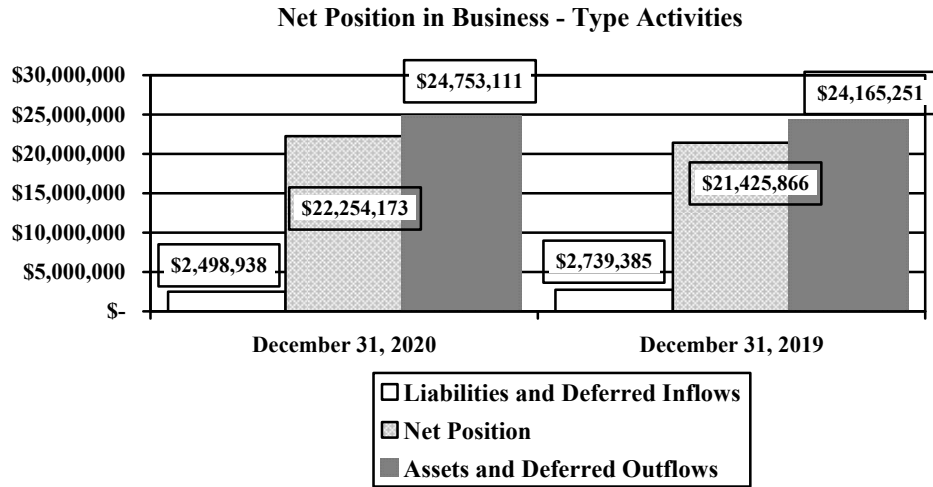
**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Business-Type Activities**

Business-type activities include the water, sewer, and solid waste enterprise funds. These programs had program revenues of \$4,671,098, general revenues of \$96,124, and expenses of \$3,938,915 for 2020.

The graph below shows the business-type activities assets, liabilities, and net position at year-end 2020 and 2019.



**Financial Analysis of the Government's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal 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 the City's net resources available for spending at year-end.

The City's governmental funds (as presented on the balance sheet on page 22-23) reported a combined fund balance of \$16,891,201 which is \$1,029,190 higher than last year's balance of \$15,862,011. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2020 for all major and nonmajor governmental funds.

	Fund Balances <u>12/31/20</u>	Fund Balances <u>12/31/19</u>	Increase (Decrease)
Major Funds:			
General	\$ 5,357,660	\$ 6,090,014	\$ (732,354)
Fire and rescue	1,046,634	466,277	580,357
Police	868,913	691,707	177,206
Street	2,250,096	1,607,844	642,252
Capital improvement	5,734,054	5,966,224	(232,170)
Other nonmajor governmental funds	<u>1,633,844</u>	<u>1,039,945</u>	<u>593,899</u>
Total	<u>\$ 16,891,201</u>	<u>\$ 15,862,011</u>	<u>\$ 1,029,190</u>

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

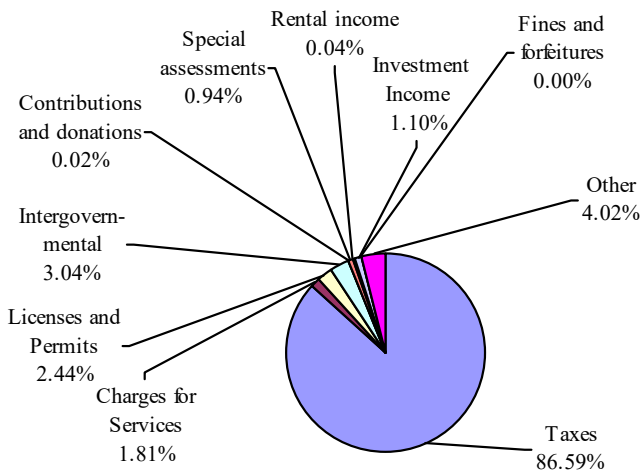
**General Fund**

The City's general fund balance decreased \$732,354. This decrease is primarily a result of transfers out of \$7,671,108 used to fund police, street and capital improvements. The table that follows assists in illustrating the revenues of the general fund.

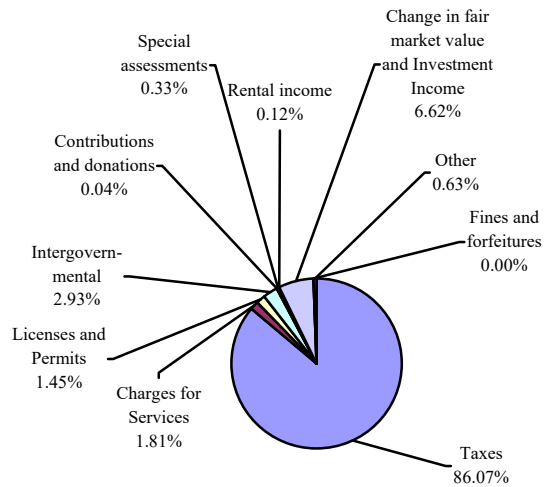
	2020 <u>Amount</u>	2019 <u>Amount</u>	Percentage <u>Change</u>
<b><u>Revenues</u></b>			
Taxes	\$ 8,377,967	\$ 8,680,946	(3.49) %
Charges for services	175,480	182,815	(4.01) %
Licenses and permits	235,672	146,384	61.00 %
Fines and forfeitures	278	151	84.11 %
Change in fair market value	-	157,598	(100.00) %
Investment income	106,247	508,190	(79.09) %
Rental income	4,071	11,911	(65.82) %
Special assessments	91,066	33,732	169.97 %
Intergovernmental	293,749	295,521	(0.60) %
Contributions and donations	1,806	4,364	(58.62) %
Other	<u>388,932</u>	<u>63,905</u>	508.61 %
<b>Total</b>	<b><u>\$ 9,675,268</u></b>	<b><u>\$ 10,085,517</u></b>	<b>(4.07) %</b>

Overall revenues of the general fund decreased \$410,249 or 4.07%. Tax revenue represents 86.59% of all general fund revenue. Licenses and permits increased \$89,288 or 61.00% due to an increase in fees collected. Investment income decreased \$401,943 or 79.09% due to a decrease in interest received during the year. Special assessments increased \$57,334 or 169.97% due to an increase in special assessment revenue collected during 2020. Other income increased \$325,027 or 508.61% mainly due to an increase in miscellaneous revenues.

**Revenues - 2020**



**Revenues - 2019**



**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

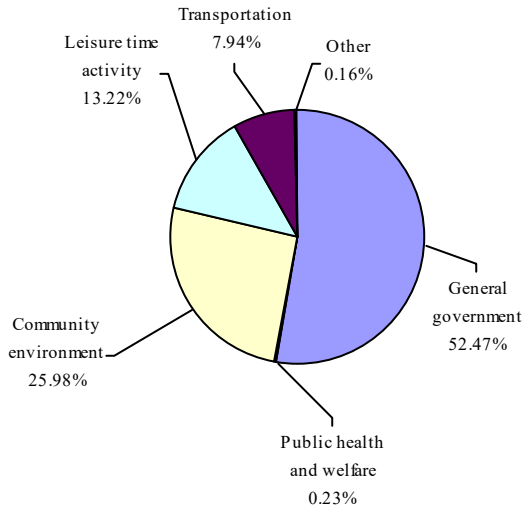
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

The table that follows assists in illustrating the expenditures of the general fund.

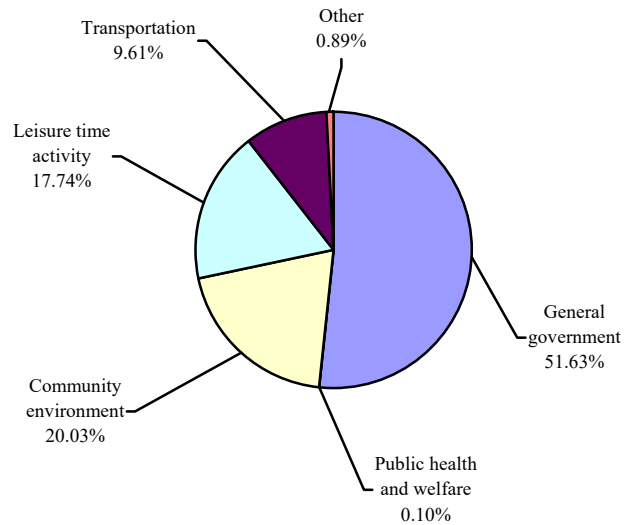
	<u>2020</u> <u>Amount</u>	<u>2019</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>Expenditures</u></b>			
General government	\$ 1,447,095	\$ 1,465,558	(1.26) %
Public health and welfare	6,234	2,875	116.83 %
Transportation	219,083	272,795	(19.69) %
Community environment	716,526	568,445	26.05 %
Leisure time activity	364,547	503,433	(27.59) %
Other	<u>4,353</u>	<u>25,309</u>	100.00 %
Total	<u>\$ 2,757,838</u>	<u>\$ 2,838,415</u>	(2.84) %

Total expenditures decreased 2.84% from 2019. The largest expenditure line item, general government, decreased 1.26%. Transportation decreased 19.69% due to a decline in street lighting expenses. Leisure time activity decreased 27.59% due to a decrease in expenses related to parks and recreation.

**Expenditures - 2020**



**Expenditures - 2019**



***Fire and Rescue Fund***

The fire and rescue fund had revenues and other financing sources of \$2,880,360 in 2020. This represents an increase of \$317,436 from 2019 revenues and other sources. The expenditures of the fire and rescue fund, which totaled \$2,300,003 in 2020, decreased \$162,425 from 2019. State grant revenue partially offset capital acquisitions, and EMS service revenue offset the cost of increased staffing. The net increase in fund balance for the fire and rescue fund was \$580,357 or 124.47%.

***Police Fund***

The police fund had revenues and other financing sources of \$3,448,400 in 2020. This represents a decrease of \$147,597 from 2019 revenues and other financing sources. The expenditures of the police fund, which totaled \$3,271,194 in 2020, increased \$7,694 from 2019. The net increase in fund balance for the police fund was \$177,206 or 25.62%.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

***Street Fund***

The street fund had revenues and other financing sources of \$2,786,566 in 2020. This represents an increase of \$91,833 from 2019 revenues and other financing sources. The expenditures of the street fund, which totaled \$2,144,314 in 2020, decreased \$11,675 from 2019. The net increase in the fund balance for the street fund was \$642,252 or 39.94%.

***Capital Improvement Fund***

The capital improvement fund had revenues and other financing sources of \$1,464,252 in 2020. The expenditures of the capital improvement fund totaled \$1,696,422 in 2020. The net decrease in the fund balance for the capital improvement fund was \$232,170 or 3.89%.

***Budgeting Highlights***

The City's budgeting process is prescribed by the Ohio Revised Code (ORC), as well as the City of Englewood Charter and Administrative Code. Essentially the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly.

Budgetary information is presented for the general fund, fire and rescue fund, police fund and street fund. In the general fund, the actual revenues and other financing sources came in \$3,767 less than they were in the final budget and actual expenditures and other financing uses were \$1,002,351 less than the amount in the final budget. Budgeted revenues and other financing sources stayed the same from the original to the final budget and budgeted expenditures and other financing uses increased \$61,108 from the original to the final budget.

***Proprietary Funds***

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are interfund eliminations between proprietary funds and internal balances due to governmental activities for internal service activities. The only interfund activity reported in the government wide statements are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of 2020, the City had \$53,067,705 (net of accumulated depreciation) invested in land, construction in progress, buildings and improvements, improvements other than buildings, equipment, vehicles, software, and infrastructure. Of this total, \$31,977,147 was reported in governmental activities and \$21,090,558 was reported in business-type activities. See Note 11 in the basic financial statements for additional capital asset disclosure. The following table shows 2020 balances compared to 2019:

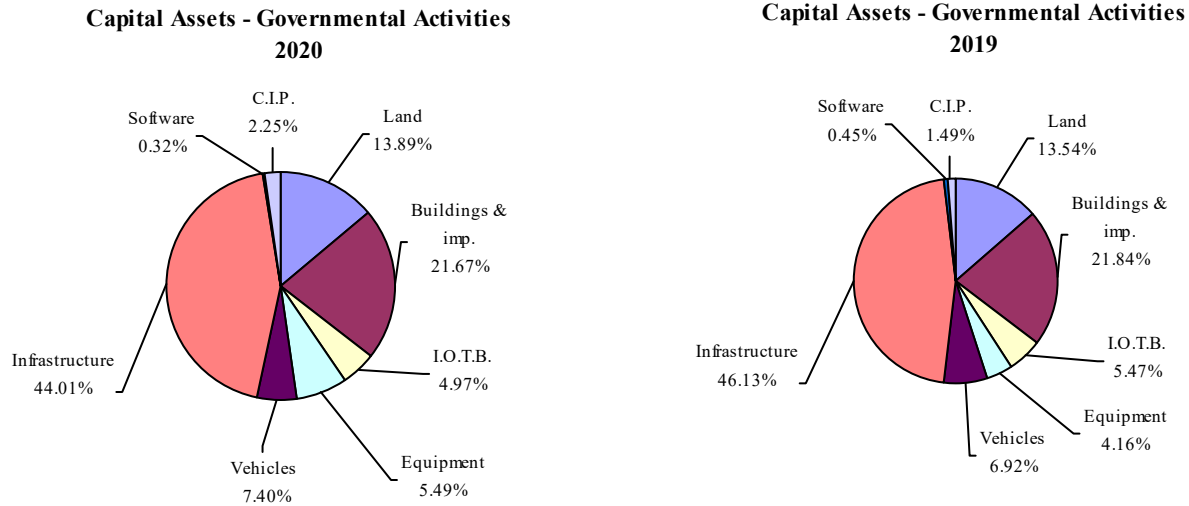
**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Capital Assets at December 31  
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 4,442,037	\$ 4,442,037	\$ 136,885	\$ 136,885	\$ 4,578,922	\$ 4,578,922
Land improvements (I.O.T.B.)	1,588,640	1,795,976	36,808	39,357	1,625,448	1,835,333
Buildings and improvements	6,930,190	7,162,625	3,296,169	3,491,460	10,226,359	10,654,085
Equipment	1,757,555	1,364,287	4,632,213	4,006,661	6,389,768	5,370,948
Vehicles	2,365,239	2,269,370	117,798	132,227	2,483,037	2,401,597
Infrastructure	14,071,917	15,128,458	12,831,945	11,878,018	26,903,862	27,006,476
Computer software	103,075	148,063	3,340	7,758	106,415	155,821
Construction in progress	718,494	487,406	35,400	827,992	753,894	1,315,398
<b>Totals</b>	<b>\$ 31,977,147</b>	<b>\$ 32,798,222</b>	<b>\$ 21,090,558</b>	<b>\$ 20,520,358</b>	<b>\$ 53,067,705</b>	<b>\$ 53,318,580</b>

The following graphs show the breakdown of governmental capital assets by category for 2020 and 2019.

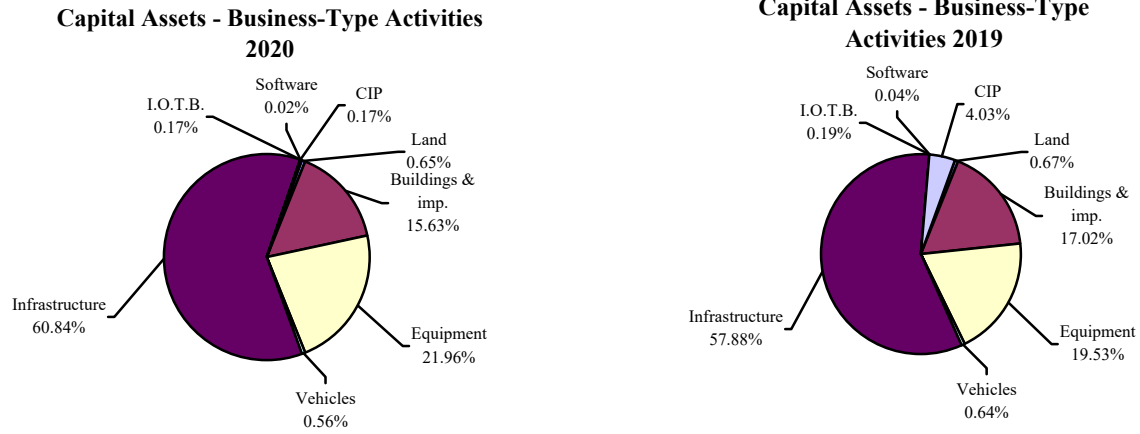


The City's largest capital asset category is infrastructure which includes bridges, thoroughfares, curbs, gutters, sidewalks, storm sewers, traffic signals and street signs. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 44.01% of the City's total governmental capital assets.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

The following graphs show the breakdown of business-type capital assets by category for 2020 and 2019.



The City's largest business-type capital asset category is infrastructure which primarily includes water and sewer lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 60.84% of the City's total business-type capital assets.

***Debt Administration***

During 2019, the City issued \$5,000,000 in short-term various purpose notes that was retired during fiscal year 2020. See Note 14 for further detail.

**Economic Conditions and Outlook**

The City of Englewood is an attractive southwest Ohio planned community in the northern portion of Montgomery County. The City is located along the I-70 corridor, just 5 miles from Dayton International Airport, offering ease of access to the larger metropolitan cities of Dayton, Columbus, and Cincinnati, as well as interstate travel. For those who wish to avoid the congestion of the larger metropolitan areas, Englewood offers many opportunities right within its own borders for first-rate education, health, recreation, and entertainment. These amenities are enjoyed not only by Englewood's diverse population of 13,500, but also by the citizens of surrounding communities.

A 1.75% local income tax and successful efforts to secure federal, state, and local grants has enabled the City to provide excellent public service to its constituents, maintain and improve an extensive municipal infrastructure, and continually enhance the overall appearance of the community. Englewood takes pride in its exceptional public thoroughfares, low crime rates, and beautifully maintained green spaces and park system.

Englewood's tax base includes a healthy mix of medical, government, education, entertainment, retail, commercial, and industrial segments. This diversity in tax base has enabled the City to remain fiscally strong despite economic fluctuations and cuts in state funding. Currently, the city has nearly one hundred acres available for development within its industrial parks, ample land available for residential growth and all the necessary resources to provide excellent service to our existing and future residents.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Looking Back at 2020**

In 2020, the Miami Valley Career Technology Center will continue construction on a \$135 million dollar, 570,000 square foot construction project. The project moved into building construction phase as site work and demolition was the main focus in 2019. This is the largest school construction project funded with assistance from the OFCC. The project is expected to take three more years to complete and will increase the capacity of the school by 400 students.

Major city projects included the continued beatification of our waterways and main corridors by focusing on tree and underbrush removal. In addition, the city improved its water system by now providing soft water to the residents.

Community safety and security, numerous parks and other quality recreational opportunities, reasonable utility and tax rates, wonderful educational opportunities, and an aggressive capital improvements program have all positioned the city to maintain and improve its image as a progressive and inviting community.

**Looking Ahead to 2021**

In 2021, the city will complete the resurfacing of two major roadways, W. Wenger Road, with the assistance of a \$500,000 grant from MVRPC, and Taywood Road as a city funded project. The city will also continue the street resurfacing program and sidewalk/curb replacement program again this year. To ensure property values are maintained, the focus on Code Enforcement and Property Maintenance will continue throughout the city.

Park improvements are on the list in 2021, as new playground equipment will be installed in the south park, off Kinsey Road, once the park is transformed as additional open space will be created by removing underbrush and numerous dead trees. In addition, the city has secured a CDBG grant to create an ADA compliant baseball field surface at one of the ball fields at Centennial Park. This project is a joint effort between Englewood Little League and the city. The new service will allow for persons with disabilities to participate in a baseball league at the park.

**Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the city's finances and to show accountability for the money it receives. If you have questions about this report or need additional information, contact City Manager Eric A. Smith or the finance director, City of Englewood, 333 West National Road, Englewood, Ohio 45322 or visit our website at [www.inglewood.oh.us](http://www.inglewood.oh.us).

BASIC  
FINANCIAL STATEMENTS



**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION  
DECEMBER 31, 2020

	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Equity in pooled cash and investments. . . . .	\$ 14,932,148	\$ 4,513,709	\$ 19,445,857
Receivables:			
Income taxes. . . . .	1,780,625	-	1,780,625
Real and other taxes . . . . .	2,099,826	-	2,099,826
Payments in lieu of taxes . . . . .	385,586	-	385,586
Accounts. . . . .	691,042	481,574	1,172,616
Special assessments . . . . .	666,948	66,989	733,937
Due from other governments. . . . .	609,093	1,316	610,409
Materials and supplies inventory. . . . .	176,443	121,815	298,258
Prepayments . . . . .	128,806	19,189	147,995
Net pension asset. . . . .	10	2	12
Internal balance . . . . .	1,806,163	(1,806,163)	-
Capital assets:			
Land and construction in progress. . . . .	5,160,531	172,285	5,332,816
Depreciable capital assets, net. . . . .	26,816,616	20,918,273	47,734,889
Total capital assets, net. . . . .	<u>31,977,147</u>	<u>21,090,558</u>	<u>53,067,705</u>
Total assets . . . . .	<u>55,253,837</u>	<u>24,488,989</u>	<u>79,742,826</u>
<b>Deferred outflows of resources:</b>			
Pension and OPEB. . . . .	3,746,558	264,122	4,010,680
Total deferred outflows of resources . . . . .	<u>3,746,558</u>	<u>264,122</u>	<u>4,010,680</u>
Total assets and deferred outflows of resources . . . . .	<u>59,000,395</u>	<u>24,753,111</u>	<u>83,753,506</u>
<b>Liabilities:</b>			
Accounts payable. . . . .	217,737	204,396	422,133
Accrued wages and benefits payable . . . . .	38,797	2,592	41,389
Due to other governments . . . . .	124,947	7,602	132,549
Unearned revenue . . . . .	-	110,517	110,517
Long-term liabilities:			
Due within one year . . . . .	344,625	43,104	387,729
Due in more than one year. . . . .	448,494	21,110	469,604
Net pension liability. . . . .	10,988,509	1,033,229	12,021,738
Net OPEB liability. . . . .	<u>3,549,642</u>	<u>672,800</u>	<u>4,222,442</u>
Total liabilities . . . . .	<u>15,712,751</u>	<u>2,095,350</u>	<u>17,808,101</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year. . . . .	2,089,276	-	2,089,276
Pension and OPEB. . . . .	2,853,906	403,588	3,257,494
Payments in lieu of taxes levied for the next fiscal year. . . . .	385,586	-	385,586
Total deferred inflows of resources . . . . .	<u>5,328,768</u>	<u>403,588</u>	<u>5,732,356</u>
Total liabilities and deferred inflows of resources. . . . .	<u>21,041,519</u>	<u>2,498,938</u>	<u>23,540,457</u>
<b>Net position:</b>			
Investment in capital assets. . . . .	31,977,147	21,090,558	53,067,705
Restricted for:			
Matured bond and interest. . . . .	6,069	-	6,069
Street construction and maintenance. . . . .	2,039,073	-	2,039,073
Public safety. . . . .	3,229	-	3,229
Capital improvements. . . . .	1,182,156	-	1,182,156
Other purposes. . . . .	416,310	-	416,310
Unrestricted. . . . .	<u>2,334,892</u>	<u>1,163,615</u>	<u>3,498,507</u>
Total net position . . . . .	<u>\$ 37,958,876</u>	<u>\$ 22,254,173</u>	<u>\$ 60,213,049</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<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>
<b>Governmental activities:</b>				
Current:				
General government . . . . .	\$ 2,225,572	\$ 451,761	\$ -	\$ -
Security of persons and property . . . . .	8,388,704	1,585,729	806,552	-
Public health and welfare . . . . .	6,979	-	-	-
Transportation . . . . .	4,038,020	224,224	796,045	-
Community environment . . . . .	871,869	206,247	-	-
Leisure time activity . . . . .	465,363	42,224	1,806	94,123
Other . . . . .	4,353	9,780	-	-
Interest and fiscal charges . . . . .	12,083	-	-	-
Total governmental activities . . . . .	<u>16,012,943</u>	<u>2,519,965</u>	<u>1,604,403</u>	<u>94,123</u>
<b>Business-type activities:</b>				
Water . . . . .	1,339,511	1,726,224	-	184,051
Sewer . . . . .	1,637,817	1,513,076	-	328,440
Solid waste . . . . .	961,587	919,307	-	-
Total business-type activities . . . . .	<u>3,938,915</u>	<u>4,158,607</u>	<u>-</u>	<u>512,491</u>
Total primary government . . . . .	<u>\$ 19,951,858</u>	<u>\$ 6,678,572</u>	<u>\$ 1,604,403</u>	<u>\$ 606,614</u>

**General revenues:**

- Property taxes levied for:
  - General purposes . . . . .
  - Fire and rescue . . . . .
  - Police . . . . .
  - Police pension . . . . .
- Income taxes levied for:
  - General purposes . . . . .
- Payments in lieu of taxes . . . . .
- Grants and entitlements not restricted  
to specific programs . . . . .
- Investment earnings . . . . .
- Miscellaneous . . . . .

Total general revenues . . . . .

Change in net position . . . . .

**Net position at beginning of year . . . . .**

**Net position at end of year . . . . .**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue  
and Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (1,773,811)	\$ -	\$ (1,773,811)
(5,996,423)	-	(5,996,423)
(6,979)	-	(6,979)
(3,017,751)	-	(3,017,751)
(665,622)	-	(665,622)
(327,210)	-	(327,210)
5,427	-	5,427
(12,083)	-	(12,083)
<u>(11,794,452)</u>	<u>-</u>	<u>(11,794,452)</u>
-	570,764	570,764
-	203,699	203,699
-	(42,280)	(42,280)
-	<u>732,183</u>	<u>732,183</u>
<u>(11,794,452)</u>	<u>732,183</u>	<u>(11,062,269)</u>
630,678	-	630,678
1,016,736	-	1,016,736
227,290	-	227,290
69,975	-	69,975
7,603,513	-	7,603,513
514,261	-	514,261
397,999	-	397,999
107,272	13,457	120,729
<u>364,645</u>	<u>82,667</u>	<u>447,312</u>
<u>10,932,369</u>	<u>96,124</u>	<u>11,028,493</u>
(862,083)	828,307	(33,776)
<u>38,820,959</u>	<u>21,425,866</u>	<u>60,246,825</u>
<u>\$ 37,958,876</u>	<u>\$ 22,254,173</u>	<u>\$ 60,213,049</u>

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020

	<u>General</u>	<u>Fire &amp; Rescue</u>	<u>Police</u>	<u>Street</u>
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 4,007,943	\$ 1,006,890	\$ 863,700	\$ 2,112,260
Receivables:				
Income taxes . . . . .	1,780,625	-	-	-
Real and other taxes . . . . .	648,858	1,074,874	253,483	-
Payments in lieu of taxes . . . . .	-	-	-	-
Accounts . . . . .	10,490	669,689	-	10,863
Special assessments . . . . .	294,991	-	-	-
Interfund loans . . . . .	-	-	-	-
Due from other governments . . . . .	113,778	41,778	33,496	347,215
Advances to other funds . . . . .	795,415	-	-	-
Materials and supplies inventory . . . . .	-	-	-	156,311
Prepayments . . . . .	34,850	26,679	32,037	11,124
<b>Total assets . . . . .</b>	<b><u>\$ 7,686,950</u></b>	<b><u>\$ 2,819,910</u></b>	<b><u>\$ 1,182,716</u></b>	<b><u>\$ 2,637,773</u></b>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 66,788	\$ 13,805	\$ 6,177	\$ 82,564
Accrued wages and benefits payable . . . . .	7,970	12,838	10,226	3,571
Advances from other funds . . . . .	-	-	-	-
Due to other governments . . . . .	42,427	35,564	30,144	7,757
<b>Total liabilities . . . . .</b>	<b><u>117,185</u></b>	<b><u>62,207</u></b>	<b><u>46,547</u></b>	<b><u>93,892</u></b>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	645,275	1,069,670	252,163	-
Delinquent property tax revenue not available . . . . .	3,583	5,204	1,320	-
Payments in lieu of taxes levied for the next fiscal year . . . . .	-	-	-	-
Special assessments revenue not available . . . . .	294,991	-	-	-
Miscellaneous revenue not available . . . . .	-	595,991	-	6,011
Income tax revenue not available . . . . .	1,174,172	-	-	-
Intergovernmental revenue not available . . . . .	94,084	40,204	13,773	287,774
<b>Total deferred inflows of resources . . . . .</b>	<b><u>2,212,105</u></b>	<b><u>1,711,069</u></b>	<b><u>267,256</u></b>	<b><u>293,785</u></b>
<b>Total liabilities and deferred inflows of resources. . . . .</b>	<b><u>2,329,290</u></b>	<b><u>1,773,276</u></b>	<b><u>313,803</u></b>	<b><u>387,677</u></b>
<b>Fund balances:</b>				
Nonspendable . . . . .	830,265	26,679	32,037	167,435
Restricted . . . . .	-	1,019,955	836,876	2,082,661
Committed . . . . .	-	-	-	-
Assigned . . . . .	3,365,672	-	-	-
Unassigned . . . . .	1,161,723	-	-	-
<b>Total fund balances . . . . .</b>	<b><u>5,357,660</u></b>	<b><u>1,046,634</u></b>	<b><u>868,913</u></b>	<b><u>2,250,096</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances . . . . .</b>	<b><u>\$ 7,686,950</u></b>	<b><u>\$ 2,819,910</u></b>	<b><u>\$ 1,182,716</u></b>	<b><u>\$ 2,637,773</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Capital Improvement</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 4,748,579	\$ 1,597,248	\$ 14,336,620
-	-	1,780,625
-	122,611	2,099,826
319,184	66,402	385,586
-	-	691,042
1,211	370,746	666,948
1,800,000	-	1,800,000
-	70,082	606,349
-	-	795,415
-	-	156,311
13,000	7,665	125,355
<u>\$ 6,881,974</u>	<u>\$ 2,234,754</u>	<u>\$ 23,444,077</u>
\$ 32,110	\$ 3,821	\$ 205,265
-	2,770	37,375
795,415	-	795,415
-	5,999	121,891
<u>827,525</u>	<u>12,590</u>	<u>1,159,946</u>
-	122,168	2,089,276
-	443	10,550
319,184	66,402	385,586
1,211	370,412	666,614
-	-	602,002
-	-	1,174,172
-	28,895	464,730
<u>320,395</u>	<u>588,320</u>	<u>5,392,930</u>
<u>1,147,920</u>	<u>600,910</u>	<u>6,552,876</u>
13,000	7,665	1,077,081
1,182,156	1,626,179	6,747,827
1,716,478	-	1,716,478
2,822,420	-	6,188,092
-	-	1,161,723
<u>5,734,054</u>	<u>1,633,844</u>	<u>16,891,201</u>
<u>\$ 6,881,974</u>	<u>\$ 2,234,754</u>	<u>\$ 23,444,077</u>

THIS PAGE IS INTENTIONALLY LEFT BLANK

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2020

<b>Total governmental fund balances</b>	\$	16,891,201
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities (excluding internal service funds capital assets) are not financial resources and therefore are not reported in the funds.		31,146,585
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Income taxes receivable	\$ 1,174,172	
Real and other taxes receivable	10,550	
Accounts receivable	602,002	
Intergovernmental receivable	464,730	
Special assessments receivable	666,614	
Total	666,614	2,918,068
The net pension asset is not available to pay for current period expenditures; therefore, the asset is not reported in the governmental funds.		9
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		(10,166,195)
The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		(2,829,578)
An internal service fund is used by management to charge the costs of the government center and service center to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position. The net position of the internal service funds, including internal balances of \$6,163, are:		710,113
Compensated absences are not due and payable in the current period and therefore are not reported in the funds.		(711,327)
<b>Net position of governmental activities</b>	\$	37,958,876

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General</u>	<u>Fire &amp; Rescue</u>	<u>Police</u>	<u>Street</u>
<b>Revenues:</b>				
Municipal income taxes . . . . .	\$ 7,699,505	\$ -	\$ -	\$ -
Property and other taxes . . . . .	678,462	1,018,643	229,176	-
Charges for services . . . . .	175,480	655,533	37,775	-
Licenses and permits . . . . .	235,672	-	-	-
Fines and forfeitures . . . . .	278	-	12,320	-
Intergovernmental . . . . .	293,749	87,045	28,986	723,048
Special assessments . . . . .	91,066	-	-	-
Investment income . . . . .	106,247	-	-	9,716
Rental income . . . . .	4,071	-	-	-
Contributions and donations . . . . .	1,806	45	-	-
Payment in lieu of taxes . . . . .	-	-	-	-
Other . . . . .	388,932	83,544	139,660	53,802
<b>Total revenues . . . . .</b>	<u>9,675,268</u>	<u>1,844,810</u>	<u>447,917</u>	<u>786,566</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	1,447,095	-	-	-
Security of persons and property . . . . .	-	2,300,003	3,271,194	-
Public health and welfare . . . . .	6,234	-	-	-
Transportation . . . . .	219,083	-	-	2,144,314
Community environment . . . . .	716,526	-	-	-
Leisure time activity . . . . .	364,547	-	-	-
Other . . . . .	4,353	-	-	-
Capital outlay . . . . .	-	-	-	-
Debt service:				
Interest and fiscal charges . . . . .	-	-	-	-
<b>Total expenditures . . . . .</b>	<u>2,757,838</u>	<u>2,300,003</u>	<u>3,271,194</u>	<u>2,144,314</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>6,917,430</u>	<u>(455,193)</u>	<u>(2,823,277)</u>	<u>(1,357,748)</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets . . . . .	21,324	550	483	-
Transfers in . . . . .	-	1,035,000	3,000,000	2,000,000
Transfers (out) . . . . .	(7,671,108)	-	-	-
<b>Total other financing sources (uses) . . . . .</b>	<u>(7,649,784)</u>	<u>1,035,550</u>	<u>3,000,483</u>	<u>2,000,000</u>
Net change in fund balances . . . . .	(732,354)	580,357	177,206	642,252
<b>Fund balances at beginning of year . . . . .</b>	<u>6,090,014</u>	<u>466,277</u>	<u>691,707</u>	<u>1,607,844</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 5,357,660</u>	<u>\$ 1,046,634</u>	<u>\$ 868,913</u>	<u>\$ 2,250,096</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



<b>Capital Improvement</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ 7,699,505
-	215,451	2,141,732
-	485,465	1,354,253
-	-	235,672
-	1,845	14,443
94,123	877,612	2,104,563
-	187,195	278,261
-	1,025	116,988
-	-	4,071
-	-	1,851
145,129	369,132	514,261
-	27,235	693,173
<u>239,252</u>	<u>2,164,960</u>	<u>15,158,773</u>
-	47,699	1,494,794
-	1,687,217	7,258,414
-	-	6,234
-	105,460	2,468,857
-	-	716,526
-	-	364,547
-	-	4,353
1,696,422	129,710	1,826,132
-	12,083	12,083
<u>1,696,422</u>	<u>1,982,169</u>	<u>14,151,940</u>
<u>(1,457,170)</u>	<u>182,791</u>	<u>1,006,833</u>
-	-	22,357
1,225,000	636,108	7,896,108
-	(225,000)	(7,896,108)
<u>1,225,000</u>	<u>411,108</u>	<u>22,357</u>
(232,170)	593,899	1,029,190
5,966,224	1,039,945	15,862,011
<u>\$ 5,734,054</u>	<u>\$ 1,633,844</u>	<u>\$ 16,891,201</u>

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, 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, 2020

<b>Net change in fund balances - total governmental funds</b>	\$	1,029,190
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation in the current period.		
Capital asset additions	\$ 1,346,307	
Current year depreciation	(1,996,223)	
Total		(649,916)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(57,873)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	(95,992)	
Delinquent property taxes and PILOTS	(9,916)	
Intergovernmental revenues	(17,119)	
Special assessments	17,451	
Other	97,663	
Total		(7,913)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(76,401)
Contractually required pension and OPEB contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		1,004,831
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability and net OPEB liability are reported as pension and OPEB expense in the statement of activities.		(2,004,580)
The internal service fund used by management to charge the costs of the government center and service center to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		(99,421)
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>(862,083)</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Municipal income taxes . . . . .	\$ 7,609,865	\$ 7,609,865	\$ 7,606,924	\$ (2,941)
Property and other taxes. . . . .	683,181	683,181	682,917	(264)
Charges for services. . . . .	175,548	175,548	175,480	(68)
Licenses and permits . . . . .	235,763	235,763	235,672	(91)
Fines and forfeitures . . . . .	278	278	278	-
Intergovernmental. . . . .	292,927	292,927	292,814	(113)
Special assessments . . . . .	91,101	91,101	91,066	(35)
Investment income. . . . .	106,294	106,294	106,253	(41)
Other . . . . .	363,211	363,211	363,071	(140)
<b>Total revenues . . . . .</b>	<u>9,558,168</u>	<u>9,558,168</u>	<u>9,554,475</u>	<u>(3,693)</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	1,949,790	1,999,790	1,522,954	476,836
Public health and welfare. . . . .	16,629	16,629	7,039	9,590
Community environment . . . . .	912,951	912,951	778,283	134,668
Leisure time activity . . . . .	412,761	412,761	281,504	131,257
<b>Total expenditures . . . . .</b>	<u>3,292,131</u>	<u>3,342,131</u>	<u>2,589,780</u>	<u>752,351</u>
Excess of revenues over expenditures. . . . .	<u>6,266,037</u>	<u>6,216,037</u>	<u>6,964,695</u>	<u>748,658</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets. . . . .	21,332	21,332	21,324	(8)
Advances in. . . . .	172,066	172,066	172,000	(66)
Transfers (out). . . . .	(8,410,000)	(8,421,108)	(8,171,108)	250,000
<b>Total other financing sources (uses) . . . . .</b>	<u>(8,216,602)</u>	<u>(8,227,710)</u>	<u>(7,977,784)</u>	<u>249,926</u>
Net change in fund balances . . . . .	(1,950,565)	(2,011,673)	(1,013,089)	998,584
<b>Fund balances at beginning of year . . . . .</b>	4,109,343	4,109,343	4,109,343	-
<b>Prior year encumbrances appropriated . . . . .</b>	127,117	127,117	127,117	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 2,285,895</u>	<u>\$ 2,224,787</u>	<u>\$ 3,223,371</u>	<u>\$ 998,584</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FIRE AND RESCUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 1,061,346	\$ 1,061,346	\$ 1,018,643	\$ (42,703)
Charges for services . . . . .	705,000	705,000	651,394	(53,606)
Intergovernmental . . . . .	77,465	77,465	87,044	9,579
Donations . . . . .	5,000	5,000	45	(4,955)
Other . . . . .	14,801	14,801	81,970	67,169
<b>Total revenues . . . . .</b>	<u>1,863,612</u>	<u>1,863,612</u>	<u>1,839,096</u>	<u>(24,516)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property . . . . .	2,975,378	2,933,599	2,436,670	496,929
<b>Total expenditures . . . . .</b>	<u>2,975,378</u>	<u>2,933,599</u>	<u>2,436,670</u>	<u>496,929</u>
Excess of expenditures over revenues . . . . .	<u>(1,111,766)</u>	<u>(1,069,987)</u>	<u>(597,574)</u>	<u>472,413</u>
<b>Other financing sources:</b>				
Sale of capital assets . . . . .	-	-	550	550
Transfers in . . . . .	1,035,000	1,035,000	1,035,000	-
<b>Total other financing sources . . . . .</b>	<u>1,035,000</u>	<u>1,035,000</u>	<u>1,035,550</u>	<u>550</u>
Net change in fund balances . . . . .	(76,766)	(34,987)	437,976	472,963
<b>Fund balances at beginning of year . . . . .</b>	437,874	437,874	437,874	-
<b>Prior year encumbrances appropriated . . . . .</b>	53,777	53,777	53,777	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 414,885</u>	<u>\$ 456,664</u>	<u>\$ 929,627</u>	<u>\$ 472,963</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
POLICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 258,738	\$ 258,738	\$ 229,176	\$ (29,562)
Charges for services . . . . .	82,000	82,000	58,476	(23,524)
Fines and forfeitures . . . . .	16,000	16,000	12,515	(3,485)
Intergovernmental . . . . .	31,092	31,092	28,986	(2,106)
Other . . . . .	9,000	9,000	136,418	127,418
Total revenues . . . . .	<u>396,830</u>	<u>396,830</u>	<u>465,571</u>	<u>68,741</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property . . . . .	3,932,576	3,932,576	3,443,648	488,928
Total expenditures . . . . .	<u>3,932,576</u>	<u>3,932,576</u>	<u>3,443,648</u>	<u>488,928</u>
Excess of expenditures over revenues . . . . .	<u>(3,535,746)</u>	<u>(3,535,746)</u>	<u>(2,978,077)</u>	<u>557,669</u>
<b>Other financing sources:</b>				
Sale of capital assets . . . . .	1,750	1,750	483	(1,267)
Transfers in . . . . .	3,250,000	3,250,000	3,000,000	(250,000)
Total other financing sources . . . . .	<u>3,251,750</u>	<u>3,251,750</u>	<u>3,000,483</u>	<u>(251,267)</u>
Net change in fund balances . . . . .	(283,996)	(283,996)	22,406	306,402
<b>Fund balances at beginning of year . . . . .</b>	734,777	734,777	734,777	-
<b>Prior year encumbrances appropriated . . . . .</b>	54,060	54,060	54,060	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 504,841</u>	<u>\$ 504,841</u>	<u>\$ 811,243</u>	<u>\$ 306,402</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
STREET FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 1,034,046	\$ 1,034,046	\$ 727,314	\$ (306,732)
Investment income . . . . .	10,000	10,000	9,716	(284)
Other . . . . .	5,000	5,000	47,692	42,692
Total revenues . . . . .	<u>1,049,046</u>	<u>1,049,046</u>	<u>784,722</u>	<u>(264,324)</u>
<b>Expenditures:</b>				
Current:				
Transportation . . . . .	<u>3,695,427</u>	<u>3,995,427</u>	<u>3,094,617</u>	<u>900,810</u>
Total expenditures . . . . .	<u>3,695,427</u>	<u>3,995,427</u>	<u>3,094,617</u>	<u>900,810</u>
Excess of expenditures over revenues . . . . .	<u>(2,646,381)</u>	<u>(2,946,381)</u>	<u>(2,309,895)</u>	<u>636,486</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
Total other financing sources . . . . .	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
Net change in fund balances . . . . .	(646,381)	(946,381)	(309,895)	636,486
<b>Fund balances at beginning of year . . . . .</b>	1,243,181	1,243,181	1,243,181	-
<b>Prior year encumbrances appropriated . . . . .</b>	190,039	190,039	190,039	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 786,839</u>	<u>\$ 486,839</u>	<u>\$ 1,123,325</u>	<u>\$ 636,486</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2020

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Sewer</b>	<b>Solid Waste</b>	<b>Total</b>	
<b>Assets:</b>					
Current assets:					
Equity in pooled cash and investments. . . . .	\$ 1,691,595	\$ 2,140,114	\$ 682,000	\$ 4,513,709	\$ 595,528
Receivables:					
Accounts. . . . .	248,139	233,435	-	481,574	-
Special assessments . . . . .	19,773	19,773	27,443	66,989	-
Due from other governments. . . . .	695	567	54	1,316	2,744
Materials and supplies inventory. . . . .	73,524	48,291	-	121,815	19,415
Prepayments . . . . .	13,654	4,937	598	19,189	4,168
Net pension asset. . . . .	1	1	-	2	1
Total current assets . . . . .	<u>2,047,381</u>	<u>2,447,118</u>	<u>710,095</u>	<u>5,204,594</u>	<u>621,856</u>
Noncurrent assets:					
Capital assets:					
Land and construction in progress. . . . .	59,886	112,399	-	172,285	130,849
Depreciable capital assets, net. . . . .	12,579,766	8,258,882	79,625	20,918,273	699,713
Total capital assets, net. . . . .	<u>12,639,652</u>	<u>8,371,281</u>	<u>79,625</u>	<u>21,090,558</u>	<u>830,562</u>
Total noncurrent assets . . . . .	<u>12,639,652</u>	<u>8,371,281</u>	<u>79,625</u>	<u>21,090,558</u>	<u>830,562</u>
Total assets . . . . .	<u>14,687,033</u>	<u>10,818,399</u>	<u>789,720</u>	<u>26,295,152</u>	<u>1,452,418</u>
<b>Deferred outflows of resources:</b>					
Pension. . . . .	83,302	65,238	8,131	156,671	57,915
OPEB. . . . .	57,033	44,784	5,634	107,451	39,245
Total deferred outflows of resources . . . . .	<u>140,335</u>	<u>110,022</u>	<u>13,765</u>	<u>264,122</u>	<u>97,160</u>
Total assets and deferred outflows of resources . . . . .	<u>14,827,368</u>	<u>10,928,421</u>	<u>803,485</u>	<u>26,559,274</u>	<u>1,549,578</u>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable. . . . .	103,396	28,744	72,256	204,396	12,472
Accrued wages and benefits payable . . . . .	2,102	143	347	2,592	1,422
Due to other governments . . . . .	4,088	3,090	424	7,602	3,056
Interfund loans payable. . . . .	1,800,000	-	-	1,800,000	-
Compensated absences payable - current . . . . .	24,451	17,562	1,091	43,104	12,334
Unearned revenue. . . . .	-	-	110,517	110,517	-
Total current liabilities . . . . .	<u>1,934,037</u>	<u>49,539</u>	<u>184,635</u>	<u>2,168,211</u>	<u>29,284</u>
Long-term liabilities:					
Compensated absences payable . . . . .	7,042	13,556	512	21,110	69,458
Net OPEB liability. . . . .	357,725	280,154	34,921	672,800	241,222
Net pension liability. . . . .	549,363	430,237	53,629	1,033,229	370,447
Total long-term liabilities . . . . .	<u>914,130</u>	<u>723,947</u>	<u>89,062</u>	<u>1,727,139</u>	<u>681,127</u>
Total liabilities . . . . .	<u>2,848,167</u>	<u>773,486</u>	<u>273,697</u>	<u>3,895,350</u>	<u>710,411</u>
<b>Deferred inflows of resources:</b>					
OPEB. . . . .	62,691	59,624	7,266	129,581	42,541
Pension. . . . .	134,863	123,975	15,169	274,007	92,676
Total deferred inflows of resources . . . . .	<u>197,554</u>	<u>183,599</u>	<u>22,435</u>	<u>403,588</u>	<u>135,217</u>
Total liabilities and deferred inflows of resources. . . . .	<u>3,045,721</u>	<u>957,085</u>	<u>296,132</u>	<u>4,298,938</u>	<u>845,628</u>
<b>Net position:</b>					
Investment in capital assets. . . . .	12,639,652	8,371,281	79,625	21,090,558	830,562
Unrestricted (deficit) . . . . .	(858,005)	1,600,055	427,728	1,169,778	(126,612)
Total net position. . . . .	<u>\$ 11,781,647</u>	<u>\$ 9,971,336</u>	<u>\$ 507,353</u>	<u>22,260,336</u>	<u>\$ 703,950</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds . . . . .				(6,163)	
Net position of business-type activities . . . . .				<u>\$ 22,254,173</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Business-type Activities - Enterprise Funds</u>				<b>Governmental Activities - Internal Service Funds</b>
	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Total</u>	
<b>Operating revenues:</b>					
Charges for services . . . . .	\$ 1,724,264	\$ 1,510,621	\$ 919,307	\$ 4,154,192	\$ 888,641
Tap-in fees. . . . .	1,960	2,455	-	4,415	-
Other operating revenues . . . . .	42,240	26,176	1,113	69,529	30,077
Total operating revenues. . . . .	<u>1,768,464</u>	<u>1,539,252</u>	<u>920,420</u>	<u>4,228,136</u>	<u>918,718</u>
<b>Operating expenses:</b>					
Personal services . . . . .	613,132	479,180	59,675	1,151,987	416,631
Contract services. . . . .	-	379,086	873,587	1,252,673	219,632
Materials and supplies. . . . .	95,636	221,536	470	317,642	246,745
Depreciation. . . . .	602,120	434,719	28,620	1,065,459	126,624
Other . . . . .	-	128,592	-	128,592	-
Total operating expenses. . . . .	<u>1,310,888</u>	<u>1,643,113</u>	<u>962,352</u>	<u>3,916,353</u>	<u>1,009,632</u>
Operating income (loss). . . . .	<u>457,576</u>	<u>(103,861)</u>	<u>(41,932)</u>	<u>311,783</u>	<u>(90,914)</u>
<b>Nonoperating revenues (expenses):</b>					
Gain (loss) on sale of assets. . . . .	(31,069)	13,138	-	(17,931)	-
Interest income. . . . .	6,164	7,293	-	13,457	-
Total nonoperating revenues (expenses). . . . .	<u>(24,905)</u>	<u>20,431</u>	<u>-</u>	<u>(4,474)</u>	<u>-</u>
Capital contributions. . . . .	<u>184,051</u>	<u>328,440</u>	<u>-</u>	<u>512,491</u>	<u>-</u>
Change in net position . . . . .	616,722	245,010	(41,932)	819,800	(90,914)
<b>Net position at beginning of year . . . . .</b>	<u>11,164,925</u>	<u>9,726,326</u>	<u>549,285</u>		<u>794,864</u>
<b>Net position at end of year . . . . .</b>	<u>\$ 11,781,647</u>	<u>\$ 9,971,336</u>	<u>\$ 507,353</u>		<u>\$ 703,950</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.				<u>8,507</u>	
Change in net position of business-type activities				<u>\$ 828,307</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Sewer</b>	<b>Solid Waste</b>	<b>Total</b>	
<b>Cash flows from operating activities:</b>					
Cash received from customers. . . . .	\$ 1,692,883	\$ 1,494,914	\$ 945,624	\$ 4,133,421	\$ 888,280
Cash received from tap-in fees. . . . .	1,960	2,455	-	4,415	-
Cash received from other operations . . . . .	39,996	25,609	1,059	66,664	29,609
Cash payments for personal services. . . . .	(569,055)	(457,587)	(55,136)	(1,081,778)	(380,339)
Cash payments for contractual services . . . . .	(40,151)	(313,012)	(867,642)	(1,220,805)	(225,856)
Cash payments for materials and supplies . . . . .	(40,668)	(422,541)	(391)	(463,600)	(241,042)
Cash payments for other expenses . . . . .	-	(128,592)	-	(128,592)	-
Net cash provided by operating activities . . . . .	<u>1,084,965</u>	<u>201,246</u>	<u>23,514</u>	<u>1,309,725</u>	<u>70,652</u>
<b>Cash flows from noncapital financing activities:</b>					
Cash used in repayment of interfund loans. . . . .	(200,000)	-	-	(200,000)	-
Net cash used in noncapital financing activities. . . . .	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>					
Sale of capital assets. . . . .	-	13,138	-	13,138	-
Acquisition of capital assets . . . . .	(1,113,326)	(508,291)	-	(1,621,617)	(13,338)
Cash received from capital grants. . . . .	184,051	328,440	-	512,491	-
Net cash used in capital and related financing activities. . . . .	<u>(929,275)</u>	<u>(166,713)</u>	<u>-</u>	<u>(1,095,988)</u>	<u>(13,338)</u>
<b>Cash flows from investing activities:</b>					
Interest received . . . . .	6,164	7,293	-	13,457	-
Net cash provided by investing activities . . . . .	<u>6,164</u>	<u>7,293</u>	<u>-</u>	<u>13,457</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents . . . . .	(38,146)	41,826	23,514	27,194	57,314
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<u>1,729,741</u>	<u>2,098,288</u>	<u>658,486</u>	<u>4,486,515</u>	<u>538,214</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u>\$ 1,691,595</u>	<u>\$ 2,140,114</u>	<u>\$ 682,000</u>	<u>\$ 4,513,709</u>	<u>\$ 595,528</u>

- - Continued

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Total</u>	
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>					
Operating income (loss) . . . . .	\$ 457,576	\$ (103,861)	\$ (41,932)	\$ 311,783	\$ (90,914)
Adjustments:					
Depreciation . . . . .	602,120	434,719	28,620	1,065,459	126,624
Changes in assets, deferred outflows, liabilities and deferred inflows:					
Decrease in materials and supplies inventory . . . . .	3,078	1,998	-	5,076	4,794
(Increase) in accounts receivable . . . . .	(21,223)	(4,000)	-	(25,223)	-
Decrease in net pension asset . . . . .	1	1	-	2	-
Decrease (increase) in special assessments receivable . . . . .	(11,707)	(11,707)	1,517	(21,897)	-
(Increase) in intergovernmental receivable . . . . .	(695)	(567)	(54)	(1,316)	(829)
Decrease in prepayments . . . . .	1,749	1,914	76	3,739	368
Decrease in deferred outflows - pension . . . . .	154,352	130,372	17,182	301,906	107,745
(Increase) in deferred outflows - OPEB . . . . .	(25,113)	(17,508)	(1,625)	(44,246)	(16,775)
Increase (decrease) in accounts payable . . . . .	10,436	(94,320)	6,024	(77,860)	(5,315)
(Decrease) in contracts payable . . . . .	-	(42,609)	-	(42,609)	-
(Decrease) in accrued wages and benefits . . . . .	(15,996)	(13,154)	(1,376)	(30,526)	(10,155)
(Decrease) in intergovernmental payable . . . . .	(5,399)	(4,088)	(473)	(9,960)	(3,031)
Increase in compensated absences payable . . . . .	2,150	5,361	567	8,078	4,286
Increase in deferred inflows - OPEB . . . . .	53,142	91,144	11,511	155,797	85,351
Increase in deferred inflows - pension . . . . .	110,951	44,018	5,630	160,599	41,862
(Decrease) in net pension liability . . . . .	(238,465)	(211,676)	(26,365)	(476,506)	(173,239)
Increase (Decrease) in net OPEB liability . . . . .	8,008	(4,791)	(588)	2,629	(120)
Increase in unearned revenue . . . . .	-	-	24,800	24,800	-
Net cash provided by operating activities . . . . .	<u>\$ 1,084,965</u>	<u>\$ 201,246</u>	<u>\$ 23,514</u>	<u>\$ 1,309,725</u>	<u>\$ 70,652</u>

**Non-cash transactions:**

The water fund purchased \$57,051 on account and \$11,940 in capital assets on account in 2020 and 2019, respectively.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF FIUCIARY NET POSITION  
FIDUCIARY FUND  
DECEMBER 31, 2020

	<b>Custodial</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents. . . . .	\$ 910
Total assets . . . . .	910
<b>Liabilities:</b>	
Accounts payable . . . . .	299
Total liabilities . . . . .	299
<b>Net position:</b>	
Restricted for individuals, organizations and other governments . .	611
Total net position . . . . .	\$ 611

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<b>Custodial</b>
<b>Additions:</b>	
Licenses, permits and fees for other governments . . . . .	\$ 5,809
Total additions . . . . .	5,809
<b>Deductions:</b>	
Other custodial fund disbursements . . . . .	5,747
Total deductions . . . . .	5,747
Net change in fiduciary net position . . . . .	62
<b>Net position beginning of year . . . . .</b>	<b>549</b>
<b>Net position end of year . . . . .</b>	<b>\$ 611</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 1 - DESCRIPTION OF THE CITY**

The City of Englewood (the "City") is a charter municipal corporation operating under the laws of the State of Ohio. The City was incorporated as a village in 1914 and became a City on February 12, 1971, after adopting the charter on November 3, 1970.

The municipal government provided by the charter is known as a Council-Manager form of government. Legislative power is vested in a seven-member council, each elected to four-year terms. One of the members shall be known as the Mayor and the remaining six members as Councilmen. The Council appoints the City Manager and the Clerk of Council. The City Manager is the chief executive officer and the head of the administrative agencies of the City. He appoints all department heads and employees, except as otherwise provided in the charter.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements (BFS) of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the City's accounting policies are described below.

**A. Reporting Entity**

For financial reporting purposes, the City's BFS include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City appoints a voting majority of an organization's Governing Board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected Governing Board, a Governing Board appointed by another government, or a jointly appointed Board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's basic financial statements to be misleading or incomplete. The City has no component units.

The primary government consists of all funds and departments which provide various services including public safety services, street maintenance and repair, parks, recreation, water, sewer and refuse services. Council and the City Manager are directly responsible for these activities.

*Insurance Purchasing Pool*

The Miami Valley Risk Management Association, Inc. (MVRMA) is a risk sharing insurance pool established for the purpose of enabling the subscribing political subdivisions to obtain liability insurance and providing a formalized, jointly administered self-insurance fund for its members. The members formed a not-for-profit corporation known as Miami Valley Risk Management Association, Inc. for the purpose of administering the pool. The subscribing members of the self-insurance pool include the Cities of Beavercreek, Bellbrook, Blue Ash, Centerville, Englewood, Fairfield, Kettering, Madeira, Mason, Miamisburg, Montgomery, Piqua, Sidney, Springdale, Tipp City, Troy, Vandalia, West Carrollton, Wilmington, and Wyoming, and the Village of Indian Hill. The City has no explicit and measurable equity interest in MVRMA and no ongoing financial responsibility for MVRMA. See Note 15 for additional information.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**B. Basis of Presentation**

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

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

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

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

**C. 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 typically 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 plus deferred outflows and liabilities plus deferred inflows is reported as fund balance. The following are the City's major governmental funds:

***General fund*** - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Fire and rescue - The fire and rescue fund accounts for all transactions relating to fire and emergency services.

Police - The police fund accounts for all transactions relating to the police department.

Street - The street fund accounts for all transactions relating to street maintenance and construction.

Capital improvement - To account for resources used to purchase equipment and construct capital assets.

Other governmental funds of the City are used to account for specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

**Proprietary Funds** - Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

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

Water - This fund accounts for the provision of water treatment and distribution to its residential and commercial users located within the City.

Sewer - This fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

Solid waste - This fund accounts for the operations providing solid waste removal to the residents and commercial users located within the City.

Internal service funds - The internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds report on the operations of the government center and the service center.

**Fiduciary Funds** - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's only fiduciary funds are custodial funds. The Custodial funds hold monies for building assessment fees collected on behalf of the State of Ohio.

**D. Measurement Focus**

**Government-Wide Financial Statements** - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, all deferred outflows of resources, all liabilities and all deferred inflows of resources associated with the operation of the City are included on the statement of net position.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

***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 financial statements for governmental funds.

Like the government-wide statements, all proprietary funds and custodial 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 net position. The statement of 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's proprietary funds are charges for sales and services. Operating expenses for the enterprise funds include personnel and other expenses related to the operations of the enterprise activities and operating expenses for the internal service fund include personnel costs and administrative expenses incurred to provide the good or service that are the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

**E. 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. Governmental funds use the modified accrual basis of accounting. Proprietary and custodial funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows of resources and in the presentation of expenses versus expenditures.

***Revenues - Exchange and Nonexchange Transactions*** - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal 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 thirty-one 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 (See Note 7). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). 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 a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.



**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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, local government funds and permissive tax), fines and forfeitures, fees and special assessments.

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, see Notes 16 and 17 for deferred outflows of resources related to the City's net pension liability/asset and net OPEB liability, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2020, but which were levied to finance 2021 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the City, see Notes 16 and 17 for deferred inflows of resources related to the City's net pension liability/asset and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

*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.

**F. Budgetary Data**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. 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 certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. The legal level of budgetary control is at the department level of each fund and within each department personal services. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

***Tax Budget*** - During the first Council meeting in July, the City Manager presents the following year's annual operating budget to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The Montgomery County Budget Commission waived the tax budget filing requirement for 2020.

***Estimated Resources*** - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to January 1, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include unencumbered cash balances at December 31 of the preceding year. The certificate may be further amended during the year if the Finance Director determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statement reflect both the amounts on the certificate of estimated resources when the original appropriations were adopted and the amounts in the final amended official certificate of estimated resources issued during 2020.

***Appropriations*** - A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the department level of each fund and within each department personal services. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The appropriations at the legal level of control for a fund may only be modified during the year by an ordinance of Council. The amounts on the budgetary statement reflect both the first appropriation resolution that covers the entire year, which includes amounts automatically carried forward from prior years, and the final appropriation amounts, including all amendments and modifications legally enacted by Council.

***Lapsing of Appropriations*** - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbrances are carried forward and are not reappropriated as part of the subsequent year appropriations.

THIS SPACE IS INTENTIONALLY LEFT BLANK

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**G. Cash and Cash Equivalents**

Cash balances of the City's funds are pooled and invested in investments maturing within five years in order to provide improved cash management. Individual fund integrity is maintained through City records. Each fund's interest in the pooled bank account is presented on the balance sheet as "equity in pooled cash and investments" on the financial statements.

During 2020, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2020, 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 \$100 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.

Interest income is distributed to the funds according to charter and statutory requirements. Interest revenue earned and credited to the general fund during 2020 amounted to \$106,247, which included \$82,512 assigned from other funds of the City.

For purposes of the statement of cash flows and for presentation on the statement of net position, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

An analysis of the City's investment account at year end is provided in Note 4.

**H. Inventories of Materials and Supplies**

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. On the fund financial statements, reported inventory is equally offset as a component of nonspendable fund balance in governmental funds which indicates that it does not constitute available resources even though it is a component of net current assets. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the proprietary funds are expensed when used.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**I. Prepayments**

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed. On the fund financial statements, reported prepayments are equally offset as a component of nonspendable fund balance in governmental funds which indicates that they do not constitute available resources even though they are a component of net current assets.

**J. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of thoroughfares, street lights, curbs, gutters, sidewalks, storm sewers, bridges, street signs, traffic signals and controls, meters and water and sewer lines. 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 capital assets is also capitalized for business-type activities.

All reported capital assets are depreciated except for land, construction in progress and easements with an indefinite useful life. 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 useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-type Activities Estimated Lives</u>
Improvements to land	15 - 20 years	15 - 20 years
Buildings and Improvements	20 - 45 years	20 - 45 years
Furniture and Equipment	5 - 30 years	5 - 30 years
Vehicles	3 - 10 years	3 - 10 years
Infrastructure:		
Water and Sewer Lines	50 years	50 years
Bridges	40 years	n/a
Thoroughfares/Curbs/Gutters/Sidewalks/Street Lights	30 years	n/a
Storm Sewers	25 years	25 years
Traffic Signals and Controls and Meters	15 years	15 years
Street Signs	10 years	n/a
Software	5 - 10 years	5 - 10 years

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**K. Compensated Absences**

Compensated absences of the City consist of vacation leave and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the City and the employee.

In conformity with GASB Statement No. 16, "Accounting for 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 City will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

**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. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

**M. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loan receivables/payables". On fund financial statements, receivables and payables resulting from long-term interfund loans are classified as "advances to/from other funds". These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**N. 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 nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the BFS.

**O. 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 classification includes amounts that cannot be spent because they are not in spendable form or legally 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 loans receivable.

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

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 (the highest level of decision making authority). 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. 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 nor 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 policies of City Council, which includes giving the Finance Director the authority to constrain monies for intended purposes.

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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The City applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

**P. Estimates**

The preparation of the BFS in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the BFS and accompanying notes. Actual results may differ from those estimates.

**Q. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. 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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes consist primarily of the tax increment financing fund.

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

**R. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2020.

**S. Pensions/Other Postemployment Benefits (OPEB)**

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

**T. Fair Value Measurements**

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.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**U. Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction and from contributions from governmental funds. During 2020, the water fund and sewer fund received \$184,051 and \$328,440 in contributions of capital, respectively.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Change in Accounting Principles**

For 2020, the City has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" to GASB Statement Nos. 87 and 89, which were originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following pronouncement is postponed by one year and the City has elected delaying implementation until the fiscal year ended December 31, 2021:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

The following pronouncements are postponed by eighteen months and the City has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

**NOTE 4 - 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 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 in interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities in accordance with the City's investment policy:

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



**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

- B. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the 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;
- C. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
- D. Bankers' acceptances (for a period not to exceed one hundred eighty days) issued by banks ranked within the top 100 banks, based upon asset size, or issued by banks within the State of Ohio with at least two billion dollars (\$2,000,000,000) in assets 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;
- E. Commercial paper (for a period not to exceed two hundred seventy days) which, when purchased, is rated at least P-1 by Moody's Investor Services and A-1 by Standard and Poor's, and corporate notes and other debt which, when purchased, is rated AA or better by Moody's Investor Services and/or Standard and Poor's 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;
- F. 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;
- G. The State Treasury Assets Reserve of Ohio (STAR Ohio);
- H. No-load money market mutual funds consisting exclusively of obligations described in paragraphs A. and B. hereof; and,
- I. Repurchase agreements with institutions which have executed a master repurchase agreement, entered into between the City and that particular institution. Each master repurchase agreement will provide for:
  - 1. Collateralization of each repurchase agreement consisting exclusively of obligations described in paragraphs A. and B. hereof, the market value of which shall not be less than 102 percent of the principal amount of each repurchase agreement plus accrued interest;
  - 2. Safekeeping of the collateral by the City's third-party safekeeping agent; and,
  - 3. Settlement of each repurchase agreement on a delivery-versus-payment basis. Master repurchase agreements may provide for substitution of collateral by the broker/dealer with the agreement of the City.

Securities which are specifically prohibited for investment include interest-only, mortgage-backed securities or other securities for which there exists a hypothetical mathematical possibility of a negative yield, excluding default risk, if the security is held to maturity.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

The City may also invest any monies not required to be used for a period of six months or more in the following:

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Cash on hand**

At year end, the City had \$1,100 in undeposited cash on hand which is included on the financial statements of the City as part of “equity in pooled cash and investments.”

**B. Deposits with Financial Institutions**

At December 31, 2020, the carrying amount of all City deposits was \$551,763 and the bank balance of all City deposits was \$867,466. Of the bank balance, \$617,466 was exposed to custodial risk as discussed below because those deposits were uninsured and \$250,000 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City’s 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 percent of the deposits being secured, or (2) participation in the 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 percent of the deposits being secured or a rate set by the Treasurer of State. For 2020, the City’s financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**C. Investments**

As of December 31, 2020, the City had the following investments and maturities:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>Investment Maturities 6 months or less</u>
<i>Amortized Cost:</i>		
STAR Ohio	\$ 18,893,904	\$ 18,893,904

*Interest Rate Risk:* 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 by requiring the consideration of market conditions and cash flow requirements in determining the term of an investment. Unless matched to a specific cash flow requirement, the City will not directly invest in securities maturing more than five years from the month of settlement.

*Credit Risk:* Standard & Poor's has assigned STAR Ohio an AAAM money market rating. The City's investment policy limits its investments to those authorized by Englewood Codified Ordinance 236.07. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City's investment policy requires commercial paper, when purchased, to be rated at least P-1 by Moody's Investor Services and A-1 by Standard & Poor's and corporate notes and other debt which, when purchased, is rated AA or better by Moody's Investor Services and/or Standard & Poor's.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires government securities, commercial paper, bankers' acceptances and money market securities to be settled in a delivery-versus-payment method. Book entry or physical securities shall be safekept by a third-party safekeeping agent, in the agent's Federal Reserve customer account, correspondent money center bank customer custody account or Depository Trust Corporation (DTC) customer custody account. Each delivery and safekeeping shall be evidenced by a safekeeping receipt.

*Concentration of Credit Risk:* The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of each investment type held by the City at December 31, 2020:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
<i>Amortized Cost:</i>		
STAR Ohio	\$ 18,893,904	100.00%

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**D. Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2020:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 551,763
Investments	18,893,904
Cash on hand	1,100
Total	\$ 19,446,767
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 14,932,148
Business type activities	4,513,709
Custodial funds	910
Total	\$ 19,446,767

**NOTE 5 - INTERFUND ACTIVITY**

**A. Interfund Transfers**

Interfund transfers for the year ended December 31, 2020, consisted of the following, as reported in the fund financial statements:

<u>Transfers to</u>	<u>Transfers from</u>		
	<u>General</u>	Nonmajor Governmental <u>Funds</u>	<u>Total</u>
Fire and Rescue	\$ 1,035,000	\$ -	\$ 1,035,000
Police	3,000,000	-	3,000,000
Street	2,000,000	-	2,000,000
Capital improvement	1,000,000	225,000	1,225,000
Nonmajor governmental	636,108	-	636,108
Total	\$ 7,671,108	\$ 225,000	\$ 7,896,108

Transfers are made to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The tax incremental financing fund (a nonmajor governmental fund) transferred \$175,000 to the capital improvement fund to fund improvements made in the TIF District (See Note 8). The permissive tax fund (a nonmajor governmental fund) transferred \$50,000 to the capital improvement fund to fund road resurfacing projects and culvert replacement projects. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements.

**B. Advances To/From Other Funds**

In prior years, the general fund advanced \$1,599,160 to the capital improvement fund for the Main Street TIF project, \$172,000 of this loan was repaid in 2020. The outstanding advance is \$795,415. This advance is not expected to be repaid within one year.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 5 - INTERFUND ACTIVITY – (Continued)**

**C. Interfund Loans Receivables/Payables**

In prior years, the capital improvement fund advanced \$2,000,000 to the water fund. During 2020, \$200,000 of this loan was repaid, with an outstanding advance of \$1,800,000. This amount is reported as an interfund loan receivable and payable in the fund financial statements.

These advances are expected to be repaid during 2021.

**NOTE 6 - PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County collects property taxes on behalf of all taxing districts in the County, including the City of Englewood. The County Auditor 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, 2020 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by deferred inflow of resources since the current taxes were not levied to finance 2020 operations and the collection of delinquent taxes has been offset by deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is a deferred inflow of resources.

The full tax rate for all City operations for the year ended December 31, 2020 was \$11.33 per \$1,000 of assessed value. The assessed values of real property and public utility personal property upon which 2020 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 227,389,930
Commercial/industrial/mineral	71,036,290
 <u>Public utility</u>	
Personal	6,090,150
Total assessed value	\$ 304,516,370

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 7 - LOCAL INCOME TAX**

The City levies a municipal income tax of one and three-quarters percent on substantially all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside of the City; however, the City allows a credit for income taxes paid to another municipality up to 100% of the City's current tax rate.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

Income tax proceeds are to be used to pay the cost of administering the tax. All remaining income tax revenue is then initially placed in the general fund. The use of all income tax proceeds is determined by City Council. Income tax revenue for 2020 was \$7,699,505 as reported in the fund financial statements.

**NOTE 8 - TAX INCREMENT FINANCING DISTRICT (TIF)**

The City, pursuant to the Ohio Revised Code and City ordinances, has established a TIF. A TIF represents a geographic area wherein property values created after the commencement date of the TIF are exempt, in whole or in part, from property taxes. Owners of such property, however, must pay amounts equal to the property taxes, known as "payments in lieu of taxes (PILOT)", as though the TIF had not been established. These "PILOTS" are then dedicated to the payments for various public improvements within or adjacent to the TIF area. Property values existing before the commencement date of a TIF continue to be subjected to property taxes.

PILOT revenue was \$514,261 in 2020 as reported in the fund financial statements. The TIF has a longevity of the shorter period of 30 years or until the public improvements are paid for. The property tax exemption then ceases; PILOT's cease and property taxes then apply to the increased property values.

**NOTE 9 - TAX ABATEMENTS**

As of December 31, 2020, the City provides property tax abatements through Community Reinvestment Area (CRA). Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

The City had 14 parcels of land that received tax abatements through the CRA program. The total City property taxes abated during 2020 were \$40,092. The City also entered into an income tax sharing agreement with Northmont City School District ("School District") for land situated in the Otterbein Commerce Park that is part of the CRA program. For all tax-abated projects located within the Otterbein Commerce Park, the City will provide 50% of the income taxes to the School District for businesses with annual payrolls exceeding \$1,000,000. In 2020, the City paid the School District \$84,919, in accordance with the tax sharing agreement.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 10 - RECEIVABLES**

Receivables at December 31, 2020, consisted of taxes, payment in lieu of taxes, accounts (billings for user charged services), special assessments, and intergovernmental receivables arising from grants, entitlements and shared revenue. All intergovernmental receivables have been classified as “due from other governments” on the basic financial statements. Receivables have been recorded to the extent that they are measurable at December 31, 2020.

A summary of the principal items of receivables reported on the statement of net position follows:

**Governmental activities:**

Income taxes	\$ 1,780,625
Real and other taxes	2,099,826
Payments in lieu of taxes	385,586
Accounts	691,042
Special assessments	666,948
Due from other governments	609,093

**Business-type activities:**

Accounts	481,574
Special assessments	66,989
Due from other governments	1,316

Receivables have been disaggregated on the face of the basic financial statements. The only receivables not expected to be collected within the subsequent year are the special assessments which are collected over the life of the assessment.

THIS SPACE IS INTENTIONALLY LEFT BLANK

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 11 - CAPITAL ASSETS**

- A. Certain assets were reclassified between asset classes, there was no impact on net capital assets or net position. Capital asset activity for the governmental activities for the year ended December 31, 2020, was as follows:

	Balance <u>12/31/19</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/20</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,442,037	\$ -	\$ -	\$ 4,442,037
Construction-in-progress	<u>487,406</u>	<u>311,249</u>	<u>(80,161)</u>	<u>718,494</u>
Total capital assets, not being depreciated	<u>4,929,443</u>	<u>311,249</u>	<u>(80,161)</u>	<u>5,160,531</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	4,527,206	-	-	4,527,206
Buildings and improvements	12,066,284	-	(16,996)	12,049,288
Furniture and equipment	3,973,836	665,922	(325,140)	4,314,618
Vehicles	4,685,081	426,085	(73,394)	5,037,772
Infrastructure	37,758,074	36,550	-	37,794,624
Computer software	<u>356,582</u>	<u>-</u>	<u>(64,296)</u>	<u>292,286</u>
Total capital assets, being depreciated	<u>63,367,063</u>	<u>1,128,557</u>	<u>(479,826)</u>	<u>64,015,794</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(2,731,230)	(207,336)	-	(2,938,566)
Buildings and improvements	(4,903,659)	(222,111)	6,672	(5,119,098)
Furniture and equipment	(2,609,549)	(254,762)	307,248	(2,557,063)
Vehicles	(2,415,711)	(318,445)	61,623	(2,672,533)
Infrastructure	(22,629,616)	(1,093,091)	-	(23,722,707)
Computer software	<u>(208,519)</u>	<u>(27,102)</u>	<u>46,410</u>	<u>(189,211)</u>
Total accumulated depreciation	<u>(35,498,284)</u>	<u>(2,122,847)</u>	<u>421,953</u>	<u>(37,199,178)</u>
Total capital assets, being depreciated	<u>27,868,779</u>	<u>(994,290)</u>	<u>(57,873)</u>	<u>26,816,616</u>
Governmental activities capital assets, net	<u>\$ 32,798,222</u>	<u>\$ (683,041)</u>	<u>\$ (138,034)</u>	<u>\$ 31,977,147</u>

Depreciation expense was charged to functions/programs of the City as follows:

**Governmental activities:**

General government	\$ 202,170
Security of persons and property	336,496
Public health	745
Leisure time activity	90,068
Community environment	73,691
Transportation	1,293,053

Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets

	<u>126,624</u>
Total depreciation expense - governmental activities	<u>\$ 2,122,847</u>



**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 11 - CAPITAL ASSETS - (Continued)**

**B.** Capital asset activity for the business-type activities for the year ended December 31, 2020 was as follows:

	Balance			Balance
	<u>12/31/19</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/20</u>
<b><u>Business-type activities:</u></b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 136,885	\$ -	\$ -	\$ 136,885
Construction in Progress	<u>827,992</u>	<u>1,020,864</u>	<u>(1,813,456)</u>	<u>35,400</u>
Total capital assets, not being depreciated	<u>964,877</u>	<u>1,020,864</u>	<u>(1,813,456)</u>	<u>172,285</u>
<i>Capital assets, being depreciated:</i>				
Improvements other than buildings	50,983	-	-	50,983
Buildings and improvements	8,265,691	-	-	8,265,691
Equipment	6,728,159	931,391	-	7,659,550
Vehicles	279,080	-	-	279,080
Software	25,174	-	-	25,174
Infrastructure	<u>27,576,982</u>	<u>1,527,929</u>	<u>(65,695)</u>	<u>29,039,216</u>
Total capital assets, being depreciated	<u>42,926,069</u>	<u>2,459,320</u>	<u>(65,695)</u>	<u>45,319,694</u>
<i>Less: accumulated depreciation:</i>				
Improvements other than buildings	(11,626)	(2,549)	-	(14,175)
Buildings and improvements	(4,774,231)	(195,291)	-	(4,969,522)
Equipment	(2,721,498)	(305,839)	-	(3,027,337)
Vehicles	(146,853)	(14,429)	-	(161,282)
Software	(17,416)	(4,418)	-	(21,834)
Infrastructure	<u>(15,698,964)</u>	<u>(542,933)</u>	<u>34,626</u>	<u>(16,207,271)</u>
Total accumulated depreciation	<u>(23,370,588)</u>	<u>(1,065,459)</u>	<u>34,626</u>	<u>(24,401,421)</u>
Total capital assets, being depreciated, net	<u>19,555,481</u>	<u>1,393,861</u>	<u>(31,069)</u>	<u>20,918,273</u>
Business-type activities capital assets, net	<u>\$ 20,520,358</u>	<u>\$ 2,414,725</u>	<u>\$ (1,844,525)</u>	<u>\$ 21,090,558</u>

Depreciation expense was charged to business-type activities as follows:

**Business-type activities**

Water	\$ 602,120
Sewer	434,719
Solid Waste	<u>28,620</u>
Total depreciation expense - business-type activities	<u>\$ 1,065,459</u>

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 12 - OTHER EMPLOYEE BENEFITS**

Deferred Compensation Plans

City employees and elected officials may participate in a statewide deferred compensation plan or a plan offered by ING and sponsored by the Ohio Municipal League. Both plans were created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

Compensated Absences

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. In the case of death or retirement, an employee (or his estate) is paid for his unused vacation leave. The total obligation for vacation leave for the City as a whole amounted to \$404,582 at December 31, 2020. Amounts are recorded as a fund liability and/or on the government-wide financial statements as applicable.

Accumulated Unpaid Sick Leave

City employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement an employee is paid for one-third of his accumulated sick leave within various limits. The total obligation for sick leave accrual for the City as a whole amounted to \$435,784 at December 31, 2020. Amounts are recorded as a fund liability and/or on the government-wide financial statements as applicable.

Overtime Pay

City employees earn overtime pay at varying rates based on when the employee works the overtime. The total obligation for overtime pay for the City as a whole amounted to \$16,967 at December 31, 2020. Amounts are recorded as a fund liability and/or on the government-wide financial statements as applicable.

**NOTE 13 - LONG-TERM OBLIGATIONS**

- A. The changes in the City's governmental activities long-term obligations during the year consist of the following:

	Balance			Balance	Amounts
	12/31/19	Additions	Reductions	12/31/20	Due in
<u>Governmental activities:</u>					<u>One Year</u>
Compensated absences	\$ 712,432	\$ 576,111	\$ (495,424)	\$ 793,119	\$ 344,625
Net pension liability	14,040,843	-	(3,052,334)	10,988,509	-
Net OPEB liability	3,404,015	145,747	(120)	3,549,642	-
Total long-term obligations	<u>\$ 18,157,290</u>	<u>\$ 721,858</u>	<u>\$ (3,547,878)</u>	<u>\$ 15,331,270</u>	<u>\$ 344,625</u>

Compensated absences, consisting of sick leave (severance), vacation benefits and compensatory time, and net pension liability and net OPEB liability will be paid from the fund from which the employee is paid. For the City, these funds are primarily the general, fire and rescue, police and street funds.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

- B.** The changes in the City's business-type activities long-term obligations during the year consist of the following:

	Balance			Balance	Amounts
	12/31/19	Additions	Reductions	12/31/20	Due in
<u>Business-type activities:</u>					<u>One Year</u>
Compensated absences	\$ 56,136	\$ 65,132	\$ (57,054)	\$ 64,214	\$ 43,104
Net pension liability	1,509,735	-	(476,506)	1,033,229	-
Net OPEB liability	670,171	2,629	-	672,800	-
Total long-term obligations	<u>\$ 2,236,042</u>	<u>\$ 67,761</u>	<u>\$ (533,560)</u>	<u>\$ 1,770,243</u>	<u>\$ 43,104</u>

As of December 31, 2020, the City's overall legal debt margin (the ability to issue general obligation bonded debt) was \$31,980,288 and the unvoted debt margin was \$16,748,400.

**NOTE 14 - NOTES PAYABLE**

The changes in the City's governmental activities short-term obligations during the year consist of the following.

	Balance			Balance	Amounts
	12/31/19	Additions	Reductions	12/31/20	Due in
<u>Governmental activities:</u>					<u>One Year</u>
Direct placements:					
2019 Various Purpose Notes	\$ 5,000,000	\$ -	\$ (5,000,000)	\$ -	\$ -
Total short-term obligations	<u>\$ 5,000,000</u>	<u>\$ -</u>	<u>\$ (5,000,000)</u>	<u>\$ -</u>	<u>\$ -</u>

2019 Various Purpose Notes: On January 22, 2019, the City issued \$5,000,000 in notes to fund various improvement projects. The various purpose notes are direct placements that will be paid from the bond retirement fund. The various purpose notes carry an interest rate of 3.00% and matured on January 21, 2020.

**NOTE 15 - RISK MANAGEMENT**

**A. Comprehensive**

The City is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City is a member of the Miami Valley Risk Management Association, Inc. (MVRMA), a joint insurance pool. The pool consists of twenty-one municipalities who pool risk for property, crime, liability, boiler and machinery and public official liability. The City pays an annual premium for this coverage. The agreement provides that the MVRMA will be self-sustaining through member premiums and the purchase of excess and stoploss insurance. The deductible per occurrence for all types of claims is \$2,500. The type of coverage and deductible for each is as follows:

Type of Coverage

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

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 15 - RISK MANAGEMENT - (Continued)**

Type of Coverage

1. Liability - (Continued):

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

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

2. Property:

\$500,000,000/occurrence

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

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

3. Flood - included in Property Policy

\$25 million/occurrence and annual aggregate

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

MVRMA SIR: \$250,000/occurrence all flood zones

4. Earthquake - included in Property Policy

\$25 million/occurrence and annual aggregate

MVRMA SIR: \$100,000/occurrence

5. Boiler & Machinery - included in Property Policy

\$100,000,000/occurrence

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

6. Cyber Liability - included in Property Policy

MVRMA SIR: \$100,000/occurrence

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

First Party Loss:

\$2 million Business Interruption Resulting from Security Breach

\$500,000 Business Interruption Resulting from System Failure

\$750,000 Dependent Business Interruption Resulting from Security Breach

\$100,000 Dependent Business Interruption Resulting from System Failure

\$2,000,000 Cyber Extortion Loss

\$2,000,000 Data Recovery Costs

Liability:

Data & Network Liability: Regulatory Defense & Penalties; Payment Card Liabilities & Costs;

Media Liability: \$2,000,000

Breach Response Costs:

\$500,000 (increased to \$1 million if designated provider is used)

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 15 - RISK MANAGEMENT - (Continued)**

Type of Coverage

E-crime:

\$75,000/occurrence for Fraudulent Instruction, Funds Transfer Fraud, Telephone Fraud

7. Pollution Liability - Claims Made and Reported Policy

\$25 million Policy Aggregate for all insureds combined

\$2 million Per Pollution Incident

\$2 million Per Named Insured

\$2 million Per Pool

MVRMA SIR: \$100,000/pollution condition; \$750,000 underground

Storage tanks specific; \$250,000 mold or sewage backup

Coverage excess of SIR provided by Illinois Union Insurance Co.

8. Crime

\$2 million Employee Theft Per Loss; Forgery or Alteration

\$100,000 Inside and Outside Premises – Theft of Money and Securities, Robbery, Safe Burglary

\$2 million Computer Fraud

\$2 million Funds Transfer Fraud

\$5,000 Money Orders and Counterfeit Paper Currency

Settled claims have not exceeded this commercial coverage in any of the past three years. Except for property coverage, has been no significant reduction in insurance coverage from the prior year.

MVRMA issues a stand-alone Annual Report. Interested parties may obtain a copy by making a written request to 4625 Presidential Way, Kettering, Ohio 45429-5706.

**B. Workers' Compensation**

In 2020, the City participated in the Ohio Bureau of Workers' Compensation (Bureau) Group Rating Plan. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries.

**C. Unemployment**

The City is a reimbursing employer with the Ohio Department of Job and Family Services. This means that, in lieu of unemployment taxes, the City pays unemployment claims to the State of Ohio as incurred. Claims may be incurred when an employee experiences the loss of employment other than with the City of Englewood. In 2020, the City's contribution to unemployment benefits was immaterial.

**D. Health, Dental and Life Insurance**

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

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 15 - RISK MANAGEMENT - (Continued)**

The City offers a High Deductible Health Plan combined with a Health Savings Account (HSA Plan). For the plan year effective 9/1/20 - 8/31/21, the City pays 100% of the HSA Plan monthly premium of \$607 for single coverage and \$1,852 for family coverage. The City also makes quarterly contributions to the employee health savings accounts. The annual amount of City contributions to the health savings account is \$250 for single coverage and \$500 for family coverage. As required by a collective bargaining agreement with the Ohio Patrolmen's Benevolent Association (OPBA), the City also offers a PPO. The monthly premium is \$752 for single coverage and \$2,295 for family coverage. The employee portion of the monthly premium is \$52 for single coverage and \$159 for family coverage.

Dental insurance is offered through Superior Dental Care with a deductible of \$50 for single coverage and up to \$150 for family coverage. The City pays the majority of the monthly premium of \$28 for single coverage and \$87 for family coverage. The City also provides a minimum of \$25,000 life and AD&D insurance at no cost to the employees. Employees have the opportunity to purchase additional group rated health and life insurance benefits, with the full cost of the premiums paid by the employee via payroll deduction.

**NOTE 16 - DEFINED BENEFIT PENSION PLANS**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

***Net Pension Liability/Asset and Net OPEB Liability***

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period.

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

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability/asset on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in due to other governments on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the pension disclosures. See Note 17 for the OPEB disclosures.

***Plan Description - Ohio Public Employees Retirement System (OPERS)***

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member’s pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement 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 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	State and Local
<b>2020 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
<b>2020 Actual Contribution Rates</b>	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits ****	0.0 %
Total Employer	14.0 %
Employee	10.0 %

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

\*\*\*\* This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.



**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution for the Traditional Pension Plan and Member-Directed Plan was \$478,814 for 2020. Of this amount, \$39,650 is reported as due to other governments.

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

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 3.00% or the percent increase, if any, in the consumer price index over the 12 month period ending on September 30<sup>th</sup> 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 3.00% of their base pension or disability benefit.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

	<u>Police</u>	<u>Firefighters</u>
<b>2020 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2020 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$648,345 for 2020. Of this amount, \$61,935 is reported as due to other governments.

***Net Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability and net pension asset for the OPERS were measured as of December 31, 2019, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.02570100%	0.00000000%	0.08380000%	0.10427500%	
Proportion of the net pension liability/asset current measurement date	<u>0.02466500%</u>	<u>0.00000000%</u>	<u>0.00033700%</u>	<u>0.10608620%</u>	
Change in proportionate share	<u>-0.00103600%</u>	<u>0.00000000%</u>	<u>-0.08346300%</u>	<u>0.00181120%</u>	
Proportionate share of the net pension liability	\$ 4,875,205	\$ -	\$ -	\$ 7,146,533	\$ 12,021,738
Proportionate share of the net pension asset	-	1	(13)	-	(12)
Pension expense	738,598	-	(8)	1,056,460	1,795,050

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Member- Directed	OP&F	Total
<b>Deferred outflows of resources</b>				
Differences between expected and actual experience	\$ -	\$ 38	\$ 270,518	\$ 270,556
Changes of assumptions	260,392	3	175,428	435,823
Changes in employer's proportionate percentage/difference between employer contributions	1,744	-	579,402	581,146
Contributions subsequent to the measurement date	478,285	529	648,345	1,127,159
Total deferred outflows of resources	<u>\$ 740,421</u>	<u>\$ 570</u>	<u>\$ 1,673,693</u>	<u>\$ 2,414,684</u>
<b>Deferred inflows of resources</b>				
Differences between expected and actual experience	\$ 61,640	\$ -	\$ 368,578	\$ 430,218
Net difference between projected and actual earnings on pension plan investments	972,495	1	345,236	1,317,732
Changes in employer's proportionate percentage/difference between employer contributions	165,423	-	201,542	366,965
Total deferred inflows of resources	<u>\$ 1,199,558</u>	<u>\$ 1</u>	<u>\$ 915,356</u>	<u>\$ 2,114,915</u>

\$1,127,159 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/asset in the year ending December 31, 2021.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS - Traditional	OPERS - Member- Directed	OP&F	Total
2021	\$ (231,297)	\$ 4	\$ 55,820	\$ (175,473)
2022	(360,249)	4	95,286	(264,959)
2023	40,270	5	247,526	287,801
2024	(386,146)	4	(265,713)	(651,855)
2025	-	4	(22,927)	(22,923)
Thereafter	-	19	-	19
Total	<u>\$ (937,422)</u>	<u>\$ 40</u>	<u>\$ 109,992</u>	<u>\$ (827,390)</u>

**Actuarial Assumptions – OPERS**

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 1.40%, simple through 2020, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In October 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 3.00% simple through 2018 then 2.15% simple to 1.40% simple through 2020 the 2.15% simple.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.20% for 2019.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	25.00 %	1.83 %
Domestic equities	19.00	5.75
Real estate	10.00	5.20
Private equity	12.00	10.70
International equities	21.00	7.66
Other investments	13.00	4.98
<b>Total</b>	<b>100.00 %</b>	<b>5.61 %</b>

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2019 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate** - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 8,040,790	\$ 4,875,205	\$ 2,029,436
Member-Directed Plan	(7)	(12)	(17)

**Actuarial Assumptions - OP&F**

OP&F's total pension liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2019, are presented below.

Valuation date	1/1/19 with actuarial liabilities rolled forward to 12/31/19
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy and Guidelines. 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 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, 2019 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation		
Linked Bonds *	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	<u>120.00 %</u>	

Note: assumptions are geometric.

\* levered 2x

\*\* numbers include inflation

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

OP&F’s Board of Trustees has incorporated the risk parity concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 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	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 9,904,846	\$ 7,146,533	\$ 4,839,478

**NOTE 17 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability***

See Note 16 for a description of the net OPEB liability.

***Plan Description - Ohio Public Employees Retirement System (OPERS)***

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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



**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (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 Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Report referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution was \$212 for 2020. Of this amount, \$18 is reported as due to other governments.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment 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.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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](http://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 19.50% and 24.00% of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$15,382 for 2020. Of this amount, \$1,469 is reported as due to other governments.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. 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.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.02396600%	0.10427500%	
Proportion of the net OPEB liability current measurement date	<u>0.02298300%</u>	<u>0.10608620%</u>	
Change in proportionate share	<u>-0.00098300%</u>	<u>0.00181120%</u>	
Proportionate share of the net OPEB liability	\$ 3,174,551	\$ 1,047,891	\$ 4,222,442
OPEB expense	\$ 331,744	\$ 160,716	\$ 492,460

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 84	\$ -	\$ 84
Changes of assumptions	502,496	612,637	1,115,133
Changes in employer's proportionate percentage/ difference between employer contributions	4,746	460,439	465,185
Contributions subsequent to the measurement date	212	15,382	15,594
Total deferred outflows of resources	<u>\$ 507,538</u>	<u>\$ 1,088,458</u>	<u>\$ 1,595,996</u>

THIS SPACE IS INTENTIONALLY LEFT BLANK

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 290,327	\$ 112,690	\$ 403,017
Net difference between projected and actual earnings on OPEB plan investments	161,647	48,220	209,867
Changes of assumptions	-	223,321	223,321
Changes in employer's proportionate percentage/ difference between employer contributions	103,656	202,718	306,374
Total deferred inflows of resources	<u>\$ 555,630</u>	<u>\$ 586,949</u>	<u>\$ 1,142,579</u>

\$15,594 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 the year ending December 31, 2021.

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&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2021	\$ 14,992	\$ 94,821	\$ 109,813
2022	5,649	94,821	100,470
2023	129	104,711	104,840
2024	(69,072)	89,119	20,047
2025	(2)	80,054	80,052
Thereafter	-	22,601	22,601
Total	<u>\$ (48,304)</u>	<u>\$ 486,127</u>	<u>\$ 437,823</u>

***Actuarial Assumptions - OPERS***

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

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	3.16%
Prior Measurement date	3.96%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	2.75%
Prior Measurement date	3.71%
Health Care Cost Trend Rate	
Current measurement date	10.50% initial, 3.50% ultimate in 2030
Prior Measurement date	10.00%, initial 3.25%, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

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

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

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

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

During 2019, 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, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. 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 19.70% for 2019.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
<b>Total</b>	<b>100.00 %</b>	<b>4.55 %</b>

**Discount Rate** - A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. 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 2.75%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

- The following table presents the proportionate share of the net OPEB liability calculated using the single discount rate of 3.16%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16%) or one-percentage-point higher (4.16%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 4,154,407	\$ 3,174,551	\$ 2,390,002

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

- Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 3,080,871	\$ 3,174,551	\$ 3,267,033

***Changes between Measurement Date and Reporting Date***

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

***Actuarial Assumptions - OP&F***

OP&F's total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

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

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	3.56%
Prior measurement date	4.66%
Cost of Living Adjustments	3.00% simple; 2.20% 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%

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

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

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



**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (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, 2019, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation		
Linked Bonds *	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	<u>120.00 %</u>	

Note: assumptions are geometric.

\* levered 2x

\*\* numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** - For 2019, the total OPEB liability was calculated using the discount rate of 3.56%. For 2018, 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 of 8.00%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75% at December 31, 2019 and 4.13% at December 31, 2018, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 3.56% for 2019 and 4.66% for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (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 3.56%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56%), or one percentage point higher (4.56%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 1,299,317	\$ 1,047,891	\$ 838,973

*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.

**NOTE 18 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund, fire and rescue fund, police fund and street fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

THIS SPACE IS INTENTIONALLY LEFT BLANK

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 18 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

**Net Change in Fund Balance**

	<u>General Fund</u>	<u>Fire &amp; Rescue</u>	<u>Police</u>	<u>Street</u>
Budget basis	\$ (1,013,089)	\$ 437,976	\$ 22,406	\$ (309,895)
Net adjustment for revenue accruals	90,629	5,714	(17,654)	1,844
Net adjustment for expenditure accruals	(482,724)	59,404	119,997	(38,632)
Net adjustment for other sources/uses	328,000	-	-	-
Funds budgeted elsewhere	162,971	-	-	-
Adjustment for encumbrances	<u>181,859</u>	<u>77,263</u>	<u>52,457</u>	<u>988,935</u>
GAAP basis	<u>\$ (732,354)</u>	<u>\$ 580,357</u>	<u>\$ 177,206</u>	<u>\$ 642,252</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the Earl Heck Community Center fund, the street lighting fund, the street and related bonds fund, and the debt service investment trust fund.

THIS SPACE IS INTENTIONALLY LEFT BLANK

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 19 - FUND BALANCE**

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

Fund balance	General	Fire & Rescue Fund	Police Fund	Street Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>							
Materials and supplies inventory	\$ -	\$ -	\$ -	\$ 156,311	\$ -	\$ -	\$ 156,311
Prepays	34,850	26,679	32,037	11,124	13,000	7,665	125,355
Long-term advances	795,415	-	-	-	-	-	795,415
<b>Total nonspendable</b>	<b>830,265</b>	<b>26,679</b>	<b>32,037</b>	<b>167,435</b>	<b>13,000</b>	<b>7,665</b>	<b>1,077,081</b>
<b>Restricted:</b>							
Street construction and maintenance	-	-	-	2,082,661	-	972,670	3,055,331
Public safety	-	1,019,955	836,876	-	-	231,213	2,088,044
Capital improvements	-	-	-	-	1,182,156	-	1,182,156
Other purposes	-	-	-	-	-	422,296	422,296
<b>Total restricted</b>	<b>-</b>	<b>1,019,955</b>	<b>836,876</b>	<b>2,082,661</b>	<b>1,182,156</b>	<b>1,626,179</b>	<b>6,747,827</b>
<b>Committed:</b>							
Capital improvements	-	-	-	-	1,716,478	-	1,716,478
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,716,478</b>	<b>-</b>	<b>1,716,478</b>
<b>Assigned:</b>							
Street lighting	319,767	-	-	-	-	-	319,767
Earl Heck Community Center	258,502	-	-	-	-	-	258,502
General government	34,734	-	-	-	-	-	34,734
Public health	709	-	-	-	-	-	709
Community environment	43,097	-	-	-	-	-	43,097
Leisure time activities	57,027	-	-	-	-	-	57,027
Capital projects	-	-	-	-	2,822,420	-	2,822,420
Subsequent appropriations	2,651,836	-	-	-	-	-	2,651,836
<b>Total assigned</b>	<b>3,365,672</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,822,420</b>	<b>-</b>	<b>6,188,092</b>
<b>Unassigned (deficit)</b>	<b>1,161,723</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,161,723</b>
<b>Total fund balances</b>	<b>\$ 5,357,660</b>	<b>\$ 1,046,634</b>	<b>\$ 868,913</b>	<b>\$ 2,250,096</b>	<b>\$ 5,734,054</b>	<b>\$ 1,633,844</b>	<b>\$ 16,891,201</b>

THIS SPACE IS INTENTIONALLY LEFT BLANK

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 20 - COMMITMENTS**

**A. Contractual Commitments**

As of December 31, 2020, the City had the following contractual commitments outstanding related to various City projects and purchases:

<u>Vendor</u>	Amount of Contract	Amount Paid as of 12/31/2020	Remaining Commitment 12/31/2020
Pennoni Associates	\$ 49,700	\$ 42,000	\$ 7,700
Smolen Engineering	52,140	37,414	14,726
Stone Environmental Engineering	68,902	53,902	15,000
Motorola Solutions	437,063	61,289	375,774
John R Jurgensen	700,000	-	700,000
Splashpads USA	126,800	7,500	119,300
Total	<u>\$ 1,434,605</u>	<u>\$ 202,105</u>	<u>\$ 1,232,500</u>

**B. Other Commitments**

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

<u>Fund</u>	Year-End <u>Encumbrances</u>
General fund	\$ 140,554
Fire and rescue	69,543
Police	47,577
Street	907,605
Capital improvement	642,790
Nonmajor governmental	<u>51,595</u>
Total	<u>\$ 1,859,664</u>

**NOTE 21 - CONTINGENCIES**

**A. Grants**

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2020.

**B. Litigation**

The City is currently involved in no litigation for which there is a risk of financial liability.

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 22 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. The City's investment portfolio and the pension and other employee benefits plan in which the City participate fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the City received \$777,455 as an on-behalf of grant from another government. These amounts are recorded in the Federal Funds Special Revenue Fund (a nonmajor governmental fund).

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY/NET PENSION ASSET  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST SEVEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.024665%	0.025701%	0.026325%	0.024882%
City's proportionate share of the net pension liability	\$ 4,875,205	\$ 7,038,983	\$ 4,129,882	\$ 5,650,278
City's covered payroll	\$ 3,497,250	\$ 3,463,686	\$ 3,495,077	\$ 3,237,625
City's proportionate share of the net pension liability as a percentage of its covered payroll	139.40%	203.22%	118.16%	174.52%
Plan fiduciary net position as a percentage of the total pension liability	82.17%	74.70%	84.66%	77.25%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.000337%	0.000838%	0.000845%	0.002002%
City's proportionate share of the net pension asset	\$ 12	\$ 18	\$ 29	\$ 8
City's covered payroll	\$ 2,000	\$ 4,790	\$ 4,640	\$ 10,389
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.60%	0.38%	0.63%	0.08%
Plan fiduciary net position as a percentage of the total pension asset	118.84%	113.42%	124.46%	103.40%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



	<b>2016</b>	<b>2015</b>	<b>2014</b>
	0.025531%	0.025300%	0.025300%
\$	4,422,291	\$ 3,051,464	\$ 2,982,540
\$	3,184,508	\$ 3,109,367	\$ 2,954,423
	138.87%	98.14%	100.95%
	81.08%	86.45%	86.36%
	0.008640%	n/a	n/a
\$	33	n/a	n/a
\$	48,117	n/a	n/a
	0.07%	n/a	n/a
	103.91%	n/a	n/a

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST SEVEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net pension liability	0.10608620%	0.10427500%	0.10974200%	0.09423200%
City's proportionate share of the net pension liability	\$ 7,146,533	\$ 8,511,595	\$ 6,735,346	\$ 5,968,562
City's covered payroll	\$ 2,611,183	\$ 2,418,575	\$ 2,487,024	\$ 2,146,230
City's proportionate share of the net pension liability as a percentage of its covered payroll	273.69%	351.93%	270.82%	278.10%
Plan fiduciary net position as a percentage of the total pension liability	69.89%	63.07%	70.91%	68.36%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.09375600%	0.09370540%	0.09370540%
\$ 6,031,391	\$ 4,854,331	\$ 4,563,747
\$ 2,009,053	\$ 2,454,379	\$ 1,906,928
300.21%	197.78%	239.32%
66.77%	72.20%	73.00%

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

	LAST TEN YEARS			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 478,285	\$ 489,615	\$ 484,916	\$ 454,360
Contributions in relation to the contractually required contribution	<u>(478,285)</u>	<u>(489,615)</u>	<u>(484,916)</u>	<u>(454,360)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,416,321	\$ 3,497,250	\$ 3,463,686	\$ 3,495,077
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%
 <i>Member Directed Plan:</i>				
Contractually required contribution	\$ 529	\$ 200	\$ 479	\$ 464
Contributions in relation to the contractually required contribution	<u>(529)</u>	<u>(200)</u>	<u>(479)</u>	<u>(464)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 5,290	\$ 2,000	\$ 4,790	\$ 4,640
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 388,515	\$ 382,141	\$ 373,124	\$ 384,075	\$ 278,238	\$ 259,157
<u>(388,515)</u>	<u>(382,141)</u>	<u>(373,124)</u>	<u>(384,075)</u>	<u>(278,238)</u>	<u>(259,157)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,237,625	\$ 3,184,508	\$ 3,109,367	\$ 2,954,423	\$ 2,782,380	\$ 2,591,570
12.00%	12.00%	12.00%	13.00%	10.00%	10.00%

\$ 987	\$ 5,774
<u>(987)</u>	<u>(5,774)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 10,389	\$ 63,801
9.50%	9.05%

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS  
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Police:</i>				
Contractually required contribution	\$ 314,926	\$ 328,143	\$ 298,529	\$ 313,524
Contributions in relation to the contractually required contribution	<u>(314,926)</u>	<u>(328,143)</u>	<u>(298,529)</u>	<u>(313,524)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,657,505	\$ 1,727,068	\$ 1,571,205	\$ 1,650,126
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 333,419	\$ 207,767	\$ 199,132	\$ 196,671
Contributions in relation to the contractually required contribution	<u>(333,419)</u>	<u>(207,767)</u>	<u>(199,132)</u>	<u>(196,671)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,418,804	\$ 884,115	\$ 847,370	\$ 836,898
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 289,374	\$ 285,479	\$ 347,329	\$ 230,055	\$ 179,155	\$ 172,795
<u>(289,374)</u>	<u>(285,479)</u>	<u>(347,329)</u>	<u>(230,055)</u>	<u>(179,155)</u>	<u>(172,795)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,523,021	\$ 1,502,521	\$ 1,828,047	\$ 1,448,405	\$ 1,405,137	\$ 1,355,255
19.00%	19.00%	19.00%	15.88%	12.75%	12.75%
\$ 146,454	\$ 119,035	\$ 147,188	\$ 93,385	\$ 77,284	\$ 79,663
<u>(146,454)</u>	<u>(119,035)</u>	<u>(147,188)</u>	<u>(93,385)</u>	<u>(77,284)</u>	<u>(79,663)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 623,209	\$ 506,532	\$ 626,332	\$ 458,144	\$ 448,023	\$ 461,814
23.50%	23.50%	23.50%	20.38%	17.25%	17.25%

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST FOUR YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.022983%	0.023966%	0.024590%	0.023267%
City's proportionate share of the net OPEB liability	\$ 3,174,551	\$ 3,124,602	\$ 2,670,293	\$ 2,350,047
City's covered payroll	\$ 3,499,250	\$ 3,468,476	\$ 3,499,717	\$ 3,248,014
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	90.72%	90.09%	76.30%	72.35%
Plan fiduciary net position as a percentage of the total OPEB liability	47.80%	46.33%	54.14%	54.05%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY  
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST FOUR YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.10608620%	0.10427500%	0.10974200%	0.09423200%
City's proportionate share of the net OPEB liability	\$ 1,047,891	\$ 949,584	\$ 6,217,811	\$ 4,472,981
City's covered payroll	\$ 2,611,183	\$ 2,418,575	\$ 2,487,024	\$ 2,146,230
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	40.13%	39.26%	250.01%	208.41%
Plan fiduciary net position as a percentage of the total OPEB liability	47.08%	46.57%	14.13%	15.96%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S OPEB CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Contractually required contribution	\$ 212	\$ 80	\$ 192	\$ 35,136
Contributions in relation to the contractually required contribution	(212)	(80)	(192)	(35,136)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 3,421,611	\$ 3,499,250	\$ 3,468,476	\$ 3,499,717
Contributions as a percentage of covered payroll	0.01%	0.00%	0.01%	1.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 65,221	\$ 63,690	\$ 62,045	\$ 29,531	\$ 111,295	\$ 103,663
<u>(65,221)</u>	<u>(63,690)</u>	<u>(62,045)</u>	<u>(29,531)</u>	<u>(111,295)</u>	<u>(103,663)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,248,014	\$ 3,248,309	\$ 3,109,367	\$ 2,954,423	\$ 2,782,380	\$ 2,591,570
2.01%	1.96%	2.00%	1.00%	4.00%	4.00%

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S OPEB CONTRIBUTIONS  
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Police:</i>				
Contractually required contribution	\$ 8,288	\$ 8,635	\$ 7,856	\$ 8,251
Contributions in relation to the contractually required contribution	<u>(8,288)</u>	<u>(8,635)</u>	<u>(7,856)</u>	<u>(8,251)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,657,505	\$ 1,727,068	\$ 1,571,205	\$ 1,650,126
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
<i>Fire:</i>				
Contractually required contribution	\$ 7,094	\$ 4,421	\$ 4,237	\$ 4,184
Contributions in relation to the contractually required contribution	<u>(7,094)</u>	<u>(4,421)</u>	<u>(4,237)</u>	<u>(4,184)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,418,804	\$ 884,115	\$ 847,370	\$ 836,898
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 7,821	\$ 7,716	\$ 7,346	\$ 52,353	\$ 94,847	\$ 91,479
<u>(7,821)</u>	<u>(7,716)</u>	<u>(7,346)</u>	<u>(52,353)</u>	<u>(94,847)</u>	<u>(91,479)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,523,021	\$ 1,502,521	\$ 1,828,047	\$ 1,448,405	\$ 1,405,137	\$ 1,355,255
0.51%	0.51%	0.40%	0.38%	6.75%	6.75%
\$ 3,116	\$ 2,533	\$ 2,395	\$ 17,286	\$ 30,241	\$ 31,173
<u>(3,116)</u>	<u>(2,533)</u>	<u>(2,395)</u>	<u>(17,286)</u>	<u>(30,241)</u>	<u>(31,173)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 623,209	\$ 506,532	\$ 626,332	\$ 458,144	\$ 448,023	\$ 461,814
0.50%	0.50%	0.50%	3.77%	6.75%	6.75%

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020

PENSION

---

*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014-2020.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%. There were no changes in assumptions for 2020.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014-2020.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple. There were no changes in assumptions for 2019-2020.

(Continued)

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2020

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

---

*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2017-2020.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029. For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.00%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2017-2018. For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model. There were no changes in benefit terms for 2020.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%. For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.

## **SUPPLEMENTARY INFORMATION**



**CITY OF ENGLEWOOD  
MONTOMGERY COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(A) CASH DISBURSEMENTS
<b>UNITED STATES DEPARTMENT OF TREASURY PASSED THROUGH THE OHIO OFFICE OF BUDGET AND MANAGEMENT</b>			
COVID-19 - Coronavirus Relief Fund	21.019	HB481-CRF-Local	\$ 777,455
<b>Total United States Department of Treasury</b>			<b>777,455</b>
<b>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Direct Award</i>			
COVID-19 - Provider Relief Fund	93.498	N/A	18,566
<b>Total United States Department of Health and Human Services</b>			<b>18,566</b>
<b>Total Federal Financial Assistance</b>			<b>\$ 796,021</b>

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

- (A) The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Englewood under programs of the federal government for the year ended December 31, 2020 and is prepared in accordance with the cash basis of accounting. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Requirements for Federal Awards* (Uniform Guidance). Because this Schedule presents only a selected portion of the operations of the City of Englewood, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Englewood.
- (B) CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The City has not elected to use the 10% de minimis indirect cost rate.

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

City of Englewood  
Montgomery County  
333 West National Road  
Englewood, Ohio 45322

To the Members of Council and Mayor:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Englewood, Montgomery County, Ohio, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Englewood's basic financial statements, and have issued our report thereon dated July 28, 2021, wherein we noted as described in Note 22 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

***Internal Control over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc." with a period at the end.

Julian & Grube, Inc.

July 28, 2021

**Independent Auditor's Report on Compliance for Each Major Program  
and on Internal Control Over Compliance Required by the Uniform Guidance**

City of Englewood  
Montgomery County  
333 West National Road  
Englewood, Ohio 45322

To the Members of Council and Mayor:

***Report on Compliance for Each Major Federal Program***

We have audited the City of Englewood's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Englewood's major federal programs for the year ended December 31, 2020. The City of Englewood's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the City of Englewood complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

***Report on Internal Control over Compliance***

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

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

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

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



Julian & Grube, Inc.  
July 28, 2021

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2020**

<b>1. SUMMARY OF AUDITORS' RESULTS</b>		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	COVID 19 – Coronavirus Relief Fund (CFDA #21.019)
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

<b>2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
---

None

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
--

None

# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF ENGLEWOOD**

**MONTGOMERY 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 9/21/2021**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)