

# Comprehensive Annual Financial Report

For the year ended December 31, 2018

City of Brunswick, Ohio  
4095 Center Road  
Brunswick, OH 44212  
[www.brunswick.oh.us](http://www.brunswick.oh.us)





OHIO AUDITOR OF STATE  
KEITH FABER



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

City Council  
City of Brunswick  
4095 Center Rd  
Brunswick, OH 44212

We have reviewed the *Independent Auditor's Report* of the City of Brunswick, Medina County, prepared by Rea & Associates, Inc., for the audit period January 1, 2018 through December 31, 2018. 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 Brunswick 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

June 17, 2019

*This Page Intentionally Left Blank.*

# **City of Brunswick, Ohio**

## **Comprehensive Annual Financial Report**

*For the Year Ended December 31, 2018*

Issued by:

City of Brunswick  
Department of Finance

Todd R. Fischer  
Finance Director

*This Page Intentionally Left Blank.*

---

# Introductory Section

---

*This Page Intentionally Left Blank.*



**City of Brunswick, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2018*  
*Table of Contents*

	<u>Page</u>
<b>I. Introductory Section</b>	
Table of Contents .....	i
Letter of Transmittal .....	v
GFOA Certificate of Achievement .....	xii
List of City Officials .....	xiii
Organizational Chart .....	xiv
 <b>II. Financial Section</b>	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	5
 Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position .....	21
Statement of Activities .....	22
 Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	24
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	26
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual:	
General Fund .....	28
Fire Department Fund .....	29
Street Repair and Maintenance Fund .....	30
Police Fund .....	31
Statement of Fund Net Position - Proprietary Funds.....	32
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds .....	33
Statement of Cash Flows - Proprietary Funds .....	34
Statement of Fiduciary Assets and Liabilities – Agency Funds .....	35
Notes to the Basic Financial Statements .....	36

Required Supplementary Information:

Schedule of the City's Proportionate Share of the Net Pension Liability - Ohio Public Employees Retirement System – Traditional Plan – Last Five Years.....	90
Schedule of the City's Proportionate Share of the Net Pension Asset - Ohio Public Employees Retirement System – Combined Plan – Current Year .....	91
Schedule of the City's Proportionate Share of the Net OPEB Liability - Ohio Public Employees Retirement System – Last Two Years .....	92
Schedule of the City's Proportionate Share of the Net Pension Liability - Ohio Police and Fire Pension Fund – Last Five Years.....	93
Schedule of the City's Proportionate Share of the Net OPEB Liability - Ohio Police and Fire Pension Fund – Last Two Years.....	94
Schedule of the City's Contributions - Ohio Public Employees Retirement System – Last Six Years .....	96
Schedule of the City's Contributions - Ohio Police and Fire Pension Fund – Last Ten Years.....	98
Notes to the Required Supplementary Information.....	100

Combining Statements and Individual Fund Statements and Schedules:

Combining Statements – Nonmajor Governmental Funds:

Fund Descriptions.....	104
Combining Balance Sheet – Nonmajor Governmental Funds.....	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	107
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	108
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	110
Combining Balance Sheet – Nonmajor Debt Service Funds.....	112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds.....	113
Combining Balance Sheet – Nonmajor Capital Projects Funds .....	114
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds .....	116

Combining Statements - Agency Funds:

Fund Descriptions.....	118
Combining Statement of Changes in Assets and Liabilities – Agency Funds .....	119

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

Major Funds:

General Fund.....	122
Fire Department Fund.....	128
Street Repair and Maintenance Fund.....	129
Police Fund.....	130
Road Improvement Fund.....	131
Refuse Fund.....	132
Stormwater Fund.....	133

Nonmajor Funds:

Court Computerization Fund.....	134
Federal Emergency Management Agency (FEMA) Grant Fund.....	135
State Highway Fund.....	136
Law Enforcement Fund.....	137
Brunswick Transit Alternative Fund.....	138
Revolving Loan Fund.....	139
Parks Fund.....	140
Department of Justice Federal Grant Fund.....	141
Enforcement and Education Fund.....	142
Community Recreation Center Fund.....	143
Community Home Investment Program Grant Fund.....	144
Cable TV Fund.....	145
General Obligation Bond Retirement Fund.....	146
Special Assessment Bond Retirement Fund.....	147
Fire Department Improvement Fund.....	148
Permanent Improvement Fund.....	149
Traffic Control Equipment Fund.....	150
Park Development Fund.....	151
City Hall Expansion Fund.....	152
Brunswick Lake Construction Fund.....	153
Self-Insurance Fund.....	154

III. Statistical Section

Statistical Section Description.....	S1
Net Position by Component – Last Ten Years.....	S2
Change in Net Position - Last Ten Years.....	S4
Fund Balances, Governmental Funds Last Ten Years.....	S8
Changes in Fund Balances, Governmental Funds Last Ten Years.....	S10
Assessed Valuation and Estimated Actual Values of Taxable Property Last Ten Years.....	S12

Property Tax Rates – Direct and Overlapping Governments – Last Ten Years.....	S14
Principal Real Property Taxpayers – 2018 and 2009 .....	S16
Property Tax Levies and Collections – Last Ten Years .....	S17
Income Tax Revenue Base and Collections – Last Ten Years.....	S18
Ten Largest Municipal Income Tax Withholding Accounts – 2018 and 2009 .....	S19
Ratios of Outstanding Debt to Total Personal Income and Debt Per Capita – Last Ten Years .....	S20
Ratio of General Obligation Bonded Debt to Estimated True Value of Taxable Property and Bonded Debt per Capita – Last Ten Years .....	S21
Legal Debt Margin Information – Last Ten Years .....	S22
Computation of Direct and Overlapping Debt Attributable to Governmental Activities.....	S24
Demographic and Economic Statistics – Last Ten Years.....	S25
Principal Employers – 2018 and 2009.....	S26
Full-Time Equivalent City Government Employees by Function/Program – Last Ten Years.....	S28
Capital Assets Statistics by Function/Program – Last Ten Years .....	S30
Operating Indicators by Function/Program – Last Ten Years.....	S32

**MAYOR**  
RON FALCONI

# CITY OF BRUNSWICK

**COUNCIL**  
MICHAEL J. ABELLA, JR  
ANTHONY P. CAPRETTA  
JOSEPH P. DELSANTER  
NICHOLAS HANEK  
PATRICIA HANEK  
BRIAN K. OUSLEY  
ANDREA L. RODRIGUEZ

**CITY MANAGER / SAFETY DIRECTOR**  
CARL S. DEFOREST

May 21, 2019

Members of Council and  
Citizens of Brunswick:

We are pleased to submit the City of Brunswick's 2018 Comprehensive Annual Financial Report. This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a Generally Accepted Accounting Principles (GAAP) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file an annual report with the Auditor of State within 150 days of fiscal year end.

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

State statutes require the City of Brunswick to be subjected to an annual examination by the Auditor of State. Either the Auditor of State of Ohio or, if the Auditor permits, an independent public accounting firm conducts these audits. The City of Brunswick selected Rea & Associates, Inc. to perform these services for the year ending December 31, 2018. The Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The City of Brunswick is located in northeast Ohio, within the boundaries of Medina County, and is 12.95 square miles in area. The City is fortunate to have I-71 as a major artery running north and south through its eastern half with an intersection at State Route 303. Additionally, the City is within 30 miles of the City of Cleveland and Akron and only 12 miles from Cleveland Hopkins International Airport.

With the adoption of the Charter in 1975, the City changed from a part-time Mayor-Council form of government to a Council-Manager form of government. As required by the City's Charter, every five years a commission is appointed by the Mayor to conduct a comprehensive review of the Charter and recommend any necessary amendments to Council. Amendments are then presented to the voters of the City for consideration at the November general election. The next Charter review year is scheduled for 2020.

The City elects a part-time Mayor whose responsibilities include ceremonial and judicial functions. City Council consists of seven elected members, four wards and three at-large, who engage a City Manager as the chief administrative officer of the City. The City Manager is responsible for hiring directors, subject to confirmation by



4095 CENTER ROAD - BRUNSWICK, OHIO 44212

CITY HALL PHONE: (330) 225-9144 - FAX: (330) 273-8023 - POLICE & FIRE PHONE: (330) 225-9111 - FAX: (330) 225-6002

<http://www.brunswick.oh.us>

Council, for: Law, Finance, Public Service, Parks and Recreation, Public Safety and Community and Economic Development. The City Manager is also responsible for hiring other department and division heads such as: Police Chief, Fire Chief, Clerk of Courts, Information and Public Communications Manager and Administrative Services Manager.

The City provides police, fire and emergency medical services protection, street and storm water maintenance, park improvement and maintenance, building permitting and code enforcement, weekly refuse collection through a contract with a private hauler as well as general administration services for all of its stakeholders. The City also operates a Mayor's Court under the provisions of the Ohio Revised Code. The Court hears traffic and first to fourth degree misdemeanor charges. In the case of a "not guilty" plea, the cases are transferred to the Medina Municipal Court.

Water and sanitary sewer services are provided by the Cleveland Water Department and Medina County Sanitary Sewer Department, respectively. The private sector provides other major utilities for the City. Two years ago, Medina County and the City of Brunswick also made the decision to consolidate and merge two transit services into one. Since that merger took place, the City of Brunswick has agreed to provide an annual local contribution to Medina County. With that contribution, transit services remain within the municipal limits.

The City is very proud of its parks which include over 300 acres of park land aimed at improving the quality of life for Brunswick residents and businesses. The City offers 23 parks which include community parks, neighborhood parks and additional open spaces. The City's community parks are intended to serve the needs of the entire public without specific concentration on location. The City's neighborhood parks focus on the needs of specific neighborhoods, generally within one mile. The "open space" parks that are undeveloped by design offer a natural park without any constructed park apparatuses. Some of these parks also exist in order to protect specific areas from future construction, such as wetlands.

The City of Brunswick also operates a Community Recreation and Fitness Center serving residents as a fitness center, community event center, recreational program center, senior citizen center, and social center for public use. The Community Recreation and Fitness Center offers a full range of recreational and social activities for people of all ages and abilities. Members have full use of the facility for open recreation and fitness opportunities. The City offers discounted membership and programming rates to Brunswick residents and other residents that reside within the School District boundaries (which extend, in part, into surrounding township areas). However, membership is not required to enroll in programs or attend meetings and social events. The Community Recreation and Fitness Center offers a Community Concert Series hosting concerts and plays for people of all ages as well as a variety of community wide programs at no additional charge to the residents.

### **Local Economy**

Brunswick's local economy and related tax revenues have been improving over the last several years. According to the Ohio Department of Job and Family Services civilian labor force estimates, the City of Brunswick's unemployment rate equaled 4.1 percent in December 2018. The City's December 2018 unemployment rate is less than the unemployment rate of the State of Ohio and remains near historic low levels. Nine years ago, the City's unemployment rate was 7.9 percent.

The City's income tax base is made up of a good mix between business taxes and residential taxes. The biggest contributing group for income tax collections in 2018 was the business withholdings at 52.58 percent. This is important since it marks the thirteenth straight year where the withholding percentage was greater than the residential percentage. This is attributed to the emphasis on economic development growth and retention. The remaining portion of the City income tax revenue is made up of residential taxes at 40.94 percent and business net-profit taxes at 6.48 percent. The Income Tax Revenue Base and Collections for the past decade can be found in the statistical section.

The City of Brunswick continues to be fortunate to have a diverse business tax base that is not reliant on any one business or business sector. This diversity also proved to be a huge positive for the City during the economic downturn. The City did not experience the significant decline in business income tax revenues that other communities experienced. The Brunswick business tax base is made up of many small to medium size companies that have a wide range of products and services. The continued healthy growth in income tax revenue over the last several years is attributable to this diversified and growing tax base along with an increased renewable tax rate.

The County Auditor notified the City that property values for the upcoming 2019 collection year are valued slightly higher than those in 2018. This should bring in higher property tax revenues in 2019 and is a good sign that the local economy continues to improve.

Please see the statistical section of this report for further detailed information with regard to income and property tax collections. Being that these two sources of income are one of the largest received by the City, it will be important to continue to monitor these amounts and determine the impact, if any, of the ongoing economic condition.

### **Long-Term Financial Planning and Focus**

Since 2010, the City has reduced or controlled its operational costs; revamped its budgeting procedures; funded previously unfunded decisions; restored and improved the City's fiscal infrastructure and emergency cash reserves; instituted a new departmental and City-wide capital set aside program; reduced the reliance on debt and eliminated the need to use income tax revenues to retire existing debt obligations; improved upon various road and storm water infrastructure and explored various other alternative revenue sources. The outcome of this renewed focus has paid off immensely and has changed the financial behavior and decision making of the City. These changes and renewed focus have also allowed the City to move forward financially in a planned and systematic fashion. The City has achieved tremendous financial improvements over the past nine years compared to the preceding nine year period. While the City has been able to achieve these astonishing financial successes, the City still faces many challenges and hurdles, including but not limited to, lower staffing levels than desired in several departments, rising wages and benefit costs, and roads and storm water infrastructure aging beyond available financial resources.

On November 6, 2012, the electors approved the continuation of the 0.5 percent income tax levy to maintain staffing levels for the safety forces of the City of Brunswick for the period of January 1, 2014 through December 31, 2017. On May 2, 2017, the electors replaced the 0.5 percent levy with a 0.65 percent levy to maintain staffing levels for the safety forces of the City of Brunswick for the period of January 1, 2018 through December 31, 2022. The specific 0.65 percent levy generates an estimated \$6,700,000 annually and is an integral part of providing the current staffing levels of the Police and Fire divisions. The purpose of the new levy is to maintain staffing levels for the safety forces of the City.

The City continued its focus to balance the City's operational budget and 2018 marked the tenth straight year in which revenues exceeded expenditures. This sound financial practice has allowed the City to begin to plan and address some much needed capital improvements, including some larger road improvements. This is evident by the increased additions of capital asset values in the road infrastructure category during 2018. These additions in the road capital asset category are expected to continue in the near future as the City continues to set aside local savings for future road projects. Projects that are ongoing or already planned include but may not be limited to, the North Carpenter Road, Laurel Road Phases I and II, Skyview Drive, South Industrial Parkway, Magnolia Drive, Beverly Hills Drive, and Junior Parkway reconstruction improvement projects. All of these projects are now possible as a result of a positive financial direction and strong financial management.

This year marked the fourth collection year of the 1.2 mill ten year property tax road levy. The annual property tax revenues in 2018 equaled \$828,839. The tax collections are earmarked and used for neighborhood road improvement projects only. If any leftover property tax collections exist after any given fiscal year, the plan is to spend the excess on additional neighborhood road repairs in the future. The City plans to continue the neighborhood road improvement program for the life of the levy.

The City has elected to keep nine previously vacated positions unfilled resulting in approximately \$600,000 in annual operational cost savings from non-safety departments. These positions have remained vacant since the economic downturn. For the last several years these cost savings have been used to set aside local monies for road and capital improvements versus rehiring those positions. Prior to the most recent increased tax rate, some of these savings were needed to fund a portion of police and fire operations and capital costs not otherwise covered by the two safety specific levies approved by the voters.

The City has a fund balance reserve policy and has restored general fund cash reserves to reasonable levels. The policy requires financial plans to be compiled and submitted to restore emergency cash reserves if the fund balance would ever fall below a certain level. The policy also requires any excess amounts over stated maximum levels to be used for one time expenditures or other purposes as identified by the policy. The general fund is treated as the emergency reserve fund for all City funds. The reserve balances were established based on the expenditure levels of all City governmental funds and conservative approach to budgeting. The policy and related reserve and expenditure levels are analyzed and reviewed from time to time by the Administration, City Council and the Citizens' Financial Audit Review & Advisory Committee. The last approved amendment was made in 2017 when it was decided that the City shall increase the City's minimum and maximum fund balance reserves by \$250,000 annually for five consecutive fiscal years. The incremental \$250,000 fund balance reserve increases began in 2017 and are set to end by December 31, 2021. Further amendments to the policy are likely if significant changes in revenues, expenditures or methodologies to budgeting occur are anticipated. The latest revision was made as a result of the recent increased temporary income tax levy and increased expenditure levels of the safety forces. The general fund is available for any governmental purpose and as a result, establishing the reserve in the general fund provides Council with the most flexibility to handle various situations that may arise with financial commitments of any fund. To this point, any amounts over and above the fund balance reserve threshold since the policy was implemented have either been expended or set aside for road projects, building improvements and/or purchase of capital equipment or vehicles.

The City continued its overall debt reduction program for the ninth straight year. The City currently has no short term notes outstanding as of December 31, 2018. This was the fourth straight year that the City no longer dedicated any income tax revenues to retire debt obligations. The City has been successful in obtaining alternative revenue sources to retire its debt obligations freeing up income tax revenues for other purposes, including road and other capital improvements.

### **Largest Revenue Source**

The City's largest revenue source is taxes. Taxes are made up of income and property taxes.

#### *Income Taxes:*

Based on Council priorities and legal requirements, the City of Brunswick passed Ordinance Number 118-17 that determined the allocation of net municipal income tax receipts. The allocation of income taxes received during calendar year of 2018, net of collection expenses was: 49.25 percent to the police fund; 26.50 percent to the fire fund, 10.00 percent to the general fund; 7.50 percent to the street repair and maintenance fund; 3.50 percent to the parks fund; 3.00 percent to the capital improvement fund, and 0.25 percent to the Brunswick transit alternative fund. The amount distributed to the police, fire, street repair and maintenance, parks and the Brunswick transit alternative funds during the calendar year 2018 were limited to these maximum cash basis amounts of \$7,100,000,



\$4,150,000, \$1,225,000, \$555,000 and \$20,000, respectively. Any amounts in excess of these maximum amounts for these funds were retained in the general fund to maximize and allow for additional financial flexibility during these financial times. Council could elect to transfer or advance any excess income taxes retained in the general fund over and above these established maximums.

Council, sensitive to the economic climate, has continued to offer a credit on the local income tax rate for residents who pay municipal income taxes to another community (usually a community where they work) to help minimize the financial impact to the residents of the community. Beginning on January 1, 2018, with the new levy in place, Council has instituted a maximum 50 percent credit on the overall gross income tax rate for residents who pay municipal income taxes to another community.

*Property Taxes:*

The City has an Ordinance, based on the City Charter, accepting and certifying the property tax rates. The property tax rates for collection year 2018 were 3.8 mills in total, with 2.3 mills allocated to the general fund for general operations, 0.3 mills allocated to the City's police pension expenses and 1.2 voted mills for neighborhood road improvements.

**Major Ongoing or Future Capital Improvement Projects:**

North Carpenter Road Improvement Project(s): In 2005, the City put the North Carpenter Road improvement project on hold as a result of funding concerns. Plans have since been reviewed and expanded to include a section of the road that was previously omitted. While the plans were being updated, the City addressed other sections of North Carpenter Road that required more immediate attention such as the Center Road intersection, the Plum Creek and Healey Creek culvert sections, and the section of North Carpenter Road that was originally omitted from the larger project. These sections or improvements were made possible through grants or zero percent interest loans from the Ohio Public Works Commission as well as a small amount of local funds. The remainder of the originally designed North Carpenter Road Improvement project will expand the remaining major intersections along North Carpenter Road, at Grafton Road and at Boston Road, to three lanes. In addition, the construction plan would include an upgrade to a full concrete roadway, curbs and gutters, storm sewers and sidewalks. In 2016 and 2017, the project design and plan was reviewed. In 2018, the lowest and best bidder was selected by the State and the project was initiated. The project is a state let project and expected to take several years to complete. The overall costs, including engineering, right of ways, inspections, construction and other miscellaneous costs, are currently estimated to be between \$14 and \$15 million with the local share portion estimated near \$3.0 million. The current local share is to be split amongst the City of Brunswick and Medina County at 79.80 percent and 20.20 percent, respectively. The project completion is expected to be completed in 2021 and \$3,863,994 has been included in construction in progress as of December 31, 2018.

Grafton Road Reconstruction – Phase IV Improvement Project: The project length is 4,375 feet (360 feet west of Hadcock Road to Pearl Road). Construction began in the summer of 2017. Construction includes the removal and replacement of all concrete pavements, designated curb inlets, drive aprons and deteriorated sidewalks within the project area. The City was awarded an Ohio Public Works Commission Grant in the amount of \$610,000 with the remainder coming from the City's road improvement fund. The project completion is now expected to be completed in 2019 and \$1,688,896 has been included in construction in progress as of December 31, 2018.

Skyview Drive Reconstruction: The project length is 2,115 feet from Pearl Road to Woodhollow Drive. The reconstruction project includes new curbs, underdrains, aprons to first joints, and sidewalks. All costs are to be paid from the City's road improvement fund. The project is expected to be completed in 2019 and \$1,060,965 has been included in construction in progress as of December 31, 2018.

Laurel Road Reconstruction – Phase I Improvement Project: The project length is 2,630 linear feet of reconstruction on Laurel Road from Pearl Road to Britnall. The project will include the removal and replacement of all concrete pavements, designated curb inlets and drive aprons within the project area. Storm sewer crossovers will also be removed and replaced. Total project costs are currently estimated at \$1,367,985. All costs will be paid from the City’s road improvement fund. Construction began in 2018. The project completion is expected in 2019 and \$1,194,151 has been included in construction in progress as of December 31, 2018.

Various Neighborhood Streets Reconstruction Project: The project length is approximately 2,150 linear feet in total. The proposed project will reconstruct Beverly Hills and Magnolia Drives between Pearl Road and Judita Drive and Junior Parkway between Bettie Lane and Briarleigh Drive. The project includes minor reprofiling of Junior Parkway and addition of new drainage system. Furthermore, the project includes the removal and replacement of all concrete pavements, designated curb inlets and drive aprons within the project area. Sidewalks will be added to complete future pedestrian links to Pearl Road. Total project costs are currently estimated at \$1,148,025. The City has received an Ohio Public Works Commission Grant in the amount of \$613,800 and \$115,000 zero percent interest loan for this project. Any remaining costs are anticipated to be paid from the City’s road improvement fund. Construction began in 2018. The project completion is expected in 2019 and \$995,235 has been included in construction in progress as of December 31, 2018.

Neighborhood Road Levy Improvement Program: The City completed the fourth year of its ten-year 1.2 mill road improvement levy in 2018. The levy proceeds allow for a consistent annual program and are used exclusively in the City neighborhoods for road improvements. This program has been appropriated and will continue in 2019.

Laurel Road Reconstruction – Phase II Improvement Project: The project length is 2,130 linear feet of reconstruction on Laurel Road from Britnall to Pinewood. The project will include the removal and replacement of all concrete pavements, designated curb inlets and drive aprons within the project area. Storm sewer crossovers will also be removed and replaced. Total project costs are currently estimated at \$1,065,940. Engineering for this project was initiated in early 2019.

### **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to a governmental unit that publishes an easily readable and efficiently organized Comprehensive Annual Financial Report which conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting and its award represents a significant accomplishment by a government and its management. GFOA awarded a Certificate of Achievement to the City of Brunswick for its CAFR for the year ended December 31, 2017. A copy of this certificate is contained within this report. This is the 35<sup>th</sup> award the City has received.

A Certificate of Achievement is valid for a period of one year. The City of Brunswick believes the 2018 Comprehensive Annual Financial Report conforms to the Certificate of Achievement Program requirements and standards, and has submitted it to the GFOA for consideration.

The employees of the City of Brunswick are dedicated to serving its citizens. The preparation of a report of this scope depends upon the dedication of many employees, but especially the employees in the Department of Finance who have worked on various parts of this project. The City also appreciates the dedication of the Local Government Services Section of the Auditor of State’s Office for their assistance and guidance in the preparation of this report.

We would like to thank Brunswick City Council, whose leadership and encouragement made the preparation of this report possible.

We would also like to take this opportunity to thank the residents, businesses and taxpayers of the City of Brunswick for entrusting us with the administration of their local government.

Respectfully submitted,



Carl S. DeForest  
City Manager



Todd R. Fischer  
Director of Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Brunswick  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morill*

Executive Director/CEO

**City of Brunswick, Ohio**

*City Officials*  
*December 31, 2018*

*Mayor*

Ron Falconi

*Council Members*

Patricia Hanek..... Michael J. Abella, Jr.  
Anthony P. Capretta..... Joseph Salzgerber  
Nicholas Hanek..... Alex V. Johnson  
Brian K. Ousley

*City Manager/Safety Director*

Carl S. DeForest

*Finance Director and Tax Administrator*

Todd R. Fischer

*Parks and Recreation Director*

John Piepsny

*Law Director*

Kenneth J. Fisher

*Community & Economic Development Director*

Grant R. Aungst

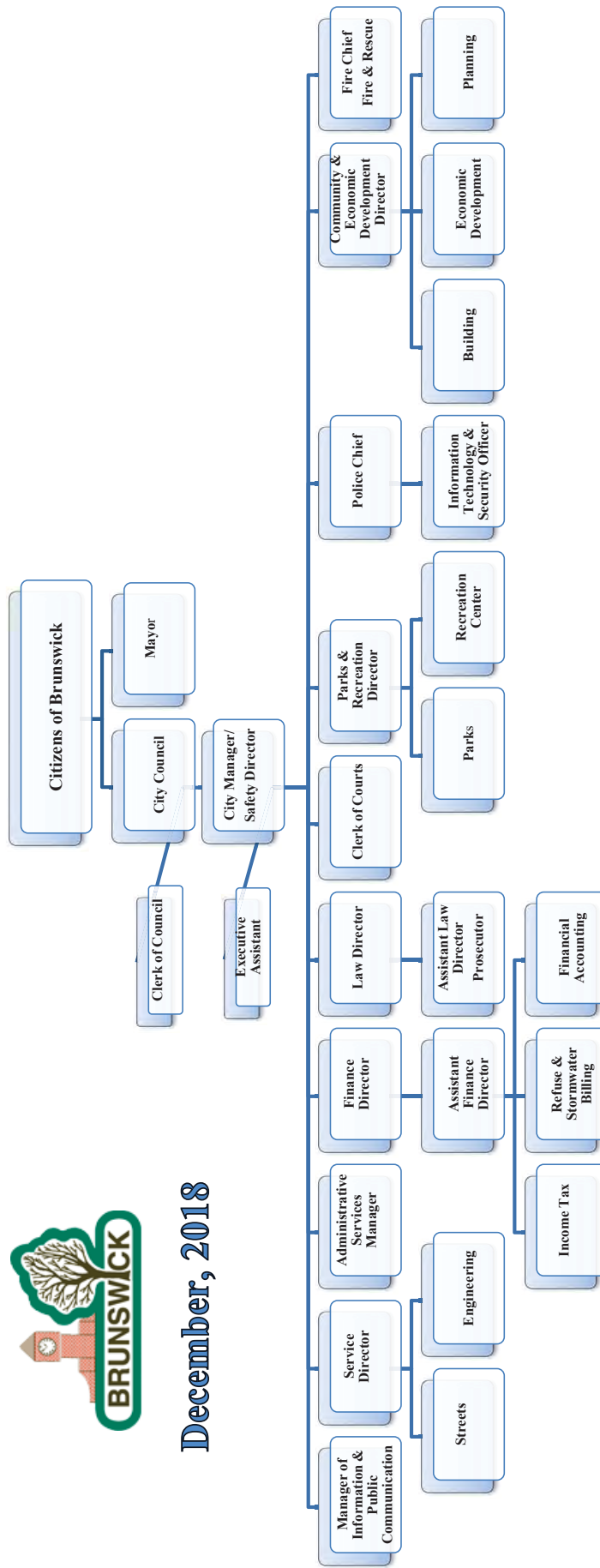
*Service Director*

Paul E. Barnett

# City of Brunswick Organizational Chart



December, 2018



---

# Financial Section

---

*This Page Intentionally Left Blank.*



May 21, 2019

To the City Council  
City of Brunswick  
Medina County, Ohio  
4095 Center Road  
Brunswick, OH 44212

## **Independent Auditor's Report**

### **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 Brunswick, Medina County, Ohio (the City), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements 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'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's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinions***

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

***Emphasis of a Matter***

As described in Note 17, the City restated the net position balance to account for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Our opinion is 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 the Pension and other Post-Employment Benefits Information as listed in the table of contents, to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

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

The combining and individual fund financial statements and schedules are the responsibility of management and were 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2019 on our consideration of the City'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Rea & Associates, Inc.*

Medina, Ohio

*This Page Intentionally Left Blank.*

**City of Brunswick, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*Unaudited*

---

The management's discussion and analysis of the City of Brunswick's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2018. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

**Financial Highlights:**

- The City's gross income tax rate increased from 1.85 percent to 2.00 percent, effective January 1, 2018. All income tax proceeds associated with this increase are to be used to maintain existing safety staffing levels through December 31, 2022.
- The City's net overall position increased for the ninth consecutive year. The City has been committed to improving its net position along with its infrastructure in a systematic fashion. If it weren't for the implementation of GASB 75 and recognizing postemployment benefits other than pensions, the increase in the City's net position would have been greater.
- The City has continued improving roads and infrastructure. In 2018, the City completed and capitalized its Center Road resurfacing project. The Grafton Road Phase IV, Skyview Drive, Laurel Road Phase I, North Carpenter Road and other neighborhood street reconstruction projects have been initiated but reported as construction in progress since they were not yet completed as of the balance sheet date. The City's commitment to improving its roads and infrastructure is reflected in the approximate \$10 million increase in reported capital assets over the past decade. This commitment should continue throughout 2019 as City Council passed Ordinance Number 19-19 on February 11, 2019, transferring a total of \$2,412,440 to the road improvement fund.
- 2018 was the fourth year of property tax collections on the City's 1.2 mill ten year tax levy for neighborhood road improvements and repairs. The levy was passed by the electors on May 6, 2014, and is expected to generate approximately \$830,000 annually from 2015-2024. Pursuant to City Council Resolution 3-14, one hundred percent of the annual road levy proceeds will be utilized on publicly dedicated residential streets. In 2018, the City expended levy funds only on neighborhood road repair programs, pursuant to Council's directive and the purpose of the levy.
- The City has been successful in identifying and obtaining alternative funding sources, and therefore, no longer utilizes income tax revenues to retire general bond obligations. The City currently uses intergovernmental monies, special assessment collections and storm water fees to retire these general debt obligations. Any income tax revenues that once were used to retire general obligation bond retirement debt in the past have since been legislatively redistributed to the City's street repair and maintenance, capital improvement and general funds.
- The City complies with GASB Statement Nos. 68, 71 and 75, which establish standards for measuring and recognizing pension and postemployment benefit liabilities, deferred outflows/inflows of resources and expense/expenditure. The implementation of these GASB statements, along with the inclusion of an initial year self-insurance internal service fund, resulted in a significant change to the financial statements presentation of the City. The City's opinion is that the GASB 68, 71 and 75 liabilities reported on these financial statements should be presented and reported directly on the State Pension Board's financial statements, and not on the City's financial statements. The establishment of the pension rates, the amount of retirement and post-employment benefits distributed and the actuarial assumptions lie with the State Pension Boards and State Legislators, and not directly with the City of Brunswick, Ohio.

**City of Brunswick, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*Unaudited*

---

**Using This Comprehensive Annual Financial Report (CAFR)**

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

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of that position. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

**Reporting the City of Brunswick as a Whole**

***Statement of Net Position and Statement of Activities***

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City do financially during 2018?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid. These two statements report the City's net position and the changes in that position. The changes in net position are important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of the City's capital assets will also need to be evaluated.

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

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position (Assets and Deferred Outflows of Resources minus Liabilities and Deferred Inflows of Resources)
- Program Revenues and Expenses
- General Revenues
- Net Position Beginning of Year and Year's End

**City of Brunswick, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*Unaudited*

---

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

***Fund Financial Statements***

The presentation of the City's major funds begins with the section discussing the City's funds. Fund financial reports provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds which account for the multitude of services, facilities and infrastructure provided to our stakeholders. However, these fund financial statements focus on the City's most significant funds. The City of Brunswick's major funds are the general, fire department, street repair and maintenance, police, road improvement, refuse and stormwater.

***Governmental Funds***

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

***Proprietary Funds***

The City of Brunswick 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 refuse and stormwater operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains such a fund for its self-insurance program of health related employee benefits. Because this predominately benefits governmental rather than business functions, it has been included within governmental activities in the government-wide financial statements. The proprietary fund financial statements provide separate information for the refuse and stormwater operations as they are considered major funds. For comparison purposes, 2018 was the seventh year the stormwater fee was billed and collected.

**The City as a Whole**

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

**City of Brunswick, Ohio**  
*Management's Discussion and Analysis*  
For the Year Ended December 31, 2018  
Unaudited

**Table 1 - Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Assets</b>						
Current and Other Assets	\$61,762,302	\$57,756,750	\$5,047,395	\$4,385,074	\$66,809,697	\$62,141,824
Noncurrent Assets:						
Net Pension Asset	17,226	0	352	0	17,578	0
Capital Assets, Net	47,262,829	42,482,832	5,054,741	5,041,752	52,317,570	47,524,584
<i>Total Assets</i>	<u>109,042,357</u>	<u>100,239,582</u>	<u>10,102,488</u>	<u>9,426,826</u>	<u>119,144,845</u>	<u>109,666,408</u>
<b>Deferred Outflows of Resources</b>						
Pension	3,421,597	5,768,300	24,885	58,691	3,446,482	5,826,991
OPEB	1,663,307	71,414	4,987	890	1,668,294	72,304
<i>Total Deferred Outflows of Resources</i>	<u>5,084,904</u>	<u>5,839,714</u>	<u>29,872</u>	<u>59,581</u>	<u>5,114,776</u>	<u>5,899,295</u>
<b>Liabilities</b>						
Current and Other Liabilities	1,915,139	1,781,659	210,865	25,384	2,126,004	1,807,043
Long-Term Liabilities:						
Due Within One Year	305,873	293,808	301,440	297,079	607,313	590,887
Due in More than One Year:						
Net Pension Liability	20,484,167	23,537,708	102,914	153,540	20,587,081	23,691,248
Net OPEB Liability	17,562,466	15,195,653	67,502	65,188	17,629,968	15,260,841
Other Amounts	2,087,483	2,303,039	3,780,534	4,086,206	5,868,017	6,389,245
<i>Total Liabilities</i>	<u>42,355,128</u>	<u>43,111,867</u>	<u>4,463,255</u>	<u>4,627,397</u>	<u>46,818,383</u>	<u>47,739,264</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes	2,527,046	2,485,192	0	0	2,527,046	2,485,192
Pension	1,980,029	173,886	26,657	1,476	2,006,686	175,362
OPEB	560,282	0	6,654	0	566,936	0
<i>Total Deferred Inflows of Resources</i>	<u>5,067,357</u>	<u>2,659,078</u>	<u>33,311</u>	<u>1,476</u>	<u>5,100,668</u>	<u>2,660,554</u>
<b>Net Position</b>						
Net Investment in Capital Assets	45,058,361	39,818,640	1,043,245	733,698	46,101,606	40,552,338
Restricted:						
Capital Projects	11,518,947	13,361,772	0	0	11,518,947	13,361,772
Debt Service	1,747,653	1,889,987	0	0	1,747,653	1,889,987
Other Purposes	24,494,160	20,968,309	0	0	24,494,160	20,968,309
Unrestricted (Deficit)	(16,114,345)	(15,730,357)	4,592,549	4,123,836	(11,521,796)	(11,606,521)
<i>Total Net Position</i>	<u>\$66,704,776</u>	<u>\$60,308,351</u>	<u>\$5,635,794</u>	<u>\$4,857,534</u>	<u>\$72,340,570</u>	<u>\$65,165,885</u>

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting the net pension asset and deferred outflows related to pension and OPEB.



**City of Brunswick, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*Unaudited*

---

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

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.

**City of Brunswick, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*Unaudited*

---

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.

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating governmental net position at December 31, 2017, from \$75,432,590 to \$60,308,351 and restating business-type net position at December 31, 2017 from \$4,921,832 to \$4,857,534.

Total assets for the governmental and business-type activities increased in 2018 from 2017 and are mainly attributable to two reasons. The first reason is the City continued its effort to both increase cash reserves and setting aside money for the future improvement of major City roads and capital improvements. The second reason was an increase in net capital assets mainly due to the completion of the Center Road resurfacing project, initiation of various other road infrastructure improvement projects and the purchase of several service and safety vehicles. The City's deferred outflows of resources decreased as a result of reported amounts pursuant to GASB Statement Numbers 68, 71 and 75.

The total liabilities decreased for both the governmental activities and business type activities in 2018 from 2017. The net pension liability decrease in both governmental and business-type activities was due to the change in calculated net pension liability in accordance with GASB 68. Both the Ohio Public Employees Retirement System and the Ohio Police and Fire Pension Fund reported positive differences in actual earnings on investments versus those projected. This difference was one of the main reasons for the decrease presented in the net pension liability. The other amounts presented under long-term liabilities due in more than one year also decreased year over year in both the governmental and business type activities. The City has made a conscious effort to control and reduce its liabilities whenever possible. The City did not issue any new debt obligations in 2018 and retired all annual debt obligations in both the governmental and business type activities' categories. These efforts have improved the financial health of the City and will allow for the City to have a greater flexibility to address infrastructure needs under a more sustainable and developed financial plan. The decrease in total liabilities was offset by an increase in calculated net OPEB liabilities in accordance with GASB 75. Furthermore, the large increase in current and other liabilities in the business type activities related to an outstanding payable for refuse hauler services conducted in December 2018.

Net position for both the governmental and business-type activities increased overall. As previously mentioned, the main reasons for the increase related to the increase of cash set asides for future major City road and capital improvements; the continued improvement of the local economy; capitalization of assets and reduction of net pension liability and long-term debt. The increased net position of the City and its governmental and business-type activities were mainly offset due to an increase in net OPEB liability required under GASB 75 and a timing difference in payables for refuse hauler services.

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

**City of Brunswick, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2018**  
*Unaudited*

**Table 2 - Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<i>Program Revenues:</i>						
Charges for Services and Operating Assessments	\$3,583,162	\$3,912,942	\$3,643,649	\$3,543,082	\$7,226,811	\$7,456,024
Operating Grants, Contributions and Interest	1,888,450	1,928,967	0	0	1,888,450	1,928,967
Capital Grants and Contributions	1,184,292	805,605	0	14,965	1,184,292	820,570
<b>Total Program Revenues</b>	<b>6,655,904</b>	<b>6,647,514</b>	<b>3,643,649</b>	<b>3,558,047</b>	<b>10,299,553</b>	<b>10,205,561</b>
<i>General Revenues:</i>						
Property Taxes	2,566,179	2,488,524	0	0	2,566,179	2,488,524
Income Tax	20,327,720	17,228,968	0	0	20,327,720	17,228,968
Grants and Entitlements	884,005	799,145	0	0	884,005	799,145
Gain on Sale of Capital Assets	0	31,072	0	0	0	31,072
Unrestricted Donations	2,500	2,500	0	0	2,500	2,500
Interest	709,525	400,333	0	0	709,525	400,333
Other	182,426	143,725	0	0	182,426	143,725
<b>Total General Revenues</b>	<b>24,672,355</b>	<b>21,094,267</b>	<b>0</b>	<b>0</b>	<b>24,672,355</b>	<b>21,094,267</b>
<b>Total Revenues</b>	<b>31,328,259</b>	<b>27,741,781</b>	<b>3,643,649</b>	<b>3,558,047</b>	<b>34,971,908</b>	<b>31,299,828</b>
<i>Program Expenses:</i>						
General Government	3,552,631	3,748,966	0	0	3,552,631	3,748,966
Security of Persons and Property	13,754,744	12,838,125	0	0	13,754,744	12,838,125
Transportation	4,144,403	4,253,966	0	0	4,144,403	4,253,966
Community Environment	1,522,017	1,448,943	0	0	1,522,017	1,448,943
Public Health Services	33,490	33,004	0	0	33,490	33,004
Leisure Time Activities	1,856,006	1,908,288	0	0	1,856,006	1,908,288
Refuse	0	0	2,270,948	2,157,882	2,270,948	2,157,882
Stormwater	0	0	594,441	530,364	594,441	530,364
Interest and Fiscal Charges	68,543	77,825	0	0	68,543	77,825
<b>Total Program Expenses</b>	<b>24,931,834</b>	<b>24,309,117</b>	<b>2,865,389</b>	<b>2,688,246</b>	<b>27,797,223</b>	<b>26,997,363</b>
<i>Revenues Over Expenses before Transfers</i>						
	6,396,425	3,432,664	778,260	869,801	7,174,685	4,302,465
Transfer	0	(48,402)	0	48,402	0	0
Change in Net Position	6,396,425	3,384,262	778,260	918,203	7,174,685	4,302,465
Net Position Beginning of Year	60,308,351	N/A	4,857,534	N/A	65,165,885	N/A
Net Position End of Year	<u>\$66,704,776</u>	<u>\$60,308,351</u>	<u>\$5,635,794</u>	<u>\$4,857,534</u>	<u>\$72,340,570</u>	<u>\$65,165,885</u>

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$72,304 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned and adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report an OPEB expense of \$1,369,022. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

**City of Brunswick, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*Unaudited*

	Governmental Activities	Business-type Activities	Total
Total 2018 program expenses under GASB 75	\$24,931,834	\$2,865,389	\$27,797,223
OPEB expense under GASB 75	(1,364,132)	(4,890)	(1,369,022)
2018 contractually required contribution	28,930	19	28,949
Adjusted 2018 program expenses	23,596,632	2,860,518	26,457,150
Total 2017 program expenses under GASB 45	24,309,117	2,688,246	26,997,363
Increase (Decrease) in program expenses not related to OPEB	(\$712,485)	\$172,272	(\$540,213)

***Governmental Activities***

The overall financial strength and the net position of the City improved in 2018 from 2017 for reasons previously stated. The City also makes a conscious effort to follow our financial plan and live within our financial means.

Program and general revenues were comparable year over year, with the exception of the following governmental activities categories: charges for services and operating assessments, capital grants and contributions; income tax and interest. The reduction in the charges for services and operating assessments revenues related to less building and site collections in 2018. Several larger construction projects were initiated in 2017, including but not limited to a new hotel, apartments, and initiation of new phases in housing developments. Beginning in February 2018, City Council placed a temporary moratorium on accepting building permits on multi-family dwelling units, thus reducing building permit and site revenues in 2018. Capital grant and contribution program revenues increased in 2018 as a result of a state grant received on the Grafton Road Improvement Project and a Medina County contribution received for the North Carpenter Road Improvement Project. Interest revenues increased substantially in 2018 from 2017 as a result of additional efforts to expand the City's investment portfolio along with improving interest rates.

Several revenue sources fund the City's governmental activities with the City's income tax being the largest contribution by a substantial margin. On April 8, 1968, the income tax rate of one percent was established by City Ordinance No. 6-68. The Income Tax Ordinance was amended on July 24, 1995, requiring proposed tax rate changes be submitted to the electors of the City for approval or rejection. On November 7, 1995, the electors approved the proposed .35 percent increase for the purpose of expanding the City's safety forces. On May 5, 2009, the electors approved the proposed 0.5 percent income tax rate increase for police and fire operational expenses, with a corresponding increase of 0.25 percent to the income tax credit rate approved by City Council. The 0.5 percent income tax rate increase was effective for a four-year period from January 1, 2010 through December 31, 2013. A renewal of the 0.5 percent income tax rate increase was passed by voters on November 6, 2012, which was effective for an additional four year period from January 1, 2014 through December 31, 2017. On May 2, 2017, the electors approved a 0.65 percent income tax rate increase for police and fire operational expenses, with a corresponding increase of 0.25 percent to the income tax credit rate approved by City Council. The 0.65 percent income tax rate replaced the previous 0.50 percent income tax rate that expired on December 31, 2017. The new 0.65 percent income tax rate is effective for a five-year period commencing on January 1, 2018, and ends on December 31, 2022. For tax years beginning on January 1, 2018, the gross income tax rate increased from 1.85 percent to 2.00 percent, with a maximum of 1.00 percent credit for income taxes paid to another municipality which greatly contributed to an increase in income tax revenues.

**City of Brunswick, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*Unaudited*

---

The City is committed to a strong economic development program which in turn increases income tax revenues to support many essential services and infrastructure improvements. The local businesses, whether industrial or commercial, large or small, provide the City with a diverse income tax base. This diverse make-up of the City businesses allowed the City to fare much better than many other communities during the most recent economic downturn. During 2018, the City's income tax receipts, on a cash basis, were distributed to the following funds by City Council approved Ordinance Number 118-17: police fund 49.25 percent, up to a maximum of \$7,100,000; fire fund 26.50 percent, up to a maximum of \$4,150,000; the general fund 10.00 percent; street repair and maintenance fund 7.50 percent, up to a maximum of \$1,225,000; parks fund 3.50 percent, up to a maximum of \$555,000; capital improvement fund 3.00 percent; and Brunswick transit alternative fund 0.25 percent, up to a maximum of \$20,000. Income tax receipts that exceed the established maximums in any one fund were retained in the general fund. Annually, income tax allocations, levy requirements, fund balance reserves, priorities and needs of the City are evaluated prior to the income tax allocations being approved by Council.

Charges for services represents revenues from the Mayor's Court, video service provider, building permits, park development, recreation center, emergency rescue, transit, and rental fees along with special assessments. Operating and capital grants and contributions are represented mainly of revenues received from other governments for a specific purpose. General revenues from property taxes and local government funds are also significant revenue generators. The City will continue to monitor its sources of revenue for any significant changes or fluctuations.

Security of persons and property represents the highest program expense for the City by a large margin. This expense category is made up of all of the expenses and related activities of the Divisions of Police and Fire. Both divisions operated within their operating budgets. The Division of Police consists of a full-time police chief who oversees full-time and part-time police officers and communication specialists. The Division of Police is funded primarily from revenues generated through the City's income tax, a 0.3 mill inside millage property tax and fines and forfeitures. The Division of Fire is funded with income tax and rescue billing collections. The Division employs full-time and part-time Fire Medics personnel and is headed by a full-time chief. The goal of these two divisions is to provide the best possible safety services to our community. The security of persons and property program expenses increased partly as a result of negotiated wages in the collective bargaining process, recognized claim expenses for self-insurance and expense recognition with GASB 75 pertaining to the City's share of the unfunded OPEB liability.

Transportation expense is the second highest governmental activities program expense for the City. Transportation expenses include depreciation, labor, benefits, maintenance and repairs to the City roads and infrastructure as well as annual contributions to Medina County Public Transit for transit services conducted within the City of Brunswick. Transportation expenses are primarily funded by the City's ten-year 1.2 mill property tax road levy proceeds, a portion of the City's income tax proceeds, and intergovernmental monies, including but not limited to, those received from motor vehicle license, permissive and gasoline taxes. In reviewing road conditions and potential future infrastructure projects, the City has always applied for State Issue II and federal grant monies when applicable as well as searching for joint projects with surrounding communities and the County. The City also currently employs thirteen full-time City street laborers, a Street Superintendent, and a Service Director in the Service Department.

The third highest governmental activities program expense for the City is general government. This classification covers all general activities of the City, including but not limited to, Council, Mayor, information technology, administration, engineering, finance, income tax, law, Mayor's Court, civil service and building repairs and maintenance expenditures. The general government program expenses decreased year over year as a result of expense recognition and changes associated with GASB 68 and the City's share

**City of Brunswick, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*Unaudited*

---

of the unfunded pension liability for general government services. All other expense categories were comparable year over year with no significant changes.

The fourth highest governmental activities program expense for the City is leisure time activities. This classification includes the operation of the City's recreation center as well the maintenance of the City's parks.

The fifth highest governmental activities program expense for the City is community environment. This classification includes the City's engineering relating to infrastructure projects, building, economic development, and cable TV departments. It may also include various grant programs, when applicable. The community environment expense category dropped from the fourth largest governmental activities program expense for the past four consecutive years as a result of federal funding cuts and consolidation to the community housing improvement grant programs.

Interest and fiscal charges and public health services make up the remaining governmental activities program expenses.

#### ***Business-Type Activities***

The business-type activity expenses are made up of refuse and stormwater. The refuse expenses represent the costs associated with billing and collecting trash for all of the residents in the City. The City does not bill nor collect refuse for commercial properties. Codified Ordinance Section 1060 stipulates the rules and regulations regarding refuse collection. The purpose of the stormwater expenses are to comprehensively address the stormwater management needs of the City through facilities and programs designed to protect property and water resources; control the level of pollutants in stormwater runoff; and regulate the quality and rate of stormwater received and conveyed by structural and natural stormwater drainage systems of all types. Codified Ordinance Section 1050 stipulates the rules and regulations for the stormwater management utility. Refuse expenses increased year over year as a result of increased refuse hauler costs in 2018. Stormwater expenses increased as a result of additional repair and maintenance and material costs in 2018.

#### ***The City's Funds***

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

#### ***Governmental Funds***

Information about the City's governmental funds begins with the balance sheet. These funds are accounted for by using the modified accrual basis of accounting.

The most significant funds are the general, fire department, street repair and maintenance, police and road improvement funds.

The City's cash equivalents and end of the year fund balances for all funds presented on the Statement of Revenues, Expenditures and Changes in Fund Balances increased from the prior year as a result of the City's financial plan to obtain cash set asides for future capital purchases relating to infrastructure, building and capital improvements and equipment, machinery and vehicles. During the downturn of the economy the City's fund balance reserves were severely depleted and have been restored to more comfortable levels. The City's Road Improvement Fund was the only presented major fund in which cash equivalents decreased in 2018. This was due to the City's contributions toward the North Carpenter Road and other road improvement

**City of Brunswick, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*Unaudited*

---

projects. The City's general fund cash and cash equivalents increased from the prior year in accordance with the City's fund balance reserve fund balance policy. Funds in excess of the reserve levels and not otherwise earmarked for capital, were transferred out of the general fund in February 2019 by City Council Ordinance Number 19-19 for future capital and road improvements.

Income tax revenues, over and above the income tax ceiling maximums established on all other funds were recorded in the general fund helping to improve the general fund's ending fund balance and flexibility to address needed capital improvements. The City transferred a significant amount of available general fund monies into the road improvement fund during 2018 and in the beginning of 2019. These transfers were allowable per the City's fund balance reserve policy and will allow the City to continue its current financial plan and road improvement set aside program.

Income tax receivables increased in total as a result of the City's tax rate increasing from 1.85 percent to 2.00 percent effective January 1, 2018. All income taxes generated by the two safety specific income tax levies were received and reported in the police and fire department funds as required. All applicable funds experienced increased income tax receivables, with the exception of the Brunswick transit alternative fund. The Brunswick transit alternative fund's income tax receivable declined as a result of Council reducing the distribution allocation in 2018 from 2017. The reduced allocation was a result of the City and Medina County merging two transit operations into one operation with Medina County. The City contributes annually to the Medina County Public Transit to operate transit services within the municipal limits of the City of Brunswick.

The general fund included a large increase in receivable loan to other funds with a corresponding increase in unassigned fund balance. The increase was a direct result of advances made to the road improvement fund and other funds to cover upfront obligations for equipment, building improvements or infrastructure projects. The advances are expected to be repaid once the project is completed and property taxes or grant reimbursements are received. The principal amount of the revenue notes represent previous contributions made by the City of Brunswick pursuant to the contribution agreement with Medina County for the Medina County fiber optic network project. The revenue notes principal and interest amounts due are payable solely from any payments received by Medina County from the Medina County Port Authority. The revenue notes bear an annual interest rate of 5.42 percent. General fund license permit and fees revenue declined since Council placed a temporary moratorium on accepting building permits on multi-family dwelling units in 2018, thus reducing building permit and site revenues. General fund interest revenues increased substantially in 2018 from 2017 as a result of additional efforts to expand the City's investment portfolio along with improving interest rates.

The Fire Department Fund's accounts receivable increased as a result of increased basic life support run activity in 2018 from 2017.

The Street Repair and Maintenance Fund materials and supplies inventory decreased from last year as a result of salt consumption in the last several months of 2018.

The City's road improvement fund reflects property tax revenues for the fourth year in a row as a result of a 1.2 mill ten year tax levy passed by the electors on May 6, 2014. The road levy proceeds are used for the general construction, reconstruction, resurfacing and repair of streets, roads and bridges in the City. Pursuant to City Council Resolution 3-14, one hundred percent of the annual road levy proceeds will be utilized on publicly dedicated residential streets. The road improvement fund is obligated to repay the general fund \$2,498,488 in outstanding advances. The outstanding advances relate to the temporary funding of the OPWC Grafton Road phase IV reconstruction improvement project, OPWC multi road improvement project, North Carpenter Road improvement project and upcoming 2019 residential road levy projects. Intergovernmental revenues increased in 2018 as a result of a state grants received on the Grafton Road Improvement Project and

**City of Brunswick, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*Unaudited*

---

a Medina County contribution received for the North Carpenter Road Improvement Project. Capital Outlay increased significantly in 2018 as a result of contributions and initiation of the North Carpenter Road improvement project.

Other governmental funds notes receivable was fully received as a result of Drees Homes paying the Brunswick Lake outstanding note in full. The special assessment receivable decreased as a result of the City meeting its annual debt obligations and not issuing special assessment debt in 2018. The interfund payables increased as a result of outstanding advances remaining in the FEMA grant and the city hall expansion funds. These advances will be repaid once the equipment is purchased and grant reimbursements are received.

The City has executed bargaining agreements for all six bargaining agreements through 2019. The wage increases noted in those agreements for 2018 equaled three percent.

For the other governmental funds, the license, permit and fee revenues declined since Council placed a temporary moratorium on accepting building permits on multi-family dwelling units in 2018, thus reducing fees collected in lieu of dedicating park land. Capital outlay expense in the other governmental funds declined in 2018, since the City conducted parking lot improvement projects at the recreation center and main fire station in 2017.

All presented major and other governmental fund balances increased from 2017, with the exception of the road improvement fund. The road improvement fund balance declined as a result of the City's plan to continue to improve infrastructure.

***Business-Type Fund***

The City has two business-type activities, the refuse and stormwater funds. The refuse fund accounts for the garbage collection services and billing costs in accordance with Codified Ordinance Section 1060. The stormwater fund accounts for stormwater management needs in accordance with Codified Ordinance Section 1050.

The refuse fund accounts for charges for services revenue that covers the costs of refuse hauling services for residential homes. Refuse revenues and expenses increased year over year. City Council approved a contract extension with our current hauler through June 30, 2019. The extension included fixed cost increases and resulted in an increased billable rate to each residential home of \$1.00 per month that commenced on July 1, 2018. Variable costs are monitored and analyzed monthly to determine if further changes in the billable rate are necessary or should be recommended to City Council. On February 25, 2019, City Council authorized the City Manager to enter into a new five year hauler agreement to be effective July 1, 2019. This new agreement includes a new trash and recycle cart program for the residents. City Council also authorized an increase in refuse billing rates to be effective July 1, 2019. The new billing rates will increase from \$17.41 per month to \$19.30 a month. The City does not bill or collect on refuse accounts for commercial buildings, apartments, most condos, etc.

2018 was the seventh year for the City's stormwater management fee. The fee and related stormwater expenses are accounted for in the stormwater fund. The City expended more in 2018 on stormwater maintenance and repairs and depreciation expense increased as a result of purchasing new stormwater related equipment. The City elected to retain additional stormwater reserves to complete bigger stormwater projects in a future year.



**City of Brunswick, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*Unaudited*

---

**Budgeting Highlights**

The City's budget is prepared according to Ohio and local laws and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The City constantly monitors the estimated revenues and appropriations and performs detailed quarterly reviews of each estimated revenue and appropriation account. During the course of 2018, the City amended the overall budget three times during the year as a result of these reviews and discussions with the various departments. The most significant budgeted changes in the general fund during 2018 occurred in the other financing uses and sources. As more information becomes known, budget amendments are generally proposed and adopted if the City Manager and City Council agree with the proposal. Some examples of when budget amendments may be proposed and adopted regarding other financing sources or uses include, but are not limited to: 1) reimbursements are received or a project or grant is completed allowing for outstanding advances to be repaid; 2) additional fund reserves over and above the fund balance reserve policy can be transferred out to a capital projects fund for future projects; 3) a newly proposed project or funding for a future project; 4) emergency situation. During 2018, when advances were repaid and the general fund had measured excess funds pursuant to the fund balance reserve policy, City Council elected to amend the budget and advance out the excess funds to cover various grant expenditures until the project was completed and grant reimbursements are received.

Income tax revenues, over the income tax ceiling maximums established on all other funds were recorded in the general fund helping to improve the general fund's ending fund balance and flexibility to address needed capital improvements. During 2018, the City anticipated and accurately budgeted the excess income tax dollars received over our expectations for the established fund ceilings. The City also remained conservative and spent less than that originally anticipated in all of its general fund expenditure categories. The savings from cost control measures and available income tax revenue excesses were subsequently transferred out to the road and permanent improvement funds in February 2019 for future capital improvements. The designed financial structure, improved infrastructure and corresponding results have proven to be very successful in the community.

Some of the other significant budget amendments for the other presented governmental funds worth noting came in the fire department, street repair and maintenance and police funds. The original budgeted revenues in these categories were very conservative. The amendments were needed when it became evident that actual receipts would come in higher than originally anticipated. Furthermore, all three of these funds had expenditures less than those appropriated by City Council which is sign of great fiscal control. It is the City's internal administrative budget policy to set aside certain identified excess funds, not otherwise tied to the City's two safety specific income tax levies, to be earmarked for future capital replacements within that particular department's fund. The designed financial structure and corresponding results have proven to be very successful. Many vehicles, equipment, and other assets within these funds have been replaced in the last several years as a result of this internal budget policy first initiated in 2010. Prior to 2010, certain funds had not replaced vehicles or equipment for many years since it was the practice to spend the majority of the money on operations with little or no incentive to save for future capital replacements. The days of spending up to the maximum appropriation authority set by Council no longer exist, and proven through the presented variances in the major fund budget versus actual statements.

Recommendations and requests for budget changes are referred to the Finance Committee and/or Committee-of-the-Whole for review. After review, they are forwarded to a Council work session for presentation before going to the formal Council Meeting for ordinance enactment. The legal level of control is to each office, department, and division, and, within each, the amount appropriated for personal services and other. Intradepartmental budget changes that modify line items within the established legal level of control are allowed without requiring Council's authorization.

**City of Brunswick, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*Unaudited*

---

### **Capital Assets and Debt Administration**

The most significant changes in capital assets are in the areas of: 1) construction in progress; 2) machinery, equipment and vehicles; and 3) roads. During 2018, the City completed the Center Road resurfacing project. The North Carpenter Road, Grafton Road Phase IV, Skyview Drive, Laurel Road, and various other reconstruction projects have been initiated but reported in construction in progress since they were not yet completed as of the balance sheet date. Once road projects are completed, the capitalized amounts are deleted from the construction in progress category and then added to the road infrastructure category. The result of this activity in total both increased the governmental activities construction in progress and road infrastructure categories. The increase in business activities construction in progress was due to the initiation of the Kent Drive storm water improvement project. This project was not completed as of the balance sheet date. The governmental and business-type activities machinery and equipment and vehicles increased due to the purchase of an ambulance and several service related vehicles used for road and stormwater maintenance.

The City's goal of restoring its capital asset program and capital funding has been working. The increased valuation in capital assets has once again outpaced the annual depreciation expense in 2018 which is a sign that the City is achieving positive results in its capital asset improvement program. During the economic downturn, the City's departmental capital asset program was virtually halted. The City has worked really hard to establish best practices and begin to improve upon its capital assets and infrastructure. For additional information see Note 10 to the basic financial statements.

#### ***Debt***

2018 was the seventh year of the City's stormwater management fee and related programs. All storm water fees collected are utilized for expenses relating to stormwater improvements and maintenance, including debt obligations.

The general obligation bonds outstanding in governmental activities are comprised of a capital improvement bond for the City-wide traffic signalization project. These bonds are paid with monies received from Motor Vehicle License taxes from the state highway fund. The general obligation bonds outstanding in business-type activities are composed of capital improvement bonds for storm sewer and storm water infrastructure. These bonds are paid with monies received from stormwater fees.

The special assessment bonds consist of South Industrial Parkway improvements, Laurel Road improvements, and the portion of costs associated with the improvements to the dam and dredging of the Brunswick Lake. Principal and interest for these bonds are paid from the collection of special assessments from the benefited property owners. The special assessment debt for Grafton Road improvements was retired during 2018.

The outstanding Ohio Public Works Commission loans represent interest free loans obtained to finance the Fireside Twin Storm, Highland Drive and El Dorado storm sewer projects and the Hadcock Road Phase II and multi neighborhood road projects. The loans associated with storm sewer projects will be repaid with stormwater fees and the loan associated with road improvements will be paid for with municipal income tax, intergovernmental monies associated with gas and motor vehicle taxes, and/or general fund transfer monies.

For information on the City's debt limitation (voted and unvoted) and additional information on the City's debt see the statistical section and Note 11 to the basic financial statements.

**City of Brunswick, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*Unaudited*

---

**Current Financial Related Activities**

The City is ideally situated on Interstate 71, approximately twenty-five minutes from Cleveland, Ohio and approximately fifteen minutes from Cleveland Hopkins International Airport. Interstate 71 is intersected by State Route 303 and provides a perfect separation for industrial development east of Interstate 71 and commercial and residential development west of Interstate 71. The City enjoys two industrial parks on the east side of Interstate 71.

Brunswick's local economy and unemployment rates are near historic low levels. According to the Ohio Department of Job and Family Services civilian labor force estimates, the City of Brunswick's unemployment rate equaled 4.1 percent in December 2018. The City's December 2018 unemployment rate was less than the average unemployment rate of the State of Ohio. Nine years ago, the City's unemployment rate was 7.9 percent.

The City of Brunswick has committed itself to financial excellence. The City has received the Government Finance Officers Award Certificate of Achievement for Excellence every year since 1982 (with the exception of 1986).

In the last thirteen years, the City of Brunswick has also received eleven State Auditor Awards for our outstanding commitment to the highest standards of financial reporting. This recognition award is given to a select percent of governments in the State of Ohio for not only meeting the strict standards established by the United States Government Finance Officers Association, but also for building sound internal accounting controls that provide for the safeguarding, reliability and accountability of financial records and City assets.

These awards would not have been possible without the hard work of the Finance Committee, Finance Department staff, City Administration, and the Local Government Services Section of the Auditor of State's office. It is a great honor for the City of Brunswick to be able to place itself in the top tier of all governments in the State of Ohio and we look forward to maintaining excellence in financial reporting and internal accounting controls in the years to come.

**Contacting the City's Finance Department**

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends or invests.

If you have any questions about this report or need financial information contact the Director of Finance, Todd Fischer, 4095 Center Road Brunswick, Ohio 44212, telephone (330) 225-9144 or the website at [www.brunswick.oh.us](http://www.brunswick.oh.us).

## Basic Financial Statements

**City of Brunswick, Ohio**  
*Statement of Net Position*  
*December 31, 2018*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$44,054,895	\$4,406,407	\$48,461,302
Cash and Cash Equivalents:			
In Segregated Accounts	855	0	855
With Fiscal Agents	647	0	647
Accounts Receivable	461,193	642,757	1,103,950
Accrued Interest Receivable	119,145	0	119,145
Intergovernmental Receivable	1,814,607	0	1,814,607
Internal Balances	3,989	(3,989)	0
Materials and Supplies Inventory	210,974	0	210,974
Prepays	245,859	2,220	248,079
Income Taxes Receivable	11,414,834	0	11,414,834
Property Tax Receivable	2,597,558	0	2,597,558
Special Assessments Receivable	592,574	0	592,574
Notes Receivable	245,172	0	245,172
Net Pension Asset	17,226	352	17,578
Nondepreciable Capital Assets	14,404,168	75,898	14,480,066
Depreciable Capital Assets, Net	32,858,661	4,978,843	37,837,504
<i>Total Assets</i>	<u>109,042,357</u>	<u>10,102,488</u>	<u>119,144,845</u>
<b>Deferred Outflows of Resources</b>			
Pension	3,421,597	24,885	3,446,482
OPEB	1,663,307	4,987	1,668,294
<i>Total Deferred Outflows of Resources</i>	<u>5,084,904</u>	<u>29,872</u>	<u>5,114,776</u>
<b>Liabilities</b>			
Accounts Payable	242,841	182,849	425,690
Contracts Payable	408,837	6,435	415,272
Accrued Wages	824,610	6,963	831,573
Vacation Benefits Payable	158,757	2,460	161,217
Matured Interest Payable	647	0	647
Accrued Interest Payable	5,498	12,158	17,656
Claims Payable	273,949	0	273,949
Long-Term Liabilities:			
Due Within One Year	305,873	301,440	607,313
Due in More Than One Year			
Net Pension Liability (See Note 12)	20,484,167	102,914	20,587,081
Net OPEB Liability (See Note 13)	17,562,466	67,502	17,629,968
Other Amounts	2,087,483	3,780,534	5,868,017
<i>Total Liabilities</i>	<u>42,355,128</u>	<u>4,463,255</u>	<u>46,818,383</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	2,527,046	0	2,527,046
Pension	1,980,029	26,657	2,006,686
OPEB	560,282	6,654	566,936
<i>Total Deferred Inflows of Resources</i>	<u>5,067,357</u>	<u>33,311</u>	<u>5,100,668</u>
<b>Net Position</b>			
Net Investment in Capital Assets	45,058,361	1,043,245	46,101,606
Restricted for:			
Capital Projects	11,518,947	0	11,518,947
Debt Service	1,747,653	0	1,747,653
Police	10,675,429	0	10,675,429
Fire	6,588,280	0	6,588,280
Transportation	6,274,432	0	6,274,432
Recreation Center	642,141	0	642,141
Other Purposes	313,878	0	313,878
Unrestricted (Deficit)	(16,114,345)	4,592,549	(11,521,796)
<i>Total Net Position</i>	<u>\$66,704,776</u>	<u>\$5,635,794</u>	<u>\$72,340,570</u>

See accompanying notes to the basic financial statements

**City of Brunswick, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2018

	Program Revenues			
	Expenses	Charges for Services and Operating Assessments	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government	\$3,552,631	\$730,540	\$0	\$28,488
Security of Persons and Property	13,754,744	1,295,899	100,843	0
Transportation	4,144,403	2,260	1,787,607	1,155,804
Community Environment	1,522,017	513,949	0	0
Public Health Services	33,490	2,255	0	0
Leisure Time Activities	1,856,006	1,038,259	0	0
Interest and Fiscal Charges	68,543	0	0	0
<i>Total Governmental Activities</i>	<u>24,931,834</u>	<u>3,583,162</u>	<u>1,888,450</u>	<u>1,184,292</u>
<b>Business-Type Activities</b>				
Refuse	2,270,948	2,433,757	0	0
Stormwater	594,441	1,209,892	0	0
<i>Total Business-Type Activities</i>	<u>2,865,389</u>	<u>3,643,649</u>	<u>0</u>	<u>0</u>
<i>Totals</i>	<u><u>\$27,797,223</u></u>	<u><u>\$7,226,811</u></u>	<u><u>\$1,888,450</u></u>	<u><u>\$1,184,292</u></u>

**General Revenues**

Property Taxes Levied for:

General Purposes  
Police  
Road Improvement

Income Taxes Levied for:

General Purposes  
Capital Projects  
Fire  
Street Repair and Maintenance  
Police  
Brunswick Transit Alternative  
Parks

Grants and Entitlements not Restricted  
to Specific Programs

Unrestricted Donations  
Interest  
Other

*Total General Revenues*

Change in Net Position

*Net Position Beginning of Year -  
(Restated - See Note 17)*

*Net Position End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
(\$2,793,603)	\$0	(\$2,793,603)
(12,358,002)	0	(12,358,002)
(1,198,732)	0	(1,198,732)
(1,008,068)	0	(1,008,068)
(31,235)	0	(31,235)
(817,747)	0	(817,747)
(68,543)	0	(68,543)
(18,275,930)	0	(18,275,930)
0	162,809	162,809
0	615,451	615,451
0	778,260	778,260
(18,275,930)	778,260	(17,497,670)
1,537,469	0	1,537,469
200,543	0	200,543
828,167	0	828,167
4,896,686	0	4,896,686
630,712	0	630,712
4,686,208	0	4,686,208
1,376,757	0	1,376,757
8,096,537	0	8,096,537
15,000	0	15,000
625,820	0	625,820
884,005	0	884,005
2,500	0	2,500
709,525	0	709,525
182,426	0	182,426
24,672,355	0	24,672,355
6,396,425	778,260	7,174,685
60,308,351	4,857,534	65,165,885
\$66,704,776	\$5,635,794	\$72,340,570

**City of Brunswick, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2018*

	General	Fire Department	Street Repair and Maintenance	Police	Road Improvement
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$11,484,652	\$3,534,244	\$4,165,834	\$5,708,921	\$9,448,308
Cash and Cash Equivalents:					
in Segregated Accounts	855	0	0	0	0
With Fiscal Agents	0	0	0	0	0
Receivables:					
Income Taxes	1,126,483	3,024,931	856,113	5,621,806	0
Property Taxes	1,558,715	0	0	203,219	835,624
Accounts	151,780	309,413	0	0	0
Interfund	2,787,701	0	0	0	0
Intergovernmental	430,073	424	793,181	14,307	509,677
Accrued Interest	119,145	0	0	0	0
Notes	245,172	0	0	0	0
Special Assessments	0	0	0	0	0
Materials and Supplies Inventory	0	0	177,630	4,318	0
Prepays	49,101	55,868	25,349	99,829	0
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	50,129	0	0	0	0
<b>Total Assets</b>	<b>\$18,003,806</b>	<b>\$6,924,880</b>	<b>\$6,018,107</b>	<b>\$11,652,400</b>	<b>\$10,793,609</b>
<b>Liabilities</b>					
Accounts Payable	\$98,221	\$2,909	\$28,016	\$92,781	\$0
Contracts Payable	0	0	0	0	408,837
Accrued Wages	151,500	192,862	75,743	371,012	0
Interfund Payable	0	0	0	0	2,498,488
Matured Interest Payable	0	0	0	0	0
<b>Total Liabilities</b>	<b>249,721</b>	<b>195,771</b>	<b>103,759</b>	<b>463,793</b>	<b>2,907,325</b>
<b>Deferred Inflows of Resources</b>					
Property Taxes	1,515,123	0	0	197,533	814,390
Unavailable Revenue	1,691,599	2,916,599	1,421,456	4,969,816	132,866
<b>Total Deferred Inflows of Resources</b>	<b>3,206,722</b>	<b>2,916,599</b>	<b>1,421,456</b>	<b>5,167,349</b>	<b>947,256</b>
<b>Fund Balances</b>					
Nonspendable	99,230	55,868	202,979	104,147	0
Restricted	0	3,756,642	4,289,913	5,917,111	6,935,133
Committed	171,514	0	0	0	0
Assigned	5,940,680	0	0	0	3,895
Unassigned	8,335,939	0	0	0	0
<b>Total Fund Balances</b>	<b>14,547,363</b>	<b>3,812,510</b>	<b>4,492,892</b>	<b>6,021,258</b>	<b>6,939,028</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$18,003,806</b>	<b>\$6,924,880</b>	<b>\$6,018,107</b>	<b>\$11,652,400</b>	<b>\$10,793,609</b>

See accompanying notes to the basic financial statements



**City of Brunswick, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 December 31, 2018*

Other Governmental Funds	Total Governmental Funds	<b>Total Governmental Fund Balances</b>	<b>\$44,976,428</b>
		<i>Amounts reported for governmental activities in the statement of net position are different because</i>	
\$9,356,545	\$43,698,504	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	47,262,829
0	855	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.	
647	647	Delinquent Property Taxes	23,144
785,501	11,414,834	Income Tax	10,058,341
0	2,597,558	Special Assessments	592,574
0	461,193	Grants and Entitlements	1,288,821
0	2,787,701	Charges for Services	397,601
66,945	1,814,607	Interest	111,161
0	119,145	Total	12,471,642
0	245,172		
592,574	592,574	In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(5,498)
29,026	210,974		
15,712	245,859	Vacation benefits payable is a contractually required benefit not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(158,757)
0	50,129		
<b>\$10,846,950</b>	<b>\$64,239,752</b>	The net pension asset, net pension liability and net OPEB liability are not due and payable in the current period; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.	
\$20,914	\$242,841	Net Pension Asset	17,226
0	408,837	Deferred Outflows - Pension	3,421,597
33,493	824,610	Net Pension Liability	(20,484,167)
289,213	2,787,701	Deferred Inflows - Pension	(1,980,029)
647	647	Deferred Outflows - OPEB	1,663,307
344,267	4,264,636	Net OPEB Liability	(17,562,466)
		Deferred Inflows - OPEB	(560,282)
		Total	(35,484,814)
0	2,527,046	Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
1,339,306	12,471,642	General Obligation Bonds	(1,063,316)
1,339,306	14,998,688	Special Assessment Bonds	(590,632)
		OPWC Loan	(216,076)
44,738	506,962	Compensated Absences	(523,332)
6,214,297	27,113,096	Total	(2,393,356)
2,175,969	2,347,483	An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	
728,373	6,672,948	Net Position	32,313
0	8,335,939	Internal Balances	3,989
9,163,377	44,976,428	Total	36,302
<b>\$10,846,950</b>	<b>\$64,239,752</b>	<i>Net Position of Governmental Activities</i>	<b>\$66,704,776</b>

**City of Brunswick, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2018*

	General	Fire Department	Street Repair and Maintenance	Police	Road Improvement
<b>Revenues</b>					
Property Taxes	\$1,538,814	\$0	\$0	\$200,718	\$828,839
Municipal Income Tax	4,730,331	4,205,387	1,240,675	7,202,935	0
Charges for Services	59,839	612,382	700	125,769	0
Special Assessments	0	0	0	0	0
Licenses, Permits and Fees	1,215,214	0	1,560	0	0
Fines and Forfeitures	855	0	0	414,748	0
Intergovernmental	854,699	19,573	1,616,351	76,880	1,409,542
Contributions and Donations	2,500	0	0	0	0
Interest	689,575	0	0	0	0
Other	18,282	22,696	13,172	108,837	0
<i>Total Revenues</i>	<u>9,110,109</u>	<u>4,860,038</u>	<u>2,872,458</u>	<u>8,129,887</u>	<u>2,238,381</u>
<b>Expenditures</b>					
Current:					
General Government	3,213,129	0	0	0	0
Security and Persons and Property	110,033	4,295,218	0	7,182,859	0
Transportation	0	0	2,444,079	0	0
Community Environment	1,018,090	0	0	0	0
Public Health Services	10,330	0	0	0	0
Leisure Time Activities	139,107	0	0	0	0
Capital Outlay	0	0	0	0	6,515,285
Debt Service:					
Principal Retirement	0	0	0	0	10,464
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>4,490,689</u>	<u>4,295,218</u>	<u>2,444,079</u>	<u>7,182,859</u>	<u>6,525,749</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>4,619,420</u>	<u>564,820</u>	<u>428,379</u>	<u>947,028</u>	<u>(4,287,368)</u>
<b>Other Financing Sources (Uses)</b>					
OPWC Loans Issued	0	0	0	0	6,814
Transfers In	0	0	0	0	2,154,623
Transfers Out	(2,972,623)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,972,623)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,161,437</u>
<i>Net Change in Fund Balances</i>	1,646,797	564,820	428,379	947,028	(2,125,931)
<i>Fund Balances Beginning of Year</i>	<u>12,900,566</u>	<u>3,247,690</u>	<u>4,064,513</u>	<u>5,074,230</u>	<u>9,064,959</u>
<i>Fund Balances End of Year</i>	<u>\$14,547,363</u>	<u>\$3,812,510</u>	<u>\$4,492,892</u>	<u>\$6,021,258</u>	<u>\$6,939,028</u>

See accompanying notes to the basic financial statements

**City of Brunswick, 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, 2018*

Other Governmental Funds	Total Governmental Funds		
		<b>Net Change in Fund Balances -Total Governmental Funds</b>	<b>\$2,251,247</b>
		<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 exceeded depreciation in the current period.	
\$0	\$2,568,371	Capital Asset Additions	7,036,158
1,133,970	18,513,298	Current Year Depreciation	<u>(2,256,161)</u>
935,989	1,734,679	Total	4,779,997
167,883	167,883		
71,870	1,288,644		
31,905	447,508		
190,074	4,167,119		
0	2,500		
23	689,598		
19,439	182,426		
<u>2,551,153</u>	<u>29,762,026</u>		
		Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
		Delinquent Property Taxes	(2,192)
		Income Tax	1,814,422
		Special Assessment	(139,395)
		Grants and Entitlements	(238,860)
26,183	3,239,312	Charges for Services	112,331
5,930	11,594,040	Interest	<u>19,927</u>
127,167	2,571,246	Total	1,566,233
7,861	1,025,951		
0	10,330		
1,432,977	1,572,084	Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
403,883	6,919,168	Pension	1,777,396
		OPEB	28,930
199,850	210,314		
75,148	75,148		
<u>2,278,999</u>	<u>27,217,593</u>		
		Except for amounts reported as deferred inflows/outflows, changes in the net pension/ OPEB liability are reported as pension/OPEB expense in the statement of activities.	
		Pension	(2,859,475)
		OPEB	(1,364,132)
272,154	2,544,433		
		Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
0	6,814		
518,000	2,672,623		
0	(2,972,623)		
518,000	(293,186)		
		Other financing sources, such as OPWC loans issued, in the governmental funds increase long-term liabilities in the statement of net position.	
790,154	2,251,247		
8,373,223	42,725,181		
<u>\$9,163,377</u>	<u>\$44,976,428</u>		
		Accrued Interest on Bonds	764
		Amortization of Bond Premium	<u>5,841</u>
		Total	6,605
		Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
		Compensated Absences	(5,850)
		Vacation Benefits Payable	<u>(24,328)</u>
		Total	(30,178)
		The internal service fund used to charge the costs of insurance to individual funds is not reported in the City-wide statement of activities. Governmental fund expenditures and related internal service fund revenue are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental and business-type activities.	
		Change in Net Position	32,313
		Change in Internal Balance	<u>3,989</u>
		Total	<u>36,302</u>
		<i>Change in Net Position of Governmental Activities</i>	<u><u>\$6,396,425</u></u>

**City of Brunswick, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$1,701,400	\$1,482,745	\$1,533,080	\$50,335
Municipal Income Tax	4,718,651	4,718,651	4,712,822	(5,829)
Charges for Services	45,563	60,020	59,839	(181)
Licenses, Permits and Fees	657,876	866,621	841,936	(24,685)
Fines and Forfeitures	949	1,250	1,029	(221)
Intergovernmental	625,400	823,840	846,972	23,132
Contributions and Donations	1,898	2,500	2,500	0
Interest	516,412	680,270	661,104	(19,166)
Other	45,254	33,268	18,262	(15,006)
<i>Total Revenues</i>	8,313,403	8,669,165	8,677,544	8,379
<b>Expenditures</b>				
Current:				
General Government	4,415,284	4,384,324	3,589,677	794,647
Security of Persons and Property	128,219	124,414	110,876	13,538
Community Environment	1,001,966	984,804	764,819	219,985
Public Health Services	19,325	19,325	10,330	8,995
Leisure Time Activities	147,778	143,041	139,563	3,478
<i>Total Expenditures</i>	5,712,572	5,655,908	4,615,265	1,040,643
<i>Excess of Revenues Over (Under) Expenditures</i>	2,600,831	3,013,257	4,062,279	1,049,022
<b>Other Financing Sources (Uses)</b>				
Advances In	800,000	800,000	800,000	0
Advances Out	(785,787)	(2,177,701)	(2,177,701)	0
Transfers Out	(3,022,623)	(3,022,623)	(3,022,623)	0
<i>Total Other Financing Sources (Uses)</i>	(3,008,410)	(4,400,324)	(4,400,324)	0
<i>Net Change in Fund Balance</i>	(407,579)	(1,387,067)	(338,045)	1,049,022
<i>Fund Balance Beginning of Year</i>	10,296,122	10,296,122	10,296,122	0
Prior Year Encumbrances Appropriated	569,168	569,168	569,168	0
<i>Fund Balance End of Year</i>	\$10,457,711	\$9,478,223	\$10,527,245	\$1,049,022

See accompanying notes to the basic financial statements

**City of Brunswick, Ohio**  
*Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Fire Department Fund  
For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Tax	\$4,150,000	\$4,150,000	\$4,150,000	\$0
Charges for Services	282,961	566,475	602,346	35,871
Intergovernmental	6,007	12,025	19,573	7,548
Other	11,032	22,087	22,696	609
<i>Total Revenues</i>	4,450,000	4,750,587	4,794,615	44,028
<b>Expenditures</b>				
Current:				
Security of Persons and Property	4,773,437	4,895,688	4,388,348	507,340
<i>Excess of Revenues Over (Under) Expenditures</i>	(323,437)	(145,101)	406,267	551,368
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(50,000)	(50,000)	0	50,000
<i>Net Change in Fund Balance</i>	(373,437)	(195,101)	406,267	601,368
<i>Fund Balance Beginning of Year</i>	2,971,738	2,971,738	2,971,738	0
Prior Year Encumbrances Appropriated	64,344	64,344	64,344	0
<i>Fund Balance End of Year</i>	<u>\$2,662,645</u>	<u>\$2,840,981</u>	<u>\$3,442,349</u>	<u>\$601,368</u>

See accompanying notes to the basic financial statements

**City of Brunswick, Ohio**  
*Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Street Repair and Maintenance Fund  
For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Tax	\$1,225,000	\$1,225,000	\$1,225,000	\$0
Charges for Services	650	700	700	0
Licenses, Permits and Fees	1,765	1,900	1,560	(340)
Intergovernmental	1,471,544	1,584,086	1,601,734	17,648
Other	929	1,000	13,172	12,172
<i>Total Revenues</i>	2,699,888	2,812,686	2,842,166	29,480
<b>Expenditures</b>				
Current:				
Transportation	2,851,490	2,917,359	2,592,521	324,838
<i>Excess of Revenues Over (Under) Expenditures</i>	(151,602)	(104,673)	249,645	354,318
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(50,000)	(50,000)	0	50,000
<i>Net Change in Fund Balance</i>	(201,602)	(154,673)	249,645	404,318
<i>Fund Balance Beginning of Year</i>	3,511,960	3,511,960	3,511,960	0
Prior Year Encumbrances Appropriated	157,532	157,532	157,532	0
<i>Fund Balance End of Year</i>	<u>\$3,467,890</u>	<u>\$3,514,819</u>	<u>\$3,919,137</u>	<u>\$404,318</u>

See accompanying notes to the basic financial statements

**City of Brunswick, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Fund*  
*For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$221,900	\$193,395	\$199,970	\$6,575
Municipal Income Tax	7,100,000	7,100,000	7,100,000	0
Charges for Services	90,552	122,166	125,769	3,603
Fines and Forfeitures	308,347	416,000	414,748	(1,252)
Intergovernmental	63,564	85,756	93,760	8,004
Other	57,654	77,783	108,837	31,054
<i>Total Revenues</i>	7,842,017	7,995,100	8,043,084	47,984
<b>Expenditures</b>				
Current:				
Security of Persons and Property	8,183,674	8,100,570	7,290,817	809,753
<i>Excess of Revenues Over (Under) Expenditures</i>	(341,657)	(105,470)	752,267	857,737
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(90,000)	(90,000)	0	90,000
<i>Net Change in Fund Balance</i>	(431,657)	(195,470)	752,267	947,737
<i>Fund Balance Beginning of Year</i>	4,461,351	4,461,351	4,461,351	0
Prior Year Encumbrances Appropriated	268,521	268,521	268,521	0
<i>Fund Balance End of Year</i>	\$4,298,215	\$4,534,402	\$5,482,139	\$947,737

See accompanying notes to the basic financial statements

**City of Brunswick, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Funds*  
*December 31, 2018*

	Enterprise			Internal Service
	Refuse	Stormwater	Total	
<b>Assets</b>				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$1,820,822	\$2,585,585	\$4,406,407	\$306,262
Accounts Receivable	486,815	155,942	642,757	0
Prepays	1,524	696	2,220	0
<i>Total Current Assets</i>	<u>2,309,161</u>	<u>2,742,223</u>	<u>5,051,384</u>	<u>306,262</u>
<i>Noncurrent Assets</i>				
Net Pension Asset	352	0	352	0
Non Depreciable Capital Assets, Net	1,603	74,295	75,898	0
Depreciable Capital Assets, Net	8,206	4,970,637	4,978,843	0
<i>Total Noncurrent Assets</i>	<u>10,161</u>	<u>5,044,932</u>	<u>5,055,093</u>	<u>0</u>
<i>Total Assets</i>	<u>2,319,322</u>	<u>7,787,155</u>	<u>10,106,477</u>	<u>306,262</u>
<b>Deferred Outflows of Resources</b>				
Pension	24,885	0	24,885	0
OPEB	4,987	0	4,987	0
<i>Total Deferred Outflows of Resources</i>	<u>29,872</u>	<u>0</u>	<u>29,872</u>	<u>0</u>
<b>Liabilities</b>				
<i>Current Liabilities</i>				
Accounts Payable	180,870	1,979	182,849	0
Accrued Wages	5,207	1,756	6,963	0
Contracts Payable	0	6,435	6,435	0
Vacation Benefits Payable	2,460	0	2,460	0
Accrued Interest Payable	0	12,158	12,158	0
OPWC Loans Payable	0	19,912	19,912	0
General Obligation Bonds Payable	0	280,912	280,912	0
Compensated Absences Payable	513	103	616	0
Claims Payable	0	0	0	273,949
<i>Total Current Liabilities</i>	<u>189,050</u>	<u>323,255</u>	<u>512,305</u>	<u>273,949</u>
<i>Long-Term Liabilities (net of current portion)</i>				
OPWC Loans Payable	0	251,139	251,139	0
General Obligation Bonds Payable	0	3,526,277	3,526,277	0
Net Pension Liability	102,914	0	102,914	0
Net OPEB Liability	67,502	0	67,502	0
Compensated Absences Payable	2,598	520	3,118	0
<i>Total Long-Term Liabilities</i>	<u>173,014</u>	<u>3,777,936</u>	<u>3,950,950</u>	<u>0</u>
<i>Total Liabilities</i>	<u>362,064</u>	<u>4,101,191</u>	<u>4,463,255</u>	<u>273,949</u>
<b>Deferred Inflows of Resources</b>				
Pension	26,657	0	26,657	0
OPEB	6,654	0	6,654	0
<i>Total Deferred Inflows of Resources</i>	<u>33,311</u>	<u>0</u>	<u>33,311</u>	<u>0</u>
<b>Net Position</b>				
Net Investment in Capital Assets	9,809	1,033,436	1,043,245	0
Unrestricted	1,944,010	2,652,528	4,596,538	32,313
<i>Total Net Position</i>	<u>\$1,953,819</u>	<u>\$3,685,964</u>	<u>\$5,639,783</u>	<u>\$32,313</u>

Net position reported for business-type activities in the statement of net position are different because they include accumulated overpayments to the internal service fund: (3,989)

Net position of business-type activities \$5,635,794

See accompanying notes to the basic financial statements



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

	Enterprise			Internal Service
	Refuse	Stormwater	Total	
<b>Operating Revenues</b>				
Charges for Services	\$2,433,757	\$1,209,892	\$3,643,649	\$2,329,524
<b>Operating Expenses</b>				
Salaries and Wages	60,193	21,310	81,503	0
Fringe Benefits	59,783	8,399	68,182	0
Purchased Services	2,136,810	237,318	2,374,128	89,099
Materials and Supplies	871	21,178	22,049	0
Depreciation	9,757	155,544	165,301	0
Claims	0	0	0	2,508,112
<i>Total Operating Expenses</i>	<u>2,267,414</u>	<u>443,749</u>	<u>2,711,163</u>	<u>2,597,211</u>
<i>Operating Income (Loss)</i>	166,343	766,143	932,486	(267,687)
<b>Non-Operating Revenues (Expenses)</b>				
Interest and Fiscal Charges	0	(150,237)	(150,237)	0
<i>Income (Loss) before Transfers</i>	166,343	615,906	782,249	(267,687)
Transfers In	0	0	0	300,000
<i>Change in Net Position</i>	166,343	615,906	782,249	32,313
<i>Net Position Beginning of Year - (Restated - See Note 17)</i>	<u>1,787,476</u>	<u>3,070,058</u>		<u>0</u>
<i>Net Position End of Year</i>	<u>\$1,953,819</u>	<u>\$3,685,964</u>		<u>\$32,313</u>

Some amounts reported for business-type activities in the statement of activities are different because a portion of the change in net position of the internal service fund is reported with business-type activities:

	<u>(3,989)</u>
Change in net position of business-type activities	<u>\$778,260</u>

See accompanying notes to the basic financial statements

**City of Brunswick, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2018

	Enterprise			Internal Service
	Refuse	Stormwater	Total	
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>				
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$2,418,335	\$1,208,155	\$3,626,490	\$0
Cash Received from Interfund Services Provided	0	0	0	2,329,524
Cash Payment for Employee Services	(59,648)	(21,027)	(80,675)	0
Cash Payment for Employee Benefits	(15,140)	(4,505)	(19,645)	0
Cash Payments to Suppliers for Goods and Services	(1,956,688)	(254,212)	(2,210,900)	(89,099)
Cash Payments for Claims	0	0	0	(2,234,163)
Cash Payments for Interfund Services Provided	(30,750)	(3,960)	(34,710)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>356,109</u>	<u>924,451</u>	<u>1,280,560</u>	<u>6,262</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers In	0	0	0	300,000
<b>Cash Flows From Capital and Related Financing Activities</b>				
Principal Paid on OPWC Loans	0	(19,912)	(19,912)	0
Principal Paid on Capital Improvement Bonds	0	(276,646)	(276,646)	0
Interest Paid on Capital Improvement Bonds	0	(156,366)	(156,366)	0
Payments for Capital Acquisitions	0	(178,290)	(178,290)	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>0</u>	<u>(631,214)</u>	<u>(631,214)</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	356,109	293,237	649,346	306,262
Cash and Cash Equivalents Beginning of Year	1,464,713	2,292,348	3,757,061	0
Cash and Cash Equivalents End of Year	<u>\$1,820,822</u>	<u>\$2,585,585</u>	<u>\$4,406,407</u>	<u>\$306,262</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>				
<i>Operating Income (Loss)</i>	<u>\$166,343</u>	<u>\$766,143</u>	<u>\$932,486</u>	<u>(\$267,687)</u>
Adjustments:				
Depreciation	9,757	155,544	165,301	0
<i>(Increase) Decrease in Receivables and Deferred Outflows:</i>				
Accounts Receivable	(15,422)	(1,737)	(17,159)	0
Prepays	125	72	197	0
Net Pension Asset	(265)	0	(265)	0
Deferred Outflows - Pension	18,930	0	18,930	0
Deferred Outflows - OPEB	3,246	0	3,246	0
<i>Increase (Decrease) in Liabilities and Deferred Inflows:</i>				
Accounts Payable	180,870	(357)	180,513	0
Accrued Wages	545	283	828	0
Contracts Payable	0	4,569	4,569	0
Vacation Benefits Payable	468	(24)	444	0
Net Pension Liability	2,237	0	2,237	0
Net OPEB Liability	3,660	0	3,660	0
Compensated Absences Payable	545	(42)	503	0
Claims Payable	0	0	0	273,949
Deferred Inflow - Pension	(12,895)	0	(12,895)	0
Deferred Inflow - OPEB	(2,035)	0	(2,035)	0
<i>Total Adjustments</i>	<u>189,766</u>	<u>158,308</u>	<u>348,074</u>	<u>273,949</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$356,109</u>	<u>\$924,451</u>	<u>\$1,280,560</u>	<u>\$6,262</u>

See accompanying notes to the basic financial statements

**City of Brunswick, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2018*

---

---

<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$880,450
Cash and Cash Equivalents in Segregated Accounts	<u>2,717</u>
<i>Total Assets</i>	<u><u>\$883,167</u></u>
 <b>Liabilities</b>	
Undistributed Assets	<u><u>\$883,167</u></u>

See accompanying notes to the basic financial statements

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

---

**Note 1 - Description of the City and Reporting Entity**

The City of Brunswick (the "City") is a charter municipal corporation, incorporated under the laws of the State of Ohio. The City operates under a part-time Council and full-time City Manager form of government. The Mayor is elected to a four year term and performs ceremonial and judicial functions. Members of Council are elected to four-year staggered terms.

***Reporting Entity***

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Brunswick, this includes the agencies and departments that provide the following services: police and fire protection, emergency medical, parks and recreation, planning, zoning, street maintenance and repair and general administrative services.

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

The City participates in the Southwest Council of Governments and Northeast Ohio Public Energy Council as jointly governed organizations. Additional information is included in Note 14.

**Note 2 - Summary of Significant Accounting Policies**

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

***Basis of Presentation***

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

***Government-wide Financial Statements*** The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is 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.

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

---

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

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

***Fund Accounting***

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

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

***General Fund*** The general fund accounts and reports for all financial resources except those required to be accounted for and reported in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter of the City of Brunswick and/or the general laws of Ohio.

***Fire Department Special Revenue Fund*** The fire department fund accounts for and reports the 0.65 percent voted income tax levy proceeds restricted for the expenditures related to fire protection in the City.

***Street Repair and Maintenance Special Revenue Fund*** The street repair and maintenance fund accounts for and reports State gasoline tax and motor vehicle registration fees restricted for maintenance of streets within the City as required by the Ohio Revised Code.

***Police Special Revenue Fund*** The police fund accounts for and reports the 0.65 percent voted income tax levy proceeds restricted for the police department.

***Road Improvement Capital Projects Fund*** The road improvement fund accounts for and reports debt proceeds, grant monies and transfers restricted and assigned for improvements to roads.

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

---

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

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

**Enterprise Fund** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City has two enterprise funds.

**Refuse Fund** The refuse fund accounts for the garbage collection services offered by the City to its residents.

**Stormwater Fund** The stormwater fund accounts for the activities of the City's stormwater management utility.

**Internal Service Fund** 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 only internal service fund is a health insurance fund that accounts for vision, dental, prescription drug and hospital/medical claims of the City employees.

**Fiduciary Funds** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary funds are agency funds. The agency funds are used for performance bonds, collection and distribution of State monies, to accumulate employee contributions for future child care and health services and for expenditures for the local softball teams.

**Measurement Focus**

**Government-wide Financial Statements** The government-wide financial statements are prepared using 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 the City are included on the Statement of Net Position. The Statement of Activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

**Fund Financial Statements** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources are generally 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 statement for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses and changes in fund net position presents

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

---

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.

***Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources and in the presentation of expenses versus expenditures.

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. (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 non-exchange transactions must also be available before it can be recognized.

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

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance fiscal year 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, income taxes, charges for service, special assessments, interest and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the

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

---

period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 25. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Notes 12 and 13)

***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized when 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 the governmental funds.

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

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

***Budgetary Process***

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of budgetary control has been established by City Council at the function level of expenditures by personal services and all other expenditure categories within each department for all funds pursuant to Ohio Revised Code Section 5705.38(C). Budgetary modifications may only be made by ordinance of the City Council at the legal level of control. The Finance Director has been authorized to allocate appropriations within expenditure categories as appropriated by Council. Budgetary statements are presented beyond the legal level of control for informational purposes only.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original and final budgeted amounts on the budgetary statements reflect the amounts on the original and final amended official certificate of estimated resources when the original and final appropriations were enacted by Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts on the budgetary statements reflect the first appropriations ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.



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

---

***Cash and Cash Equivalents***

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through City records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

The City has segregated bank accounts for monies held separate from the City's central bank account. These interest bearing depository accounts are presented as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City treasury.

The City utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented as "cash and cash equivalents with fiscal agents" and represents deposits or short-term investments in certificates of deposit.

During 2018, investments were limited to overnight repurchase agreements, federal home loan mortgage corporation bonds, federal national mortgage association bonds, federal home loan bank bonds, federal farm credit bank bonds, money market governmental obligations, negotiable certificates of deposits, US Treasury notes, commercial paper and State Treasury Asset Reserve of Ohio (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 their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost. The fair value of the money market fund is determined by the fund's current share price.

The City's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue is distributed to the general fund, certain special revenue funds, debt service funds and certain capital projects funds. Interest revenue credited to the general fund during 2018 amounted to \$689,575, which includes \$528,367 assigned from other City funds.

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

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

---

***Restricted Assets***

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws or other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent money set aside for unclaimed monies.

***Inventory***

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

***Capital Assets***

General capital assets are capital assets which are associated with and generally arise from governmental activities. They 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. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are valued at their acquisition values as of the date received. The City maintains a capitalization threshold of ten thousand dollars for infrastructure, zero dollars for land, works of art, computers and computer peripherals and five thousand dollars for all other assets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20 years
Building and Improvements	5 - 50 years
Equipment, Machinery and Vehicles	3 - 25 years
Furniture and Fixtures	7 - 10 years
Infrastructure	30 - 50 years

The City's infrastructure consists of roads, sidewalks, storm sewers, bridges and culverts, dams and does not include infrastructure acquired prior to December 31, 1980.

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

---

***Interfund Balances***

On the fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “interfund receivables/payables”. Long term interfund loans are reported as “loans to/from other funds” and are classified as nonspendable fund balance which indicates that they do not constitute “available expendable resources” since they are not a component of net current position. Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

***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. The City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Since the City’s policy limits the accrual of vacation time to one year from the employee’s anniversary date, the outstanding liability is recorded as “vacation benefits payable” on the statement of net position rather than as a long-term liability.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees’ wage rates at year end, taking into consideration any limits specified in the City’s termination policy. The City records a liability for accumulated unused sick leave for all employees after five years of service.

***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, 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 fiscal year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due. 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.

***Fund Balance Reserves***

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:

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

---

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans, loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by the highest level of formal action (ordinance or resolution, as both are equally binding) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance for capital improvements and cable TV.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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

---

***Bond Premiums***

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an increase of the face amount of the general obligation bonds payable. On fund financial statements, bond premiums are received in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

***Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activities of the proprietary funds. For the City, these revenues are charges for services for refuse collection and stormwater programs. Operating expenses are necessary costs incurred to provide the service for the primary activities of the funds. Revenues and expenses not meeting these definitions are reported as nonoperating.

***Internal Activity***

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

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 financial statements.

***Net Position***

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net position restricted for other purposes include resources restricted for computerization of the mayor's court and neighborhood stabilization. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

***Estimates***

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

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

---

***General Fund Reserve Policy***

The City shall attempt to maintain a minimum general fund unassigned cash reserve of no less than \$3,000,000.

Council may legislatively designate the use of the general fund unassigned cash reserves below the \$3,000,000 minimum. If at the end of a fiscal year, the general fund unassigned cash reserve falls below \$3,000,000, the City Manager shall prepare and submit his plan for expenditure reductions and/or revenue adjustments to City Council. City Council shall take action necessary to restore the general fund unassigned cash reserve balance back to the \$3,000,000 level, preferably within one year, but no more than three years after the last day of the fiscal year in which the minimum reserve level was breached.

In the event the general fund unassigned cash reserve exceeds \$4,500,000 on the last day of the fiscal year, the excess may be used in one of or a combination of the following ways:

- One-time expenditures or set aside for future one time expenditures, including but not limited to debt principal reductions or capital improvements, which do not increase recurring operating costs;
- Other one-time costs, or the establishment of or increase in legitimate reservations or designations of any fund balance under the authority of Council;
- Start-up expenditures for new programs provided such action is accompanied by an approved multi-year projection of revenues and expenditures. The program shall not be authorized unless the projections are both reasonable and include revenue streams sufficient to cover the expenditures.

This policy and reserve requirements are reviewed on an annual basis and, if appropriate, amended accordingly.

**Note 3 - Budgetary Basis of Accounting**

While the City is reporting financial position, results of operations, and changes in fund balance/net position on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general and major special revenue funds 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 as follows:

1. Revenues and other sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures and other uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).

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

4. Investments are reported at cost (budget) rather than at fair value (GAAP).
5. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
6. Budgetary revenues and expenditures of the cable TV fund are classified to general fund for GAAP Reporting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and for the major special revenue funds.

Net Change in Fund Balances				
	General	Fire Department	Street Repair and Maintenance	Police
GAAP Basis	\$1,646,797	\$564,820	\$428,379	\$947,028
Net Adjustment for Revenue Accruals	6,692	(65,423)	(30,292)	(86,803)
Perspective Difference:				
Cable TV	(106,404)	0	0	0
Beginning Change in Fair Value of Investments	(82,234)	0	0	0
Ending Change in Fair Value of Investments	55,594	0	0	0
Advances In	800,000	0	0	0
Net Adjustment for Expenditure Accruals	(2,470)	(1,235)	98,255	118,824
Advances Out	(2,177,701)	0	0	0
Adjustments for Encumbrances	(478,319)	(91,895)	(246,697)	(226,782)
Budget Basis	<u>(\$338,045)</u>	<u>\$406,267</u>	<u>\$249,645</u>	<u>\$752,267</u>

**Note 4 – Fund Balances**

Pursuant to Ohio Revised Code Section 5705.10(I), all fund inflows, once recorded in a fund, are to be used for the same purpose as the specific revenue source serving as the foundation of that fund, and fund balance may be limited to one classification, the same as the foundation revenue. Thus, once the foundation revenue of a special revenue fund has been identified and classified as restricted (or committed), other inflows into the same fund are also restricted (or committed). For all other funds that are not special revenue funds, fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

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

Fund Balances	General	Fire Department	Street Repair and Maintenance	Police
<u>Nonspendable:</u>				
Inventory	\$0	\$0	\$177,630	\$4,318
Prepays	49,101	55,868	25,349	99,829
Unclaimed Monies	50,129	0	0	0
<i>Total Nonspendable</i>	<u>99,230</u>	<u>55,868</u>	<u>202,979</u>	<u>104,147</u>
<u>Restricted for:</u>				
Police Department	0	0	0	5,917,111
Fire and EMS Department	0	3,756,642	0	0
Debt Service Retirement	0	0	0	0
Street Maintenance	0	0	4,289,913	0
Revolving Loan	0	0	0	0
Transit Authority	0	0	0	0
Community Investment	0	0	0	0
Capital Improvements	0	0	0	0
Other Purposes	0	0	0	0
<i>Total Restricted</i>	<u>0</u>	<u>3,756,642</u>	<u>4,289,913</u>	<u>5,917,111</u>
<u>Committed to:</u>				
Parks	0	0	0	0
Community Recreation	0	0	0	0
Park Development	0	0	0	0
Cable TV	1,257	0	0	0
Accounting/Auditing Contracts	42,460	0	0	0
Software/Technology Upgrades	127,797	0	0	0
<i>Total Committed</i>	<u>171,514</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Assigned to:</u>				
Purchases on Order:				
General Government	147,329	0	0	0
Security of Persons and Property	1,697	0	0	0
Community Environment	63,920	0	0	0
Leisure Time Activities	1,169	0	0	0
Park Development	0	0	0	0
Brunswick Lake	0	0	0	0
Capital Improvements	4,905,934	0	0	0
Cable TV	820,631	0	0	0
<i>Total Assigned</i>	<u>5,940,680</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unassigned	8,335,939	0	0	0
<b>Total Fund Balances</b>	<u><u>\$14,547,363</u></u>	<u><u>\$3,812,510</u></u>	<u><u>\$4,492,892</u></u>	<u><u>\$6,021,258</u></u>



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

Fund Balances	Road Improvements	Other Governmental Funds	Total
<u>Nonspendable:</u>			
Inventory	\$0	\$29,026	\$210,974
Prepays	0	15,712	245,859
Unclaimed Monies	0	0	50,129
<i>Total Nonspendable</i>	<u>0</u>	<u>44,738</u>	<u>506,962</u>
<u>Restricted for:</u>			
Police Department	0	39,050	5,956,161
Fire and EMS Department	0	0	3,756,642
Debt Service Retirement	0	1,234,970	1,234,970
Street Maintenance	0	370,816	4,660,729
Revolving Loan	0	6	6
Transit Authority	0	797,123	797,123
Community Investment	0	25,511	25,511
Capital Improvements	6,935,133	3,715,215	10,650,348
Other Purposes	0	31,606	31,606
<i>Total Restricted</i>	<u>6,935,133</u>	<u>6,214,297</u>	<u>27,113,096</u>
<u>Committed to:</u>			
Parks	0	957,892	957,892
Community Recreation	0	643,309	643,309
Park Development	0	574,768	574,768
Cable TV	0	0	1,257
Accounting/Auditing Contracts	0	0	42,460
Software/Technology Upgrades	0	0	127,797
<i>Total Committed</i>	<u>0</u>	<u>2,175,969</u>	<u>2,347,483</u>
<u>Assigned to:</u>			
Purchases on Order:			
General Government	0	0	147,329
Security of Persons and Property	0	0	1,697
Community Environment	0	0	63,920
Leisure Time Activities	0	0	1,169
Park Development	0	12,298	12,298
Brunswick Lake	0	712,950	712,950
Capital Improvements	3,895	3,125	4,912,954
Cable TV	0	0	820,631
<i>Total Assigned</i>	<u>3,895</u>	<u>728,373</u>	<u>6,672,948</u>
Unassigned	0	0	8,335,939
<b>Total Fund Balances</b>	<u><u>\$6,939,028</u></u>	<u><u>\$9,163,377</u></u>	<u><u>\$44,976,428</u></u>

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

---

**Note 5 - Deposits and Investments**

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

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial 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.

Interim monies held by the City can be deposited or invested in the following securities:

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

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

---

5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

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.

The City may also invest any monies not required to be used for a specific 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;
3. Obligations of the City.

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

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

### **Investments**

Investments are reported at fair value. As of December 31, 2018, the City had the following investments:

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

Measurement/Investment	Measurement Amount	Maturity	Moody's	Percent of Total Investments
Net Asset Value (NAV) Per Share:				
STAR Ohio	\$10,390,919	Average 44.9 Days	Aaa	N/A
Cost:				
Repurchase Agreements:	3,544,678	Daily	Aaa	11.42%
Fair Value - Level Two Inputs:				
Federal Home Loan Mortgage Corporation Bonds	4,531,262	Less than five years	Aaa	14.59%
Federal National Mortgage Association Bonds	2,516,013	Less than four years	Aaa	8.10%
Federal Home Loan Bank Bonds	3,828,528	Less than five years	Aaa	12.33%
Federal Farm Credit Bank Bonds	1,475,430	Less than three years	Aaa	4.75%
U.S. Treasury Notes	249,643	Less than one year	N/A	0.80%
Money Market Governmental Obligations	29,158	Less than one year	Aaa	0.09%
Commercial Paper	1,698,586	Daily	N/A	5.47%
Negotiable Certificates of Deposit	2,782,563	Less than four years	N/A	8.96%
Total Portfolio	<u>\$31,046,780</u>			

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2018. The City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

**Interest Rate Risk** As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. To date, no investments have been purchased with a life greater than five years except for the manuscript bonds. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

**Credit Risk** All investments carry a rating of Aaa by Moody's. The City has no investment policy that addresses credit risk.

**Concentration of Credit Risk** The City's investment policy places no limit on the amount it may invest in any one issuer.

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

---

**Note 6 - Receivables**

Receivables at December 31, 2018, consisted primarily of municipal income taxes, property taxes, special assessments, notes, intergovernmental receivables arising from grants, entitlements and shared revenues, interest, and accounts (billings for user charged services).

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables except property taxes, notes, and special assessments are expected to be received within one year. Property taxes although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Notes receivable in the general fund represent a promissory note between Medina County and the City of Brunswick. The principal amount of the revenue notes of \$245,172 represent contributions made by the City of Brunswick pursuant to the contribution agreement with Medina County and the Medina County Fiber Network Project. The revenue notes are payable as to both principal and interest solely from any payments received by Medina County from the Medina County Port Authority. The revenue notes bear an annual interest rate of 5.42 percent.

Special assessments expected to be collected in more than one year amount to \$440,467 in the special assessment bond retirement fund. The amount of delinquent special assessments outstanding at year-end is \$3,019.

***Property Taxes***

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

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

Real property taxes are payable annually or semi-annually. If paid annually, payment is due 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 tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes which became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2018, was \$3.80 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2018 property tax receipts were based are as follows:

	<u>Assessed Value</u>
Real Estate	
Residential/Agricultural	\$601,288,000
Commercial Industrial/PU	152,075,600
Public Utility Property	9,306,550
Total Assessed Value	<u><u>\$762,670,150</u></u>

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

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

***Income Tax***

The City levies a municipal income tax of 2.00 percent on salaries, wages, commissions and other compensation, and net profits earned within the City as well as incomes of residents earned outside of the City. Residents of the City are granted a credit up to one percent for taxes paid to other municipalities.

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 individual taxpayers are required to file a return annually. By City Ordinance 118-17, income tax revenues received for 2018, after income tax department expenditures, are credited to the following funds: police fund 49.25 percent up to a maximum of \$7,100,000; fire fund 26.50 percent up to a maximum of \$4,150,000; street repair and maintenance fund 7.5 percent up to a maximum of \$1,225,000; Brunswick transit alternative fund 0.25 percent up to a maximum of \$20,000; park fund 3.50 percent up to a maximum of \$555,000; capital improvement capital projects fund 3.00 percent; and the general fund 10.00 percent. Income tax receipts that exceed the established maximums in any one fund are retained in the general fund. The income tax receivable amounts are based on City Ordinance 93-18 for the 2019 allocation.

***Intergovernmental Receivables***

A summary of the governmental activities principal items of intergovernmental receivables follows:

	Amounts
<b>Governmental:</b>	
Gasoline Tax	\$633,426
Grants	365,292
Local Government	261,961
Permissive Motor Vehicle License Tax	226,379
Homestead and Rollback	134,689
Motor Vehicle License Registration	133,562
Utility Deregulation Monies	24,549
Franchise Fees	20,989
Cigarette and Liquor Tax	13,660
Immobilization	100
Total	\$1,814,607

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

---

## **Note 7 - Contingencies**

### ***Grants***

The City received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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 adverse effect on the overall financial position of the City at December 31, 2018.

### ***Litigation***

In the opinion of management, any claims and/or lawsuits pending against the City will not have a material adverse effect on the overall financial position of the City at December 31, 2018.

## **Note 8 - Other Employee Benefits**

### ***Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn two to six weeks of vacation per year, depending upon length of service. Vacation accumulation is limited to one year unless an extension is approved by the City Manager. All accumulated unused vacation time is paid upon termination of employment. Outstanding unused vacation is reflected as vacation benefits payable on the statement of net position.

Employees earn sick leave at the rate of 1.25 days per month of service. Sick leave accumulation is unlimited, but upon retirement or death, identified employees can be paid either twenty-five or thirty-three percent of accumulated, unused sick leave to various maximums based on the number of years of continuous service dependent on the collective bargaining unit the employee follows.

### ***Health and Life Insurance***

The City provides health insurance through Medical Mutual to its employees. It also provides life insurance and accidental death and dismemberment insurance to its employees through Group Life Insurance.

## **Note 9 - Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City has insurance coverage with The Travelers Indemnity Company. The City's coverage for general liability, bodily injury and property damage to others is limited to \$14,000,000 per occurrence and has a \$14,000,000 aggregate limit per year.

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

Errors and omissions for public officials and police professional liability are \$1,000,000 per occurrence and \$2,000,000 aggregate per year. Vehicle coverage is limited to \$1,000,000 per each occurrence, no aggregate, and a \$1,000 physical damage deductible for comprehensive and collision for all City vehicles. Comprehensive crime is covered at \$100,000 with various individual bonds ranging from \$10,000 to \$1,000,000 in coverage.

Coverage for the City’s buildings, furniture, fixtures, and contents has a limit of \$34,870,914 with a \$2,500 per event deductible. Inland marine coverage for all City property that moves has a limit of \$2,648,952 with a \$1,000 deductible. The City also maintains a separate cybercrime policy.

Settled claims have not exceeded this commercial coverage in any of the past six years. There has not been a significant reduction in coverage from the prior year.

The City has elected to provide employee hospital/medical, prescription, dental, and vision insurance benefits through a partially self-insured program. The City established a health insurance internal service fund to account for and finance the cost of this program.

Medical Mutual of Ohio serves as the third party administrator who reviews and processes medical, prescription, dental and vision claims. After any discounts are applied, claims are paid by the earmarked contributions. The City’s specific deductible for the Jefferson Health Plan’s large claim reimbursement program is \$75,000 per individual claimant. The Jefferson Health Plan has a stop loss policy with SunLife for claimants that exceed \$1,500,000. The departments are charged an annual premium amount equal to the estimated annual costs of each plan selected by each respective qualified employee from that department. The City is charged actual costs of administration and claims of their plan.

The claims liability of \$273,949 as estimated is reported in the health insurance internal service fund at December 31, 2018. The liability is based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. 2018 marked the first year of the City’s enrollment in the Jefferson Health Plan and thus is the first year the City has reported a claims liability under this plan. Changes in the funds claims liability amount in 2018 was as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2018	\$0	\$2,508,112	\$2,234,163	\$273,949

The City pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs and is set by the Ohio Bureau of Workers’ Compensation.



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

**Note 10 - Capital Assets**

Capital asset activity for the year ended December 31, 2018, was as follows:

	Balance 12/31/17	Additions	Deletions	Balance 12/31/18
<b>Governmental Activities</b>				
<b><i>Capital Assets, not being depreciated:</i></b>				
Land	\$5,455,289	\$0	\$0	\$5,455,289
Construction in Progress	5,217,890	5,744,223	(2,013,234)	8,948,879
<b><i>Total Capital Assets, not being depreciated</i></b>	<b>10,673,179</b>	<b>5,744,223</b>	<b>(2,013,234)</b>	<b>14,404,168</b>
<b><i>Capital Assets, being depreciated:</i></b>				
Land Improvements	688,037	210,123	0	898,160
Buildings and Improvements	15,004,953	76,982	(16,771)	15,065,164
Equipment, Machinery and Vehicles	11,154,817	1,214,094	(368,099)	12,000,812
Furniture and Fixtures	148,139	0	0	148,139
Infrastructure				
Roads	21,540,005	1,803,970	0	23,343,975
Sidewalks	1,633,207	0	0	1,633,207
Storm Sewers	15,529,077	0	0	15,529,077
Bridges	263,823	0	0	263,823
Dam	402,508	0	0	402,508
Culverts	1,878,028	0	0	1,878,028
<b><i>Total Capital Assets, being depreciated</i></b>	<b>68,242,594</b>	<b>3,305,169</b>	<b>(384,870)</b>	<b>71,162,893</b>
<b><i>Less Accumulated Depreciation:</i></b>				
Land Improvements	(82,473)	(22,079)	0	(104,552)
Buildings and Improvements	(8,948,949)	(408,751)	16,771	(9,340,929)
Equipment, Machinery and Vehicles	(8,547,267)	(716,366)	368,099	(8,895,534)
Furniture and Fixtures	(86,189)	(9,078)	0	(95,267)
Infrastructure				
Roads	(10,100,720)	(677,377)	0	(10,778,097)
Sidewalks	(962,242)	(50,331)	0	(1,012,573)
Storm Sewers	(6,510,128)	(310,582)	0	(6,820,710)
Bridges	(140,584)	(6,596)	0	(147,180)
Dam	(104,651)	(8,050)	0	(112,701)
Culverts	(949,738)	(46,951)	0	(996,689)
<b><i>Total Accumulated Depreciation</i></b>	<b>(36,432,941)</b>	<b>(2,256,161) *</b>	<b>384,870</b>	<b>(38,304,232)</b>
Total Capital Assets being depreciated, net	31,809,653	1,049,008	0	32,858,661
<b>Governmental Activities Capital Assets, Net</b>	<b>\$42,482,832</b>	<b>\$6,793,231</b>	<b>(\$2,013,234)</b>	<b>\$47,262,829</b>

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

	Balance 12/31/17	Additions	Deletions	Balance 12/31/18
<b>Business-Type Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Construction in Progress	\$1,603	\$74,295	\$0	\$75,898
<i>Capital Assets, being depreciated:</i>				
Equipment, Machinery and Vehicles,				
Furniture and Fixtures	688,039	103,995	0	792,034
Infrastructure				
Storm Sewers	3,887,337	0	0	3,887,337
Dam	1,214,235	0	0	1,214,235
Culverts	637,263	0	0	637,263
<i>Total Capital Assets, being depreciated</i>	<u>6,426,874</u>	<u>103,995</u>	<u>0</u>	<u>6,530,869</u>
<i>Less Accumulated Depreciation:</i>				
Equipment, Machinery and Vehicles,				
Furniture and Fixtures	(204,799)	(47,338)	0	(252,137)
Infrastructure				
Storm Sewers	(753,245)	(77,746)	0	(830,991)
Dam	(315,701)	(24,285)	0	(339,986)
Culverts	(112,980)	(15,932)	0	(128,912)
<i>Total Accumulated Depreciation</i>	<u>(1,386,725)</u>	<u>(165,301)</u>	<u>0</u>	<u>(1,552,026)</u>
Total Capital Assets being depreciated, net	<u>5,040,149</u>	<u>(61,306)</u>	<u>0</u>	<u>4,978,843</u>
Business-Type Activities Capital Assets, Net	<u>\$5,041,752</u>	<u>\$12,989</u>	<u>\$0</u>	<u>\$5,054,741</u>

\* Depreciation expense was charged to governmental functions as follows:

General Government	\$149,552
Security of Persons and Property	433,002
Transportation	999,068
Community Environment	394,956
Public Health Services	23,160
Leisure Time Activities	256,423
Total Depreciation Expense	<u>\$2,256,161</u>

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

**Note 11 - Long-Term Obligations**

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

	<u>Original Issue Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
<b>Governmental Activities:</b>				
<i>General Obligation Bonds</i>				
Capital Improvement, Series 2012A	2012	2.00 to 4.00 %	\$1,320,000	December 1, 2031
<i>Special Assessment Bonds with Governmental Commitment</i>				
Capital Improvement	2009	2.00 to 4.20	402,508	December 1, 2029
Grafton Road Improvement	1997	5.68	56,300	December 1, 2018
South Industrial Parkway Improvement	1999	3.90 to 5.63	1,230,000	December 1, 2019
Laurel Road Improvement	2006	4.00 to 5.75	546,000	December 1, 2026
<i>OPWC Loans</i>				
Hadcock Road Phase II	2013	0.00	261,578	December 1, 2038
Multi Roads	2018	0.00	N/A	N/A
<b>Business-Type Activities:</b>				
<i>General Obligation Bonds</i>				
Capital Improvement	2009	2.00 to 4.20	4,672,492	December 1, 2029
Capital Improvement, Series 2012B	2012	2.00 to 4.00	1,155,000	December 1, 2031
<i>OPWC Loans</i>				
Highland Storm Sewer	2012	0.00	35,460	July 1, 2032
El Dorado Storm Sewer	2012	0.00	80,311	July 1, 2032
El Dorado Culvert	2013	0.00	152,500	July 1, 2044
Fireside Double	2004	0.00	180,803	July 2, 2026

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

A schedule of changes in bonds and other long-term obligations of the City during 2018 follows:

	Amounts Outstanding 12/31/17	Additions	Reductions	Amounts Outstanding 12/31/18	Amounts Due in One Year
<i>Governmental Activities:</i>					
<i>General Obligation Bonds:</i>					
<i>Unvoted:</i>					
Capital Improvement Bonds, Series 2012A					
Serial Bonds	\$315,000	\$0	(\$60,000)	\$255,000	\$60,000
Term Bonds	735,000	0	0	735,000	0
Unamortized Premium	79,029	0	(5,713)	73,316	0
<i>Total General Obligation Bonds</i>	<u>1,129,029</u>	<u>0</u>	<u>(65,713)</u>	<u>1,063,316</u>	<u>60,000</u>
<i>Special Assessment Bonds with Governmental Commitment:</i>					
Capital Improvement Bonds	272,909	0	(18,354)	254,555	19,088
Unamortized Premium	339	0	(29)	310	0
Grafton Road Improvement	1,496	0	(1,496)	0	0
South Industrial Parkway Improvement	190,000	0	(90,000)	100,000	100,000
Laurel Road Improvement	265,000	0	(30,000)	235,000	30,000
Unamortized Premium	866	0	(99)	767	0
<i>Total Special Assessment Bonds</i>	<u>730,610</u>	<u>0</u>	<u>(139,978)</u>	<u>590,632</u>	<u>149,088</u>
<i>OPWC Loans:</i>					
Hadcock Road Phase II	219,726	0	(10,464)	209,262	10,463
Multi Roads	0	6,814	0	6,814	0
<i>Total OPWC Loans</i>	<u>219,726</u>	<u>6,814</u>	<u>(10,464)</u>	<u>216,076</u>	<u>10,463</u>
<i>Other Long-term Obligations:</i>					
Net Pension Liability:					
OPERS	7,523,456	0	(2,480,688)	5,042,768	0
OP&F	16,014,252	0	(572,853)	15,441,399	0
<i>Total Net Pension Liability</i>	<u>23,537,708</u>	<u>0</u>	<u>(3,053,541)</u>	<u>20,484,167</u>	<u>0</u>
Net OPEB Liability:					
OPERS	3,194,192	113,366	0	3,307,558	0
OP&F	12,001,461	2,253,447	0	14,254,908	0
<i>Total Net OPEB Liability</i>	<u>15,195,653</u>	<u>2,366,813</u>	<u>0</u>	<u>17,562,466</u>	<u>0</u>
Compensated Absences	517,482	89,344	(83,494)	523,332	86,322
<i>Total Other Long-term Obligations</i>	<u>39,250,843</u>	<u>2,456,157</u>	<u>(3,137,035)</u>	<u>38,569,965</u>	<u>86,322</u>
<i>Total Governmental Long-Term Liabilities</i>	<u>\$41,330,208</u>	<u>\$2,462,971</u>	<u>(\$3,353,190)</u>	<u>\$40,439,989</u>	<u>\$305,873</u>

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

	Amounts Outstanding 12/31/17	Additions	Reductions	Amounts Outstanding 12/31/18	Amounts Due in One Year
<i>Business-Type Activities:</i>					
<i>General Obligation Bonds:</i>					
<i>Unvoted:</i>					
Capital Improvement Bonds	\$3,177,091	\$0	(\$216,646)	\$2,960,445	\$220,912
Unamortized Premium	3,949	0	(336)	3,613	0
Capital Improvement Bonds, Series 2012B					
Serial Bonds	300,000	0	(60,000)	240,000	60,000
Term Bonds	540,000	0	0	540,000	0
Unamortized Premium	68,051	0	(4,920)	63,131	0
<i>Total General Obligation Bonds</i>	<u>4,089,091</u>	<u>0</u>	<u>(281,902)</u>	<u>3,807,189</u>	<u>280,912</u>
<i>OPWC Loans:</i>					
Highland Storm Sewer	25,708	0	(1,773)	23,935	1,773
El Dorado Storm Sewer	58,226	0	(4,015)	54,211	4,016
El Dorado Culvert	134,708	0	(5,084)	129,624	5,083
Fireside Double	72,321	0	(9,040)	63,281	9,040
<i>Total OPWC Loans</i>	<u>290,963</u>	<u>0</u>	<u>(19,912)</u>	<u>271,051</u>	<u>19,912</u>
<i>Other Long-term Obligations:</i>					
<i>Net Pension Liability OPERS:</i>					
Refuse	153,540	0	(50,626)	102,914	0
<i>Net OPEB Liability OPERS:</i>					
Refuse	65,188	2,314	0	67,502	0
Compensated Absences	3,231	1,024	(521)	3,734	616
<i>Total Other Long-term Obligations</i>	<u>221,959</u>	<u>3,338</u>	<u>(51,147)</u>	<u>174,150</u>	<u>616</u>
<i>Total Business-Type Long-Term Liabilities</i>	<u>\$4,602,013</u>	<u>\$3,338</u>	<u>(\$352,961)</u>	<u>\$4,252,390</u>	<u>\$301,440</u>

General obligation bonds are paid from the intergovernmental revenues in the state highway special revenue fund and charges for services revenue in the stormwater enterprise fund. The special assessment bonds will be paid from the proceeds of special assessments levied against the benefitted property owners. In the event that a property owner would fail to pay the assessment, payment would be made to the City.

On September 24, 2009, the City issued \$5,075,000 in capital improvement bonds, of which, \$4,672,492 was general obligation bonds and \$402,508 was special assessment bonds. The bonds were issued for the reconstruction of the dam at Brunswick Lake, the dredging and improvements of Brunswick Lake and various improvements to the City's storm sewer water drainage system.

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

On November 1, 2012, the City issued \$2,475,000 of series 2012 general obligation capital improvement bonds. The bonds were issued for a period of twenty years at an interest rate varying from 2 to 4 percent. The bond issue was comprised of \$1,200,000 in serial bonds and \$1,275,000 in term bonds. \$1,320,000 in series 2012A capital improvement bonds were issued to pay the cost of improving the City's traffic control system by purchasing and installing signals and other equipment and devices. \$1,155,000 in series 2012B capital improvement bonds were issued to pay the cost of improving the City's storm water drainage system by constructing and reconstructing storm sewers, storm water detention basins and other storm water management improvements. The bond will be paid over 19 years. The series 2012A bonds are being retired from the general obligation bond retirement debt service fund, and the series 2012B bonds are being retired from the stormwater enterprise fund. In the event the stormwater fee would be insufficient to repay the bonds, payment would be made by the City.

The 2012 capital improvement general obligation term bonds maturing on December 1, 2031 are subject to mandatory redemption and are to be redeemed pursuant to mandatory sinking fund requirements at a redemption price of 100 percent of the principal amount redeemed, plus interest accrued to the redemption date on December 1 in each of the years and in the principal amounts set forth below:

Year	Issue \$1,275,000
2023	\$130,000
2024	130,000
2025	135,000
2026	140,000
2027	140,000
2028	145,000
2029	150,000
2030	150,000
Total Mandatory Sinking Fund Payments	1,120,000
Amount Due at Stated Maturity	155,000
Total	\$1,275,000
<i>Stated Maturity</i>	<i>12/1/2031</i>

Compensated absences will be paid from the general fund, the court computerization, police, fire departments, street repair and maintenance, Brunswick transit, parks and recreational center special revenue funds and the refuse and stormwater enterprise funds which are the funds from which the employees' salaries are paid. There is no repayment schedule for the net pension liability and net OPEB liability. However, employer pension and OPEB contributions are made from the following funds: general fund, the court computerization, police, fire departments, street repair and maintenance, Brunswick transit, parks and recreational center special revenue funds and the refuse enterprise fund. For additional information related to the net pension and net OPEB liabilities see Notes 12 and 13. The OPWC loans will be paid with intergovernmental revenue in the road improvement capital projects fund and charges for services revenue in the stormwater enterprise fund.

In 2018, the City was approved for an OPWC loan for multiple road improvements. As of December 31, 2018, the City has received proceeds of \$6,814. This loan has not been finalized and therefore the repayment schedule is not included in the schedule of debt service payments.

The City's overall debt margin was \$76,499,814 and the unvoted legal debt margin was \$38,366,306 at December 31, 2018. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2018, are as follows:

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

Governmental Activities							
	General Obligation Bonds				Special Assessment Bonds		OPWC Loans
	Serial Bonds		Term Bonds		Principal	Interest	Principal
	Principal	Interest	Principal	Interest			
2019	\$60,000	\$38,025	\$0	\$0	\$149,088	\$27,949	\$10,463
2020	65,000	36,225	0	0	49,852	19,986	10,463
2021	65,000	34,275	0	0	50,546	17,716	10,463
2022	65,000	31,675	0	0	51,266	15,422	10,463
2023	0	0	70,000	29,400	52,036	13,076	10,463
2024-2028	0	0	390,000	103,200	208,864	30,173	52,316
2029-2033	0	0	275,000	22,200	27,903	1,172	52,315
2034-2038	0	0	0	0	0	0	52,316
<b>Total</b>	<b>\$255,000</b>	<b>\$140,200</b>	<b>\$735,000</b>	<b>\$154,800</b>	<b>\$589,555</b>	<b>\$125,494</b>	<b>\$209,262</b>

Business-Type Activities					
	General Obligation Bonds				OPWC Loans
	Serial Bonds		Term Bonds		Principal
	Principal	Interest	Principal	Interest	
2019	\$280,912	\$145,901	\$0	\$0	\$19,912
2020	290,148	135,264	0	0	19,911
2021	294,454	125,409	0	0	19,911
2022	303,734	114,803	0	0	19,911
2023	257,964	82,268	60,000	21,600	19,912
2024-2028	1,441,136	251,915	300,000	72,000	72,434
2029-2033	332,097	13,948	180,000	14,400	45,681
2034-2038	0	0	0	0	25,415
2039-2043	0	0	0	0	25,415
2044	0	0	0	0	2,549
<b>Total</b>	<b>\$3,200,445</b>	<b>\$869,508</b>	<b>\$540,000</b>	<b>\$108,000</b>	<b>\$271,051</b>

**Note 12 – Defined Benefit Pension Plans**

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

***Net Pension Liability (Asset)/Net OPEB Liability***

The net pension liability (asset) and the net OPEB liability reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

---

The net pension/OPEB liability (asset) 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 these estimates annually.

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net pension asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *accrued wages payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 13 for the required 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.

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.



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

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 CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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.

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

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

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

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 purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

	State and Local
<b>2018 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
 <b>2018 Actual Contribution Rates</b>	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %

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

\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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

For 2018, The City's contractually required contribution was \$612,249 for the traditional plan, \$7,627 for the combined plan and \$2,411 for the member-directed plan. Of these amounts, \$72,655 is reported as an accrued wage payable for the traditional plan, \$902 for the combined plan and \$399 for the member-directed plan.

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

---

***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 after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits):

Under normal service retirement, retired members who are at least 55 years old and have been receiving 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, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

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

	<u>Police</u>	<u>Firefighters</u>
<b>2018 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2018 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 \$1,163,181 for 2018. Of this amount, \$130,736 is reported as an accrued wage payable.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net pension liability (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 of the City's defined benefit pension plans:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.032800%	0.012913%	0.2515930%	
Prior Measurement Date	<u>0.033807%</u>	<u>0.018279%</u>	<u>0.2528340%</u>	
Change in Proportionate Share	<u>-0.001007%</u>	<u>-0.005366%</u>	<u>-0.0012410%</u>	
Proportionate Share of the:				
Net Pension Liability	\$5,145,682	\$0	\$15,441,399	\$20,587,081
Net Pension Asset	0	17,578	0	17,578
Pension Expense	1,034,124	(13,707)	1,852,726	2,873,143

2018 pension expense for the member-directed defined contribution plan was \$2,411.

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

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

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
<b>Deferred Outflows of Resources</b>				
Differences between expected and actual experience	\$5,255	\$0	\$234,334	\$239,589
Changes of assumptions	614,944	1,537	672,863	1,289,344
Changes in proportion and differences between City contributions and proportionate share of contributions	0	2,602	131,890	134,492
City contributions subsequent to the measurement date	612,249	7,627	1,163,181	1,783,057
<b>Total Deferred Outflows of Resources</b>	<b>\$1,232,448</b>	<b>\$11,766</b>	<b>\$2,202,268</b>	<b>\$3,446,482</b>
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$101,406	\$5,237	\$27,934	\$134,577
Net difference between projected and actual earnings on pension plan investments	1,104,711	2,773	534,154	1,641,638
Changes in proportion and differences between City contributions and proportionate share of contributions	118,736	0	111,735	230,471
<b>Total Deferred Inflows of Resources</b>	<b>\$1,324,853</b>	<b>\$8,010</b>	<b>\$673,823</b>	<b>\$2,006,686</b>

\$1,783,057 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Year Ending December 31:				
2019	\$394,683	(\$567)	\$405,805	\$799,921
2020	(158,938)	(644)	265,371	105,789
2021	(486,456)	(1,266)	(287,884)	(775,606)
2022	(453,943)	(1,201)	(216,538)	(671,682)
2023	0	(228)	159,862	159,634
Thereafter	0	35	38,648	38,683
<b>Total</b>	<b>(\$704,654)</b>	<b>(\$3,871)</b>	<b>\$365,264</b>	<b>(\$343,261)</b>

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

***Actuarial Assumptions - OPERS***

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

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

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.5 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first

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

of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82 percent for 2017.

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

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

**Discount Rate** The discount rate used to measure the total pension liability was 7.5 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate** The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.5 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
<b>City's proportionate share of the net pension liability (asset)</b>			
OPERS Traditional Plan	\$9,137,424	\$5,145,682	\$1,817,776
OPERS Combined Plan	(9,556)	(17,578)	(23,114)

**Changes between Measurement Date and Report Date**

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

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

***Actuarial Assumptions – OP&F***

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

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

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

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

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

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



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

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

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

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

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

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

Note: Assumptions are geometric.

\* levered 2x

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

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

**Discount Rate** For 2017, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2016 was 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$21,405,827	\$15,441,399	\$10,576,861

**Note 13 – Defined Benefit OPEB Plans**

See Note 12 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.

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

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

---

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

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

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

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

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

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

The City's contractually required contribution was \$965 for 2018. Of this amount, \$114 is reported as an accrued wage payable.

***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 healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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

---

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 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The 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 \$27,984 for 2018. Of this amount, \$3,165 is reported as an accrued wage payable.

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

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

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

	<u>OPERS</u>	<u>OP&amp;F</u>	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.031080%	0.2515930%	
Prior Measurement Date	<u>0.032270%</u>	<u>0.2528340%</u>	
Change in Proportionate Share	<u>-0.001190%</u>	<u>-0.0012410%</u>	
			<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$3,375,060	\$14,254,908	\$17,629,968
OPEB Expense	\$244,540	\$1,124,482	\$1,369,022

At December 31, 2018, 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	\$2,629	\$0	\$2,629
Changes of assumptions	245,740	1,390,976	1,636,716
City contributions subsequent to the measurement date	<u>965</u>	<u>27,984</u>	<u>28,949</u>
Total Deferred Outflows of Resources	<u>\$249,334</u>	<u>\$1,418,960</u>	<u>\$1,668,294</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$0	\$71,896	\$71,896
Net difference between projected and actual earnings on OPEB plan investments	251,419	93,832	345,251
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>81,316</u>	<u>68,473</u>	<u>149,789</u>
Total Deferred Inflows of Resources	<u>\$332,735</u>	<u>\$234,201</u>	<u>\$566,936</u>

\$28,949 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 2019. 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:			
2019	\$17,013	\$159,379	\$176,392
2020	17,013	159,379	176,392
2021	(55,538)	159,379	103,841
2022	(62,854)	159,379	96,525
2023	0	182,837	182,837
Thereafter	<u>0</u>	<u>336,422</u>	<u>336,422</u>
Total	<u>(\$84,366)</u>	<u>\$1,156,775</u>	<u>\$1,072,409</u>

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

---

***Actuarial Assumptions - OPERS***

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

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

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

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

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

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions

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

are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

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

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

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

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

	<u>1% Decrease (2.85%)</u>	<u>Discount Rate (3.85%)</u>	<u>1% Increase (4.85%)</u>
City's proportionate share of the net OPEB liability	\$4,483,912	\$3,375,060	\$2,478,008

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

***Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate*** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$3,229,212	\$3,375,060	\$3,525,715

***Actuarial Assumptions – OP&F***

OP&F’s total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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



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

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

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

<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, the prior experience study was completed December 31, 2011.

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

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

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

Note: Assumptions are geometric.

\* levered 2x

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

**Discount Rate** The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, 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 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

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

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$17,818,806	\$14,254,908	\$11,512,618

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

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

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

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

	1% Decrease	Current Rates	1% Increase
City's proportionate share of the net OPEB liability	\$11,073,468	\$14,254,908	\$18,542,410

***Changes between Measurement Date and Report Date***

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

**Note 14 - Jointly Governed Organizations**

***Southwest Council of Governments***

The Southwest Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions, and regional development. The board is comprised of one member from each of the nineteen participating entities. The board exercises total control over the operation of the Council including budgeting, appropriating, contracting, and designating management. Budgets are adopted by the board. Each city's degree of control is limited to its representation on the board. In 2018, the City contributed \$20,000 to the Southwest Council of Governments.

The Council has established two subsidiary organizations, the Hazardous Material Response Team ("HAZMAT") which provides hazardous material protection and assistance, and the Southwest Enforcement Bureau which provides extra assistance to cities in the form of a SWAT Team. The Council's financial statements may be obtained by contacting the Southwest Council of Governments, Berea, Ohio.

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

---

***Northeast Ohio Public Energy Council***

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of over 220 communities in 17 counties who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time ensuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the seventeen-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Brunswick did not contribute to NOPEC during 2018. Financial information can be obtained on the NOPEC website at [www.nopec.org/who-is-nopec/annual-reports](http://www.nopec.org/who-is-nopec/annual-reports).

**Note 15 - Interfund Transfers and Balances**

***Transfers***

A transfer of \$2,154,623 was made from the general fund to the road improvement capital projects fund to assist with road improvement projects and assist in providing local share requirements on past federal road projects. A transfer of \$18,000 was made from the general fund to the community recreation center special revenue fund to cover senior citizen contractual expenses from Medina County. A transfer of \$500,000 was made from the general fund to the permanent improvement capital projects fund for various capital improvement projects. A transfer of \$300,000 was made from the general fund to the self-insurance internal service fund to provide reserve funds for the self-insurance plan not otherwise covered by the Jefferson Health Plan.

***Balances***

Interfund receivables and payables are due to the timing of the receipt of grant monies by the nonmajor funds. All interfund balances will be repaid within one year. Interfund balances at December 31, 2018, consist of interfund receivable/payables between the general fund and the FEMA grant special revenue fund and the City Hall expansion and road improvement capital projects funds in the amount of \$165,455, \$123,758 and \$2,498,488, respectively.

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

**Note 16 – Significant Commitments**

***Contractual Commitments***

As of December 31, 2018, the City had the following contractual commitments:

Project	Amount Remaining on Contract
<b>Governmental:</b>	
North Carpenter Road	\$602,488
Various Neighborhood Street Reconstructions	303,769
Laurel Road Phases I and II	290,682
Hardware/Software Upgrades	237,032
Police Equipment Upgrades	118,254
Service Department Vehicles	168,457
Economic Development Grants	50,000
HVAC System	67,266
Fire Safety Equipment Replacement	178,444
Water Heater Replacement	43,000
2018 CAFR and Audit Completion	41,614
Worker's Compensation	101,506
Total	\$2,202,512
<b>Business-type:</b>	
Refuse Hauler	\$180,870

***Encumbrances***

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year or soon thereafter were as follows:

Governmental		Business-Type	
General	\$478,319	Refuse	\$202,466
Fire Department	91,895	Stormwater	63,401
Street Repair and Maintenance	246,697	Total	\$265,867
Police	226,782		
Road Improvements	1,307,141		
Other Governmental funds	1,078,885		
Total	\$3,429,719		

Remaining commitment amounts were encumbered at year end.

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

**Note 17 – Change in Accounting Principle and Restatement of Net Position**

For fiscal year 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*.

For 2018, the City also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2017-1*. These changes were incorporated in the City's 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the City's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 89 establishes accounting requirements for interest cost incurred before the end of a construction period. These changes were incorporated in the City's 2018 financial statements; however, there was no effect on beginning net position.

GASB 75 established standards for measuring and recognizing Postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2017:

	Governmental Activities	Business - Type Activities
Net Position December 31, 2017	\$75,432,590	\$4,921,832
Adjustments:		
Net OPEB Liability	(15,195,653)	(65,188)
Deferred Outflow - Payments Subsequent to Measurement Date	71,414	890
Restated Net Position December 31, 2017	\$60,308,351	\$4,857,534

	Refuse	Stormwater	Total Enterprise
Net Position December 31, 2017	\$1,851,774	\$3,070,058	\$4,921,832
Adjustments:			
Net OPEB Liability	(65,188)	0	(65,188)
Deferred Outflow - Payments Subsequent to Measurement Date	890	0	890
Restated Net Position December 31, 2017	\$1,787,476	\$3,070,058	\$4,857,534

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

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

---

**Note 18 – Subsequent Event**

In February of 2019, City Council passed Ordinance Number 19-19 transferring \$3,310,696 from the general fund to various special revenue, capital and road improvement funds for future projects including senior, recreational, communication services and building repairs.

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

---

*This Page Intentionally Left Blank.*



---

## Required Supplementary Information

---

**City of Brunswick, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the*  
*Net Pension Liability*  
*Ohio Public Employees Retirement System - Traditional Plan*  
*Last Five Years (1)*

	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.032800%	0.033807%	0.034096%	0.034179%	0.034179%
City's Proportionate Share of the Net Pension Liability	\$5,145,682	\$7,676,996	\$5,905,858	\$4,122,370	\$4,029,259
City's Covered Payroll	\$4,332,477	\$4,367,208	\$4,240,767	\$4,193,433	\$4,037,208
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	118.77%	175.79%	139.26%	98.31%	99.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented for each 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 Brunswick, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the*  
*Net Pension Asset*  
*Ohio Public Employees Retirement System - Combined Plan*  
*2018 (1)*

	<u>2018</u>
City's Proportion of the Net Pension Asset	0.012913%
City's Proportionate Share of the Net Pension Asset	\$17,578
City's Covered Payroll	\$52,885
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	-33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	137.28%

(1) Amounts for the combined plan are not presented prior to 2018 as the City's participation in this plan was considered immaterial in previous years.

Amounts presented for each 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 Brunswick, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the*  
*Net OPEB Liability*  
*Ohio Public Employees Retirement System - OPEB Plan*  
*Last Two Years (1)*

	2018	2017
City's Proportion of the Net OPEB Liability	0.032270%	0.031080%
City's Proportionate Share of the Net OPEB Liability	\$3,375,060	\$3,259,380
City's Covered Payroll	\$4,401,362	\$4,459,766
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	76.68%	73.08%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.04%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented for each 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 Brunswick, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the*  
*Net Pension Liability*  
*Ohio Police and Fire Pension Fund*  
*Last Five Years (1)*

	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.2515930%	0.2528340%	0.2542660%	0.2491033%	0.2491033%
City's Proportionate Share of the Net Pension Liability	\$15,441,399	\$16,014,252	\$16,357,111	\$12,904,590	\$12,132,112
City's Covered Payroll	\$5,561,995	\$5,367,889	\$5,238,266	\$5,014,895	\$4,898,993
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	277.62%	298.33%	312.26%	257.33%	247.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	71.71%	73.00%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year

Amounts presented for each 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 Brunswick, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the*  
*Net OPEB Liability*  
*Ohio Police and Fire Pension Fund*  
*Last Two Years (1)*

	2018	2017
City's Proportion of the Net OPEB Liability	0.2515930%	0.2528340%
City's Proportionate Share of the Net OPEB Liability	\$14,254,908	\$12,001,461
City's Covered Payroll	\$5,561,995	\$5,367,889
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	256.29%	223.58%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.13%	15.96%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

*This Page Intentionally Left Blank.*

**City of Brunswick, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Contributions*  
*Ohio Public Employees Retirement System*  
*Last Six Years (1)*

	2018	2017	2016
<b>Net Pension Liability - Traditional Plan</b>			
Contractually Required Contribution	\$612,249	\$563,222	\$524,065
Contributions in Relation to the Contractually Required Contribution	<u>(612,249)</u>	<u>(563,222)</u>	<u>(524,065)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$4,373,207	\$4,332,477	\$4,367,208
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>
<b>Net Pension Asset - Combined Plan</b>			
Contractually Required Contribution	\$7,627	\$6,875	\$8,539
Contributions in Relation to the Contractually Required Contribution	<u>(7,627)</u>	<u>(6,875)</u>	<u>(8,539)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$54,479	\$52,885	\$71,158
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>
<b>Net OPEB Liability - OPEB Plan (2)</b>			
Contractually Required Contribution	\$965	\$44,494	\$89,623
Contributions in Relation to the Contractually Required Contribution	<u>(965)</u>	<u>(44,494)</u>	<u>(89,623)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (3)	\$4,451,811	\$4,401,362	\$4,459,766
OPEB Contributions as a Percentage of Covered Payroll	<u>0.02%</u>	<u>1.01%</u>	<u>2.01%</u>

(1) Information prior to 2013 is not available for traditional and combined plans.

(2) Information prior to 2016 is not available for the OPEB plan.

(3) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See accompanying notes to the required supplementary information



<u>2015</u>	<u>2014</u>	<u>2013</u>
\$508,892	\$503,212	\$524,837
<u>(508,892)</u>	<u>(503,212)</u>	<u>(524,837)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,240,767	\$4,193,433	\$4,037,208
<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>
\$6,492	\$6,061	\$6,849
<u>(6,492)</u>	<u>(6,061)</u>	<u>(6,849)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$54,100	\$50,508	\$52,685
<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>

**City of Brunswick, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Contributions*  
*Ohio Police and Fire Pension Fund*  
*Last Ten Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$1,163,181	\$1,157,337	\$1,118,159	\$1,091,313
Contributions in Relation to the Contractually Required Contribution	<u>(1,163,181)</u>	<u>(1,157,337)</u>	<u>(1,118,159)</u>	<u>(1,091,313)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$5,596,759	\$5,561,995	\$5,367,889	\$5,238,266
Pension Contributions as a Percentage of Covered Payroll	<u>20.78%</u>	<u>20.81%</u>	<u>20.83%</u>	<u>20.83%</u>
<b>Net OPEB Liability</b>				
Contractually Required Contribution	\$27,984	\$27,810	\$26,840	\$26,191
Contributions in Relation to the Contractually Required Contribution	<u>(27,984)</u>	<u>(27,810)</u>	<u>(26,840)</u>	<u>(26,191)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>21.28%</u>	<u>21.31%</u>	<u>21.33%</u>	<u>21.33%</u>

(1) The City's Covered payroll is the same for Pension and OPEB.

See accompanying notes to the required supplementary information

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$1,042,481	\$865,990	\$705,779	\$716,424	\$711,708	\$692,878
<u>(1,042,481)</u>	<u>(865,990)</u>	<u>(705,779)</u>	<u>(716,424)</u>	<u>(711,708)</u>	<u>(692,878)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,014,895	\$4,898,993	\$4,864,127	\$4,929,430	\$4,904,450	\$4,764,535
<u>20.79%</u>	<u>17.68%</u>	<u>14.51%</u>	<u>14.53%</u>	<u>14.51%</u>	<u>14.54%</u>
\$25,074	\$177,180	\$328,328	\$332,736	\$331,050	\$321,606
<u>(25,074)</u>	<u>(177,180)</u>	<u>(328,328)</u>	<u>(332,736)</u>	<u>(331,050)</u>	<u>(321,606)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.50%</u>	<u>3.62%</u>	<u>6.75%</u>	<u>6.75%</u>	<u>6.75%</u>	<u>6.75%</u>
<u>21.29%</u>	<u>21.30%</u>	<u>21.26%</u>	<u>21.28%</u>	<u>21.26%</u>	<u>21.29%</u>

**City of Brunswick, Ohio**  
*Notes to the Required Supplementary Information*  
*For the year ended December 31, 2018*

**Changes in Assumptions – OPERS Pension**

Amounts reported beginning in 2017 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2016 and prior are presented below:

	2017	2016 and prior
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

**City of Brunswick, Ohio**  
*Notes to the Required Supplementary Information*  
For the year ended December 31, 2018

**Changes in Assumptions – OP&F Pension**

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

	2018	2017 and Prior
Valuation Date	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increased based on the lesser of the increase in CPI and 3 percent

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

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

Amounts reported for 2018 use valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

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

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

**City of Brunswick, Ohio**  
*Notes to the Required Supplementary Information*  
*For the year ended December 31, 2018*

---

**Changes in Assumptions – OPERS OPEB**

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

**Changes in Assumptions – OP&F OPEB**

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

**Combining and Individual  
Fund Statements and Schedules**

## *Fund Descriptions – Nonmajor Governmental Funds*

---

### *Nonmajor Special Revenue Funds*

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

***Court Computerization Fund*** To account for and report court fees and fines restricted to maintain and support the systems of the mayor's court.

***Federal Emergency Management Agency (FEMA) Grant Fund*** To account for and report restricted federal grant monies used to assist local governments in disaster assistance.

***State Highway Fund*** To account for and report restricted State gasoline tax and motor vehicle registration fees for maintenance of State highways within the City.

***Law Enforcement Fund*** To account for and report monies received from the sale or disposition of seized contraband. Expenditures are restricted for law enforcement purposes.

***Brunswick Transit Alternative Fund*** To account for and report intergovernmental and income tax monies restricted for transit operations.

***Revolving Loan Fund*** To account for and report restricted loans made by the City to local businesses and the subsequent repayment of these loans. In addition, a portion of these funds can be used for certain capital projects upon approval of the United States Department of Housing and Urban Development.

***Parks Fund*** To account for and report income tax monies committed for the development, maintenance and operations of the City's parks.

***Department of Justice Federal Grant Fund*** To account for and report restricted federal grants originated from the Department of Justice Fund.

***Enforcement and Education Fund*** To account for and report fines imposed under Section 4511.99 (A) of the Ohio Revised Code. These monies are restricted to pay costs incurred in enforcing Section 4511.19 of the Ohio Revised Code, and to educate the public about the laws against and the dangers of operating a motor vehicle while under the influence of alcohol.

***Community Recreation Center Fund*** To account for and report membership fees, program fees, sales and general fund subsidies committed to operate the Rec-Center.

***Community Home Investment Program Grant Fund*** To account for and report federal monies restricted for providing rehabilitation, home repair and emergency payment assistance in an effort to prevent homelessness and provide homeownership assistance.

***Cable TV Fund*** To account for and report cable franchise fees assigned for and report providing local programming. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

(continued)



## ***Nonmajor Debt Service Funds***

---

The debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

***General Obligation Bond Retirement Fund*** To account for and report tax levies that are restricted for the repayment of general obligation bonds of the City.

***Special Assessment Bond Retirement Fund*** To account for and report the collection of special assessments levied against benefited properties restricted for the payment of special assessment bonds and the related interest.

## ***Nonmajor Capital Projects Funds***

---

Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

***Fire Department Improvement Fund*** To account for and report note proceeds restricted for capital improvements or capital purchases relating to the fire department.

***Permanent Improvement Fund*** To account for and report land sales monies restricted for the purpose of improving, constructing, maintaining, and purchasing those items necessary to enhance the operation of the City.

***Traffic Control Equipment Fund*** To account for and report income tax monies assigned to the purchase of traffic control equipment.

***Park Development Fund*** To account for and report fees committed and assigned for the development of various City parks and Public Square.

***City Hall Expansion Fund*** To account for and report the transfers assigned to the expansion and improvement of City Hall.

***Brunswick Lake Construction Fund*** To account for and report the purchase of and improvements assigned to the Brunswick Lake site financed by the proceeds of bonds and loans from the general fund.

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$3,023,547	\$1,234,970	\$5,098,028	\$9,356,545
Cash and Cash Equivalents				
With Fiscal Agents	0	647	0	647
Receivables:				
Income Taxes	414,519	0	370,982	785,501
Intergovernmental	66,945	0	0	66,945
Special Assessments	0	592,574	0	592,574
Materials and Supplies Inventory	29,026	0	0	29,026
Prepays	15,712	0	0	15,712
<i>Total Assets</i>	<u>\$3,549,749</u>	<u>\$1,828,191</u>	<u>\$5,469,010</u>	<u>\$10,846,950</u>
<b>Liabilities</b>				
Accounts Payable	\$20,914	\$0	\$0	\$20,914
Accrued Wages	33,493	0	0	33,493
Interfund Payable	165,455	0	123,758	289,213
Matured Interest Payable	0	647	0	647
<i>Total Liabilities</i>	<u>219,862</u>	<u>647</u>	<u>123,758</u>	<u>344,267</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	419,836	592,574	326,896	1,339,306
<b>Fund Balances</b>				
Nonspendable	44,738	0	0	44,738
Restricted	1,264,112	1,234,970	3,715,215	6,214,297
Committed	1,601,201	0	574,768	2,175,969
Assigned	0	0	728,373	728,373
<i>Total Fund Balances</i>	<u>2,910,051</u>	<u>1,234,970</u>	<u>5,018,356</u>	<u>9,163,377</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$3,549,749</u>	<u>\$1,828,191</u>	<u>\$5,469,010</u>	<u>\$10,846,950</u>

**City of Brunswick, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2018*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Municipal Income Tax	\$582,837	\$0	\$551,133	\$1,133,970
Charges for Services	935,989	0	0	935,989
Special Assessments	0	167,883	0	167,883
Licenses, Permits and Fees	0	0	71,870	71,870
Fines and Forfeitures	31,905	0	0	31,905
Intergovernmental	190,074	0	0	190,074
Interest	23	0	0	23
Other	19,439	0	0	19,439
<i>Total Revenues</i>	<u>1,760,267</u>	<u>167,883</u>	<u>623,003</u>	<u>2,551,153</u>
<b>Expenditures</b>				
Current:				
General Government	23,929	2,254	0	26,183
Security of Persons and Property	5,930	0	0	5,930
Transportation	127,167	0	0	127,167
Community Environment	7,861	0	0	7,861
Leisure Time Activities	1,432,977	0	0	1,432,977
Capital Outlay	0	0	403,883	403,883
Debt Service:				
Principal Retirement	60,000	139,850	0	199,850
Interest and Fiscal Charges	39,825	35,323	0	75,148
<i>Total Expenditures</i>	<u>1,697,689</u>	<u>177,427</u>	<u>403,883</u>	<u>2,278,999</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	62,578	(9,544)	219,120	272,154
<b>Other Financing Sources (Uses)</b>				
Transfers In	18,000	0	500,000	518,000
<i>Net Change in Fund Balances</i>	80,578	(9,544)	719,120	790,154
<i>Fund Balances Beginning of Year</i>	<u>2,829,473</u>	<u>1,244,514</u>	<u>4,299,236</u>	<u>8,373,223</u>
<i>Fund Balances End of Year</i>	<u><u>\$2,910,051</u></u>	<u><u>\$1,234,970</u></u>	<u><u>\$5,018,356</u></u>	<u><u>\$9,163,377</u></u>

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

	Court Computerization	FEMA Grant	State Highway	Law Enforcement	Brunswick Transit Alternative
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$31,691	\$165,455	\$361,241	\$20,643	\$793,732
Receivables:					
Income Taxes	0	0	0	0	15,000
Intergovernmental	0	0	64,312	0	0
Materials and Supplies Inventory	0	0	0	0	0
Prepays	242	0	0	0	0
<i>Total Assets</i>	<u>\$31,933</u>	<u>\$165,455</u>	<u>\$425,553</u>	<u>\$20,643</u>	<u>\$808,732</u>
<b>Liabilities</b>					
Accounts Payable	\$126	\$0	\$649	\$0	\$0
Accrued Wages	1,181	0	0	0	0
Interfund Payable	0	165,455	0	0	0
<i>Total Liabilities</i>	<u>1,307</u>	<u>165,455</u>	<u>649</u>	<u>0</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue	0	0	54,088	0	11,609
<b>Fund Balances</b>					
Nonspendable	242	0	0	0	0
Restricted	30,384	0	370,816	20,643	797,123
Committed	0	0	0	0	0
<i>Total Fund Balances</i>	<u>30,626</u>	<u>0</u>	<u>370,816</u>	<u>20,643</u>	<u>797,123</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$31,933</u>	<u>\$165,455</u>	<u>\$425,553</u>	<u>\$20,643</u>	<u>\$808,732</u>

<u>Revolving Loan</u>	<u>Parks</u>	<u>Department of Justice Federal Grant</u>	<u>Enforcement and Education</u>	<u>Community Recreation Center</u>	<u>Community Home Investment Program Grant</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$6	\$924,144	\$686	\$18,407	\$682,031	\$25,511	\$3,023,547
0	399,519	0	0	0	0	414,519
0	0	2,633	0	0	0	66,945
0	29,026	0	0	0	0	29,026
0	4,519	0	0	10,951	0	15,712
<u>\$6</u>	<u>\$1,357,208</u>	<u>\$3,319</u>	<u>\$18,407</u>	<u>\$692,982</u>	<u>\$25,511</u>	<u>\$3,549,749</u>
\$0	\$2,005	\$0	\$0	\$18,134	\$0	\$20,914
0	11,724	0	0	20,588	0	33,493
0	0	0	0	0	0	165,455
0	13,729	0	0	38,722	0	219,862
0	352,042	2,097	0	0	0	419,836
0	33,545	0	0	10,951	0	44,738
6	0	1,222	18,407	0	25,511	1,264,112
0	957,892	0	0	643,309	0	1,601,201
6	991,437	1,222	18,407	654,260	25,511	2,910,051
<u>\$6</u>	<u>\$1,357,208</u>	<u>\$3,319</u>	<u>\$18,407</u>	<u>\$692,982</u>	<u>\$25,511</u>	<u>\$3,549,749</u>

**City of Brunswick, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2018*

	Court Computerization	FEMA Grant	State Highway	Law Enforcement	Brunswick Transit Alternative	Revolving Loan
<b>Revenues</b>						
Municipal Income Tax	\$0	\$0	\$0	\$0	\$20,522	\$0
Charges for Services	0	0	0	0	0	0
Fines and Forfeitures	26,661	0	0	2,270	0	0
Intergovernmental	0	0	129,809	0	54,000	0
Interest	0	0	0	0	0	0
Other	0	0	0	0	1,673	0
<i>Total Revenues</i>	<u>26,661</u>	<u>0</u>	<u>129,809</u>	<u>2,270</u>	<u>76,195</u>	<u>0</u>
<b>Expenditures</b>						
Current:						
General Government	23,929	0	0	0	0	0
Security of Persons and Property	0	10	0	0	0	0
Transportation	0	0	28,167	0	99,000	0
Community Environment	0	0	0	0	0	7,861
Leisure Time Activities	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	60,000	0	0	0
Interest and Fiscal Charges	0	0	39,825	0	0	0
<i>Total Expenditures</i>	<u>23,929</u>	<u>10</u>	<u>127,992</u>	<u>0</u>	<u>99,000</u>	<u>7,861</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	2,732	(10)	1,817	2,270	(22,805)	(7,861)
<b>Other Financing Sources (Uses)</b>						
Transfers In	0	0	0	0	0	0
<i>Net Change in Fund Balances</i>	2,732	(10)	1,817	2,270	(22,805)	(7,861)
<i>Fund Balances Beginning of Year</i>	<u>27,894</u>	<u>10</u>	<u>368,999</u>	<u>18,373</u>	<u>819,928</u>	<u>7,867</u>
<i>Fund Balances End of Year</i>	<u>\$30,626</u>	<u>\$0</u>	<u>\$370,816</u>	<u>\$20,643</u>	<u>\$797,123</u>	<u>\$6</u>

<u>Parks</u>	<u>Department of Justice Federal Grant</u>	<u>Enforcement and Education</u>	<u>Community Recreation Center</u>	<u>Community Home Investment Program Grant</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$562,315	\$0	\$0	\$0	\$0	\$582,837
3,273	0	0	932,716	0	935,989
0	0	2,974	0	0	31,905
0	6,265	0	0	0	190,074
0	0	0	0	23	23
2,146	0	0	4,150	11,470	19,439
<u>567,734</u>	<u>6,265</u>	<u>2,974</u>	<u>936,866</u>	<u>11,493</u>	<u>1,760,267</u>
0	0	0	0	0	23,929
0	5,920	0	0	0	5,930
0	0	0	0	0	127,167
0	0	0	0	0	7,861
477,709	0	0	955,268	0	1,432,977
0	0	0	0	0	60,000
0	0	0	0	0	39,825
<u>477,709</u>	<u>5,920</u>	<u>0</u>	<u>955,268</u>	<u>0</u>	<u>1,697,689</u>
90,025	345	2,974	(18,402)	11,493	62,578
0	0	0	18,000	0	18,000
90,025	345	2,974	(402)	11,493	80,578
<u>901,412</u>	<u>877</u>	<u>15,433</u>	<u>654,662</u>	<u>14,018</u>	<u>2,829,473</u>
<u>\$991,437</u>	<u>\$1,222</u>	<u>\$18,407</u>	<u>\$654,260</u>	<u>\$25,511</u>	<u>\$2,910,051</u>

**City of Brunswick, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Debt Service Funds*  
*December 31, 2018*

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$1,149,893	\$85,077	\$1,234,970
Cash and Cash Equivalents With Fiscal Agents	647	0	647
Special Assessments Receivable	0	592,574	592,574
<i>Total Assets</i>	<u>\$1,150,540</u>	<u>\$677,651</u>	<u>\$1,828,191</u>
<b>Liabilities</b>			
Matured Interest Payable	\$647	\$0	\$647
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	592,574	592,574
<b>Fund Balances</b>			
Restricted	<u>1,149,893</u>	<u>85,077</u>	<u>1,234,970</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,150,540</u>	<u>\$677,651</u>	<u>\$1,828,191</u>



**City of Brunswick, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Debt Service Funds*  
*For the Year Ended December 31, 2018*

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
<b>Revenues</b>			
Special Assessments	\$0	\$167,883	\$167,883
<b>Expenditures</b>			
Current:			
General Government	0	2,254	2,254
Debt Service:			
Principal Retirement	0	139,850	139,850
Interest and Fiscal Charges	0	35,323	35,323
<i>Total Expenditures</i>	0	177,427	177,427
<i>Net Change in Fund Balances</i>	0	(9,544)	(9,544)
<i>Fund Balances Beginning of Year</i>	1,149,893	94,621	1,244,514
<i>Fund Balances End of Year</i>	\$1,149,893	\$85,077	\$1,234,970

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

	<u>Fire Department Improvement</u>	<u>Permanent Improvement</u>	<u>Traffic Control Equipment</u>	<u>Park Development</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$80,875	\$3,589,791	\$3,125	\$587,066
Receivables:				
Income Taxes	<u>0</u>	<u>370,982</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$80,875</u></u>	<u><u>\$3,960,773</u></u>	<u><u>\$3,125</u></u>	<u><u>\$587,066</u></u>
<b>Liabilities</b>				
Interfund Payable	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	<u>0</u>	<u>326,896</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Restricted	80,875	3,633,877	0	0
Committed	0	0	0	574,768
Assigned	<u>0</u>	<u>0</u>	<u>3,125</u>	<u>12,298</u>
<i>Total Fund Balances</i>	<u><u>80,875</u></u>	<u><u>3,633,877</u></u>	<u><u>3,125</u></u>	<u><u>587,066</u></u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u><u>\$80,875</u></u>	<u><u>\$3,960,773</u></u>	<u><u>\$3,125</u></u>	<u><u>\$587,066</u></u>

<u>City Hall Expansion</u>	<u>Brunswick Lake Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$124,221	\$712,950	\$5,098,028
<u>0</u>	<u>0</u>	<u>370,982</u>
<u>\$124,221</u>	<u>\$712,950</u>	<u>\$5,469,010</u>
<u>\$123,758</u>	<u>\$0</u>	<u>\$123,758</u>
<u>0</u>	<u>0</u>	<u>326,896</u>
463	0	3,715,215
0	0	574,768
<u>0</u>	<u>712,950</u>	<u>728,373</u>
<u>463</u>	<u>712,950</u>	<u>5,018,356</u>
<u>\$124,221</u>	<u>\$712,950</u>	<u>\$5,469,010</u>

**City of Brunswick, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2018*

	<u>Fire Department Improvement</u>	<u>Permanent Improvement</u>	<u>Traffic Control Equipment</u>	<u>Park Development</u>
<b>Revenues</b>				
Municipal Income Tax	\$0	\$551,133	\$0	\$0
Licenses, Permits and Fees	<u>0</u>	<u>0</u>	<u>0</u>	<u>71,870</u>
<i>Total Revenues</i>	0	551,133	0	71,870
<b>Expenditures</b>				
Capital Outlay	<u>0</u>	<u>336,972</u>	<u>0</u>	<u>66,911</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	214,161	0	4,959
<b>Other Financing Sources (Uses)</b>				
Transfers In	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	714,161	0	4,959
<i>Fund Balances Beginning of Year</i>	<u>80,875</u>	<u>2,919,716</u>	<u>3,125</u>	<u>582,107</u>
<i>Fund Balances End of Year</i>	<u><u>\$80,875</u></u>	<u><u>\$3,633,877</u></u>	<u><u>\$3,125</u></u>	<u><u>\$587,066</u></u>

City Hall Expansion	Brunswick Lake Construction	Total Nonmajor Capital Projects Funds
\$0	\$0	\$551,133
<u>0</u>	<u>0</u>	<u>71,870</u>
0	0	623,003
<u>0</u>	<u>0</u>	<u>403,883</u>
0	0	219,120
<u>0</u>	<u>0</u>	<u>500,000</u>
0	0	719,120
<u>463</u>	<u>712,950</u>	<u>4,299,236</u>
<u>\$463</u>	<u>\$712,950</u>	<u>\$5,018,356</u>

## Fund Descriptions - Fiduciary Funds

---

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The following is the City's fiduciary fund type:

### Agency Funds

---

These funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

***Performance Bond Fund*** To account for monies posted for grade and engineer bonds. These monies are returned after final approval by the City.

***Family Violence Fund*** To account for grant monies received for the Committee against Family Violence. The City's role, as directed by the Committee, is limited to that of custodian of funds.

***Recreational Programs Fund*** To account for purchases of supplies and equipment for local softball teams.

***Flex Spending Fund*** To account for monies withheld from employees' paychecks for future child care and health services purchased by the employee.

***Non-Residential Three Percent Fund*** To account for an assessment on fees for the inspection of nonresidential buildings which is collected on behalf of the State Board of Building Standards.

***Residential One Percent Fund*** To account for an assessment on fees for the inspection of residential buildings which is collected on behalf of the State Board of Building Standards.

**City of Brunswick, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2018*

	Beginning Balance 12/31/17	Additions	Deductions	Ending Balance 12/31/18
<b><i>Performance Bond</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$753,186	\$188,231	\$125,800	\$815,617
Cash and Cash Equivalents in Segregated Accounts	2,456	261	0	2,717
<b>Total Assets</b>	<b>\$755,642</b>	<b>\$188,492</b>	<b>\$125,800</b>	<b>\$818,334</b>
<b>Liabilities</b>				
Undistributed Assets	\$755,642	\$188,492	\$125,800	\$818,334
<b><i>Family Violence</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$3,307	\$0	\$0	\$3,307
<b>Liabilities</b>				
Undistributed Assets	\$3,307	\$0	\$0	\$3,307
<b><i>Recreational Programs</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,030	\$0	\$0	\$1,030
<b>Liabilities</b>				
Undistributed Assets	\$1,030	\$0	\$0	\$1,030
<b><i>Flex Spending</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$12,066	\$127,478	\$81,765	\$57,779
<b>Liabilities</b>				
Undistributed Assets	\$12,066	\$127,478	\$81,765	\$57,779

(continued)

**City of Brunswick, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds (continued)*  
*For the Year Ended December 31, 2018*

	Beginning Balance 12/31/17	Additions	Deductions	Ending Balance 12/31/18
<b><i>Non-Residential Three Percent</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,163	\$4,954	\$4,966	\$2,151
<b>Liabilities</b>				
Undistributed Assets	\$2,163	\$4,954	\$4,966	\$2,151
 <b><i>Residential One Percent</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$421	\$2,315	\$2,170	\$566
<b>Liabilities</b>				
Undistributed Assets	\$421	\$2,315	\$2,170	\$566
 <b><i>Total - All Agency Funds</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$772,173	\$322,978	\$214,701	\$880,450
Cash and Cash Equivalents in Segregated Accounts	2,456	261	0	2,717
<b>Total Assets</b>	<b>\$774,629</b>	<b>\$323,239</b>	<b>\$214,701</b>	<b>\$883,167</b>
<b>Liabilities</b>				
Undistributed Assets	\$774,629	\$323,239	\$214,701	\$883,167



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

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$1,701,400	\$1,482,745	\$1,533,080	\$50,335
Municipal Income Tax	4,718,651	4,718,651	4,712,822	(5,829)
Charges for Services	45,563	60,020	59,839	(181)
Licenses, Permits and Fees	657,876	866,621	841,936	(24,685)
Fines and Forfeitures	949	1,250	1,029	(221)
Intergovernmental	625,400	823,840	846,972	23,132
Contributions and Donations	1,898	2,500	2,500	0
Interest	516,412	680,270	661,104	(19,166)
Other	45,254	33,268	18,262	(15,006)
<i>Total Revenues</i>	8,313,403	8,669,165	8,677,544	8,379
<b>Expenditures</b>				
Current:				
General Government:				
City Manager:				
Salaries and Wages	175,109	175,109	174,947	162
Fringe Benefits	134,222	123,083	114,173	8,910
Purchased Services	3,266	3,075	1,910	1,165
Materials and Supplies	1,753	1,650	535	1,115
Capital Outlay	1,844	1,476	632	844
Other	4,249	4,000	2,127	1,873
<i>Total City Manager</i>	320,443	308,393	294,324	14,069
City Council:				
Salaries and Wages	163,210	163,210	159,119	4,091
Fringe Benefits	67,581	63,257	50,882	12,375
Purchased Services	11,168	10,950	8,935	2,015
Materials and Supplies	1,275	1,250	947	303
Capital Outlay	2,448	2,400	2,400	0
Other	3,570	3,500	734	2,766
<i>Total City Council</i>	249,252	244,567	223,017	21,550
Mayor's Court:				
Salaries and Wages	92,317	92,317	83,138	9,179
Fringe Benefits	56,634	54,754	50,610	4,144
Purchased Services	31,295	28,038	12,119	15,919
Materials and Supplies	2,271	2,250	1,321	929
Capital Outlay	404	400	335	65
Other	1,211	1,200	260	940
<i>Total Mayor's Court</i>	184,132	178,959	147,783	31,176
Commemorative Affairs:				
Materials and Supplies	\$21,000	\$21,000	\$19,964	\$1,036

(continued)

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2018*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Finance Office:				
Salaries and Wages	\$231,329	\$231,329	\$224,544	\$6,785
Fringe Benefits	153,863	169,827	160,012	9,815
Purchased Services	11,481	13,000	10,993	2,007
Materials and Supplies	2,782	3,150	1,928	1,222
Capital Outlay	76,032	42,849	41,089	1,760
Other	2,561	2,900	1,559	1,341
Total Finance Office	478,048	463,055	440,125	22,930
Administrative Services:				
Salaries and Wages	110,709	111,055	103,673	7,382
Fringe Benefits	62,424	60,322	55,987	4,335
Purchased Services	22,659	21,000	12,461	8,539
Materials and Supplies	3,875	3,855	2,032	1,823
Capital Outlay	2,312	2,300	266	2,034
Other	1,207	1,200	537	663
Total Administrative Services	203,186	199,732	174,956	24,776
Income Tax:				
Salaries and Wages	188,624	189,674	163,649	26,025
Fringe Benefits	75,772	85,026	69,436	15,590
Purchased Services	75,838	79,708	27,949	51,759
Materials and Supplies	20,735	20,962	14,420	6,542
Capital Outlay	65,951	45,163	27,461	17,702
Other	2,139	2,500	40	2,460
Total Income Tax	429,059	423,033	302,955	120,078
Law Director:				
Salaries and Wages	173,578	173,578	166,160	7,418
Fringe Benefits	46,552	54,039	46,389	7,650
Purchased Services	241,855	233,899	153,180	80,719
Materials and Supplies	988	1,220	132	1,088
Capital Outlay	664	643	0	643
Other	1,093	1,350	955	395
Total Law Director	464,730	464,729	366,816	97,913
Engineer:				
Salaries and Wages	22,004	22,004	20,577	1,427
Fringe Benefits	3,629	4,621	3,338	1,283
Purchased Services	434,913	433,151	304,280	128,871
Materials and Supplies	2,122	3,000	1,305	1,695
Capital Outlay	261	153	153	0
Total Engineer	\$462,929	\$462,929	\$329,653	\$133,276

(continued)

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Information Systems:				
Salaries and Wages	\$160,017	\$160,017	\$150,085	\$9,932
Fringe Benefits	76,257	88,714	80,201	8,513
Purchased Services	95,425	74,245	66,750	7,495
Materials and Supplies	371	450	108	342
Capital Outlay	115,158	115,996	101,105	14,891
Other	5,773	7,000	5,768	1,232
Total Information Systems	453,001	446,422	404,017	42,405
Land and Buildings:				
Salaries and Wages	16,456	16,456	11,393	5,063
Fringe Benefits	3,493	3,420	2,060	1,360
Purchased Services	73,179	73,144	47,723	25,421
Materials and Supplies	858	900	0	900
Capital Outlay	1,364	1,431	1,431	0
Total Land and Buildings	95,350	95,351	62,607	32,744
Board and Commissions:				
Salaries and Wages	3,307	3,307	31	3,276
Fringe Benefits	698	681	92	589
Purchased Services	55	55	0	55
Materials and Supplies	2,793	2,810	165	2,645
Total Board and Commissions	6,853	6,853	288	6,565
General Administration:				
Purchased Services	776,752	770,068	609,072	160,996
Materials and Supplies	18,717	22,000	8,653	13,347
Capital Outlay	80,631	65,178	39,162	26,016
Other	171,201	212,055	166,285	45,770
Total General Administration	1,047,301	1,069,301	823,172	246,129
Total General Government	\$4,415,284	\$4,384,324	\$3,589,677	\$794,647

(continued)

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Security of Persons and Property:				
Salaries and Wages	\$69,550	\$69,550	\$62,678	\$6,872
Fringe Benefits	50,060	46,973	44,229	2,744
Purchased Services	3,040	2,857	1,090	1,767
Materials and Supplies	5,308	4,784	2,879	1,905
Other	261	250	0	250
<b>Total Security of Persons and Property</b>	<b>128,219</b>	<b>124,414</b>	<b>110,876</b>	<b>13,538</b>
Community Environment:				
Planning and Zoning:				
Salaries and Wages	44,901	44,901	41,465	3,436
Fringe Benefits	7,142	17,533	15,355	2,178
Purchased Services	407	921	447	474
Materials and Supplies	80,042	67,125	64,253	2,872
Capital Outlay	365	1,000	497	503
Other	620	1,700	500	1,200
<b>Total Planning and Zoning</b>	<b>133,477</b>	<b>133,180</b>	<b>122,517</b>	<b>10,663</b>
Building:				
Salaries and Wages	316,399	316,399	259,353	57,046
Fringe Benefits	160,282	152,606	111,309	41,297
Purchased Services	41,810	40,797	18,773	22,024
Materials and Supplies	9,278	8,955	4,577	4,378
Capital Outlay	33,645	33,025	25,881	7,144
Other	3,448	3,045	1,642	1,403
<b>Total Building</b>	<b>\$564,862</b>	<b>\$554,827</b>	<b>\$421,535</b>	<b>\$133,292</b>

(continued)

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Economic Development:				
Salaries and Wages	\$102,658	\$102,658	\$102,543	\$115
Fringe Benefits	51,976	53,991	49,705	4,286
Purchased Services	141,590	132,198	63,792	68,406
Materials and Supplies	1,350	1,450	602	848
Capital Outlay	931	1,000	100	900
Other	5,122	5,500	4,025	1,475
Total Economic Development	<u>303,627</u>	<u>296,797</u>	<u>220,767</u>	<u>76,030</u>
Total Community Environment	<u>1,001,966</u>	<u>984,804</u>	<u>764,819</u>	<u>219,985</u>
Public Health Services:				
Cemetery:				
Purchased Services	19,200	19,180	10,305	8,875
Materials and Supplies	125	145	25	120
Total Public Health Services	<u>19,325</u>	<u>19,325</u>	<u>10,330</u>	<u>8,995</u>
Leisure Time Activities:				
Parks and Recreation Director:				
Salaries and Wages	84,447	84,447	84,270	177
Fringe Benefits	60,881	56,738	53,839	2,899
Purchased Services	1,257	1,200	948	252
Materials and Supplies	157	150	0	150
Capital Outlay	1,036	506	506	0
Total Leisure Time Activities	<u>147,778</u>	<u>143,041</u>	<u>139,563</u>	<u>3,478</u>
<i>Total Expenditures</i>	<u>5,712,572</u>	<u>5,655,908</u>	<u>4,615,265</u>	<u>1,040,643</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>\$2,600,831</u>	<u>\$3,013,257</u>	<u>\$4,062,279</u>	<u>\$1,049,022</u>

(continued)

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Other Financing Sources (Uses)</b>				
Advances In	\$800,000	\$800,000	\$800,000	\$0
Advances Out	(785,787)	(2,177,701)	(2,177,701)	0
Transfers Out	<u>(3,022,623)</u>	<u>(3,022,623)</u>	<u>(3,022,623)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(3,008,410)</u>	<u>(4,400,324)</u>	<u>(4,400,324)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(407,579)	(1,387,067)	(338,045)	1,049,022
<i>Fund Balance Beginning of Year</i>	10,296,122	10,296,122	10,296,122	0
Prior Year Encumbrances Appropriated	<u>569,168</u>	<u>569,168</u>	<u>569,168</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$10,457,711</u>	<u>\$9,478,223</u>	<u>\$10,527,245</u>	<u>\$1,049,022</u>

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Department Fund*  
*For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Tax	\$4,150,000	\$4,150,000	\$4,150,000	\$0
Charges for Services	282,961	566,475	602,346	35,871
Intergovernmental	6,007	12,025	19,573	7,548
Other	11,032	22,087	22,696	609
<i>Total Revenues</i>	4,450,000	4,750,587	4,794,615	44,028
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire Department:				
Salaries and Wages	2,318,043	2,318,043	2,132,279	185,764
Fringe Benefits	1,639,474	1,724,919	1,547,631	177,288
Purchased Services	329,908	341,164	257,061	84,103
Materials and Supplies	65,789	69,020	57,519	11,501
Capital Outlay	412,061	433,742	389,264	44,478
Other	8,162	8,800	4,594	4,206
<i>Total Expenditures</i>	4,773,437	4,895,688	4,388,348	507,340
<i>Excess of Revenues Over (Under) Expenditures</i>	(323,437)	(145,101)	406,267	551,368
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(50,000)	(50,000)	0	50,000
<i>Net Change in Fund Balance</i>	(373,437)	(195,101)	406,267	601,368
<i>Fund Balance Beginning of Year</i>	2,971,738	2,971,738	2,971,738	0
Prior Year Encumbrances Appropriated	64,344	64,344	64,344	0
<i>Fund Balance End of Year</i>	\$2,662,645	\$2,840,981	\$3,442,349	\$601,368



**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Repair and Maintenance Fund*  
*For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Tax	\$1,225,000	\$1,225,000	\$1,225,000	\$0
Charges for Services	650	700	700	0
Licenses, Permits and Fees	1,765	1,900	1,560	(340)
Intergovernmental	1,471,544	1,584,086	1,601,734	17,648
Other	929	1,000	13,172	12,172
<i>Total Revenues</i>	<i>2,699,888</i>	<i>2,812,686</i>	<i>2,842,166</i>	<i>29,480</i>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Department:				
Salaries and Wages	1,063,001	1,089,668	1,011,997	77,671
Fringe Benefits	589,626	641,042	577,617	63,425
Purchased Services	394,907	407,036	313,561	93,475
Materials and Supplies	278,633	311,502	253,244	58,258
Capital Outlay	522,200	464,611	433,959	30,652
Other	3,123	3,500	2,143	1,357
<i>Total Expenditures</i>	<i>2,851,490</i>	<i>2,917,359</i>	<i>2,592,521</i>	<i>324,838</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(151,602)</i>	<i>(104,673)</i>	<i>249,645</i>	<i>354,318</i>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(50,000)	(50,000)	0	50,000
<i>Net Change in Fund Balance</i>	<i>(201,602)</i>	<i>(154,673)</i>	<i>249,645</i>	<i>404,318</i>
<i>Fund Balance Beginning of Year</i>	<i>3,511,960</i>	<i>3,511,960</i>	<i>3,511,960</i>	<i>0</i>
Prior Year Encumbrances Appropriations	157,532	157,532	157,532	0
<i>Fund Balance End of Year</i>	<i>\$3,467,890</i>	<i>\$3,514,819</i>	<i>\$3,919,137</i>	<i>\$404,318</i>

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Fund*  
*For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$221,900	\$193,395	\$199,970	\$6,575
Municipal Income Tax	7,100,000	7,100,000	7,100,000	0
Charges for Services	90,552	122,166	125,769	3,603
Fines and Forfeitures	308,347	416,000	414,748	(1,252)
Intergovernmental	63,564	85,756	93,760	8,004
Other	57,654	77,783	108,837	31,054
<i>Total Revenues</i>	7,842,017	7,995,100	8,043,084	47,984
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police Department:				
Salaries and Wages	4,122,684	4,122,877	3,863,048	259,829
Fringe Benefits	2,711,625	2,757,139	2,510,030	247,109
Purchased Services	528,501	519,584	419,719	99,865
Materials and Supplies	119,850	124,998	98,958	26,040
Capital Outlay	632,723	517,475	341,966	175,509
Other	68,291	58,497	57,096	1,401
<i>Total Expenditures</i>	8,183,674	8,100,570	7,290,817	809,753
<i>Excess of Revenues Over (Under) Expenditures</i>	(341,657)	(105,470)	752,267	857,737
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(90,000)	(90,000)	0	90,000
<i>Net Change in Fund Balance</i>	(431,657)	(195,470)	752,267	947,737
<i>Fund Balance Beginning of Year</i>	4,461,351	4,461,351	4,461,351	0
Prior Year Encumbrances Appropriated	268,521	268,521	268,521	0
<i>Fund Balance End of Year</i>	\$4,298,215	\$4,534,402	\$5,482,139	\$947,737

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Road Improvement Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$799,320	\$825,934	\$26,614
Charges for Services	4,317	0	(4,317)
Intergovernmental	11,994,304	1,291,334	(10,702,970)
<i>Total Revenues</i>	<u>12,797,941</u>	<u>2,117,268</u>	<u>(10,680,673)</u>
<b>Expenditures</b>			
Capital Outlay	20,167,355	7,834,379	12,332,976
Debt Service:			
Principal Retirement	16,213	10,464	5,749
<i>Total Expenditures</i>	<u>20,183,568</u>	<u>7,844,843</u>	<u>12,338,725</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(7,385,627)</u>	<u>(5,727,575)</u>	<u>1,658,052</u>
<b>Other Financing Sources (Uses)</b>			
Advances In	1,888,488	1,888,488	0
Advances Out	(3,298,488)	(800,000)	2,498,488
OPWC Loans Issued	115,000	6,814	(108,186)
Transfer In	2,154,623	2,154,623	0
Transfers Out	(93,519)	0	93,519
<i>Total Other Financing Sources (Uses)</i>	<u>766,104</u>	<u>3,249,925</u>	<u>2,483,821</u>
<i>Net Change in Fund Balance</i>	(6,619,523)	(2,477,650)	4,141,873
<i>Fund Balance Beginning of Year</i>	7,089,785	7,089,785	0
Prior Year Encumbrances Appropriated	3,529,032	3,529,032	0
<i>Fund Balance End of Year</i>	<u>\$3,999,294</u>	<u>\$8,141,167</u>	<u>\$4,141,873</u>

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Refuse Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$2,430,469	\$2,418,335	(\$12,134)
<b>Expenses</b>			
Salaries and Wages	60,547	59,648	899
Fringe Benefits	49,773	46,395	3,378
Purchased Services	2,310,210	2,139,895	170,315
Materials and Supplies	1,800	871	929
Capital Outlay	17,883	17,883	0
<i>Total Expenses</i>	<u>2,440,213</u>	<u>2,264,692</u>	<u>175,521</u>
<i>Net Change in Fund Equity</i>	(9,744)	153,643	163,387
<i>Fund Equity Beginning of Year</i>	1,442,895	1,442,895	0
Prior Year Encumbrances Appropriations	<u>21,818</u>	<u>21,818</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$1,454,969</u></u>	<u><u>\$1,618,356</u></u>	<u><u>\$163,387</u></u>

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Stormwater Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$1,162,077	\$1,208,155	\$46,078
<b>Expenses</b>			
Salaries and Wages	28,837	21,027	7,810
Fringe Benefits	11,475	8,695	2,780
Purchased Services	446,116	270,162	175,954
Materials and Supplies	53,152	21,178	31,974
Capital Outlay	227,590	204,333	23,257
Debt Service:			
Principal Retirement	296,558	296,558	0
Interest and Fiscal Charges	156,366	156,366	0
<i>Total Expenses</i>	<u>1,220,094</u>	<u>978,319</u>	<u>241,775</u>
<i>Excess of Revenues Over (Under)</i>			
<i>Expenses Before Transfers</i>	(58,017)	229,836	287,853
Transfers Out	<u>(75,000)</u>	<u>0</u>	<u>75,000</u>
<i>Net Change in Fund Equity</i>	(133,017)	229,836	362,853
<i>Fund Equity Beginning of Year</i>	2,183,202	2,183,202	0
Prior Year Encumbrances Appropriated	<u>109,146</u>	<u>109,146</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$2,159,331</u></u>	<u><u>\$2,522,184</u></u>	<u><u>\$362,853</u></u>

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Court Computerization Fund  
For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$28,500	\$26,661	(\$1,839)
<b>Expenditures</b>			
Current:			
General Government:			
Court Computerization:			
Salaries and Wages	9,814	9,804	10
Fringe Benefits	6,915	6,298	617
Purchased Services	10,827	7,995	2,832
Capital Outlay	3,124	3,124	0
<i>Total Expenditures</i>	30,680	27,221	3,459
<i>Net Change in Fund Balance</i>	(2,180)	(560)	1,620
<i>Fund Balance Beginning of Year</i>	25,038	25,038	0
Prior Year Encumbrances Appropriated	3,877	3,877	0
<i>Fund Balance End of Year</i>	\$26,735	\$28,355	\$1,620

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Federal Emergency Management Agency (FEMA) Grant Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$165,455	\$0	(\$165,455)
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Federal Emergency Management:			
Capital Outlay	165,465	162,232	3,233
<i>Excess of Revenues Over (Under) Expenditures</i>	(10)	(162,232)	(162,222)
<b>Other Financing Sources (Uses)</b>			
Advances In	165,455	165,455	0
Advances Out	(165,455)	0	165,455
<i>Total Other Financing Sources (Uses)</i>	0	165,455	165,455
<i>Net Change in Fund Balance</i>	(10)	3,223	3,233
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	10	10	0
<i>Fund Balance End of Year</i>	\$0	\$3,233	\$3,233

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*State Highway Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$126,929	\$128,624	\$1,695
<b>Expenditures</b>			
Current:			
Transportation:			
State Highway:			
Purchased Services	33,363	30,112	3,251
Debt Service:			
Principal Retirement	60,000	60,000	0
Interest and Fiscal Charges	39,825	39,825	0
Total Debt Service	99,825	99,825	0
<i>Total Expenditures</i>	133,188	129,937	3,251
<i>Net Change in Fund Balance</i>	(6,259)	(1,313)	4,946
<i>Fund Balance Beginning of Year</i>	362,555	362,555	0
<i>Fund Balance End of Year</i>	\$356,296	\$361,242	\$4,946



**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Law Enforcement Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$500	\$2,270	\$1,770
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	500	2,270	1,770
<i>Fund Balance Beginning of Year</i>	<u>18,373</u>	<u>18,373</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$18,873</u></u>	<u><u>\$20,643</u></u>	<u><u>\$1,770</u></u>

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Brunswick Transit Alternative Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Municipal Income Tax	\$20,000	\$20,000	\$0
Intergovernmental	54,000	54,000	0
Other	0	1,673	1,673
<i>Total Revenues</i>	74,000	75,673	1,673
<b>Expenditures</b>			
Current:			
Transportation:			
Brunswick Transit Alternative:			
Purchased Services	108,257	100,257	8,000
<i>Net Change in Fund Balance</i>	(34,257)	(24,584)	9,673
<i>Fund Balance Beginning of Year</i>	815,803	815,803	0
Prior Year Encumbrances Appropriated	1,257	1,257	0
<i>Fund Balance End of Year</i>	<u>\$782,803</u>	<u>\$792,476</u>	<u>\$9,673</u>

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Revolving Loan Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Community Environment:			
Revolving Loan:			
Purchased Services	7,867	7,861	6
<i>Net Change in Fund Balance</i>	(7,867)	(7,861)	6
<i>Fund Balance Beginning of Year</i>	6	6	0
Prior Year Encumbrances Appropriated	7,861	7,861	0
<i>Fund Balance End of Year</i>	\$0	\$6	\$6

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**Parks Fund**  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Municipal Income Tax	\$555,000	\$555,000	\$0
Charges for Services	3,500	3,273	(227)
Other	2,175	2,146	(29)
<i>Total Revenues</i>	<u>560,675</u>	<u>560,419</u>	<u>(256)</u>
<b>Expenditures</b>			
Current:			
Leisure Time Activities:			
Parks:			
Salaries and Wages	205,613	179,046	26,567
Fringe Benefits	92,513	80,752	11,761
Purchased Services	123,518	79,805	43,713
Materials and Supplies	56,180	42,739	13,441
Capital Outlay	122,050	100,020	22,030
Other	1,000	331	669
<i>Total Expenditures</i>	<u>600,874</u>	<u>482,693</u>	<u>118,181</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(40,199)	77,726	117,925
<b>Other Financing Sources (Uses)</b>			
Transfers Out	(31,000)	0	31,000
<i>Net Change in Fund Balance</i>	(71,199)	77,726	148,925
<i>Fund Balance Beginning of Year</i>	837,157	837,157	0
Prior Year Encumbrances Appropriated	6,830	6,830	0
<i>Fund Balance End of Year</i>	<u>\$772,788</u>	<u>\$921,713</u>	<u>\$148,925</u>

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Department of Justice Federal Grant Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$13,552	\$5,729	(\$7,823)
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Enforcement and Education:			
Materials and Supplies	191	191	0
Capital Outlay	14,238	6,415	7,823
<i>Total Expenditures</i>	14,429	6,606	7,823
<i>Net Change in Fund Balance</i>	(877)	(877)	0
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	877	877	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Enforcement and Education Fund  
For the Year Ended December 31, 2018*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Fines and Forfeitures	\$3,500	\$2,974	(\$526)
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	3,500	2,974	(526)
<i>Fund Balance Beginning of Year</i>	<u>15,433</u>	<u>15,433</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$18,933</u></u>	<u><u>\$18,407</u></u>	<u><u>(\$526)</u></u>

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Community Recreation Center Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$997,400	\$932,716	(\$64,684)
Other	4,150	4,150	0
<i>Total Revenues</i>	<u>1,001,550</u>	<u>936,866</u>	<u>(64,684)</u>
<b>Expenditures</b>			
Current:			
Leisure Time Activities:			
Community Recreation:			
Salaries and Wages	520,815	417,284	103,531
Fringe Benefits	126,348	84,724	41,624
Purchased Services	454,357	394,868	59,489
Materials and Supplies	70,512	59,931	10,581
Capital Outlay	13,200	10,082	3,118
Other	24,260	15,048	9,212
<i>Total Expenditures</i>	<u>1,209,492</u>	<u>981,937</u>	<u>227,555</u>
<i>Excess of Revenues</i> <i>Over (Under) Expenditures</i>	(207,942)	(45,071)	162,871
<b>Other Financing Sources (Uses)</b>			
Transfers In	18,000	18,000	0
<i>Net Change in Fund Balance</i>	(189,942)	(27,071)	162,871
<i>Fund Balance Beginning of Year</i>	670,780	670,780	0
Prior Year Encumbrances Appropriated	18,161	18,161	0
<i>Fund Balance End of Year</i>	<u>\$498,999</u>	<u>\$661,870</u>	<u>\$162,871</u>

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Community Home Investment Program Grant Fund  
For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Interest	\$10	\$23	\$13
Other	3,822	11,470	7,648
<i>Total Revenues</i>	3,832	11,493	7,661
<b>Expenditures</b>			
Current:			
Community Environment:			
Community Home Investment Program:			
Purchased Services	14,020	0	14,020
<i>Net Change in Fund Balance</i>	(10,188)	11,493	21,681
<i>Fund Balance Beginning of Year</i>	14,018	14,018	0
<i>Fund Balance End of Year</i>	\$3,830	\$25,511	\$21,681



**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Cable TV Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Licenses, Permits and Fees	\$353,775	\$370,151	\$16,376
Intergovernmental	2,600	2,600	0
Other	20	20	0
<i>Total Revenues</i>	<u>356,395</u>	<u>372,771</u>	<u>16,376</u>
<b>Expenditures</b>			
Current:			
Community Environment:			
Cable TV:			
Salaries and Wages	150,991	132,974	18,017
Fringe Benefits	72,740	63,566	9,174
Purchased Services	65,789	47,660	18,129
Materials and Supplies	3,395	1,569	1,826
Capital Outlay	78,880	75,512	3,368
Other	1,000	0	1,000
<i>Total Expenditures</i>	<u>372,795</u>	<u>321,281</u>	<u>51,514</u>
<i>Excess of Revenues</i> <i>Over (Under) Expenditures</i>	<u>(16,400)</u>	<u>51,490</u>	<u>67,890</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	50,000	50,000	0
Transfers Out	(7,000)	0	7,000
<i>Total Other Financing Sources (Uses)</i>	<u>43,000</u>	<u>50,000</u>	<u>7,000</u>
<i>Net Change in Fund Balance</i>	26,600	101,490	74,890
<i>Fund Balance Beginning of Year</i>	479,417	479,417	0
Prior Year Encumbrances Appropriated	3,903	3,903	0
<i>Fund Balance End of Year</i>	<u><u>\$509,920</u></u>	<u><u>\$584,810</u></u>	<u><u>\$74,890</u></u>

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Obligation Bond Retirement Fund  
For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0
<i>Excess of Revenues Over (Under) Expenditures</i>	0	0	0
<b>Other Financing Sources (Uses)</b>			
Transfers In	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	1,150,537	1,150,537	0
<i>Fund Balance End of Year</i>	<u>\$1,150,537</u>	<u>\$1,150,537</u>	<u>\$0</u>

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Special Assessment Bond Retirement Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Special Assessments	\$170,722	\$167,883	(\$2,839)
<b>Expenditures</b>			
Current:			
General Government:			
Purchased Services	5,300	2,254	3,046
Debt Service:			
Principal Retirement - Grafton Road Improvement	1,496	1,496	0
Principal Retirement - South Industrial Parkway Improvement	90,000	90,000	0
Principal Retirement - Laurel Road Improvement	30,000	30,000	0
Principal Retirement - Capital Improvement Bonds	18,354	18,354	0
Total Principal Retirement	139,850	139,850	0
Interest and Fiscal Charges - South Industrial Parkway Improvement	10,688	10,688	0
Interest and Fiscal Charges - Laurel Road Improvement	13,913	13,913	0
Interest and Fiscal Charges - Capital Improvement Bonds	10,722	10,722	0
Total Interest and Fiscal Charges	35,323	35,323	0
Total Debt Service	175,173	175,173	0
<i>Total Expenditures</i>	180,473	177,427	3,046
<i>Net Change in Fund Balance</i>	(9,751)	(9,544)	207
<i>Fund Balance Beginning of Year</i>	94,621	94,621	0
<i>Fund Balance End of Year</i>	\$84,870	\$85,077	\$207

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Department Improvement Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Capital Outlay	<u>1,257</u>	<u>1,257</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,257)	(1,257)	0
<i>Fund Balance Beginning of Year</i>	79,618	79,618	0
Prior Year Encumbrances Appropriated	<u>1,257</u>	<u>1,257</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$79,618</u></u>	<u><u>\$79,618</u></u>	<u><u>\$0</u></u>

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Permanent Improvement Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Municipal Income Tax	\$537,849	\$541,472	\$3,623
<b>Expenditures</b>			
Capital Outlay	604,821	495,570	109,251
<i>Excess of Revenues Over (Under) Expenditures</i>	(66,972)	45,902	112,874
<b>Other Financing Sources (Uses)</b>			
Transfers In	500,000	500,000	0
<i>Net Change in Fund Balance</i>	433,028	545,902	112,874
<i>Fund Balance Beginning of Year</i>	2,814,665	2,814,665	0
Prior Year Encumbrances Appropriated	114,021	114,021	0
<i>Fund Balance End of Year</i>	<u>\$3,361,714</u>	<u>\$3,474,588</u>	<u>\$112,874</u>

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Traffic Control Equipment Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	3,125	3,125	0
<i>Fund Balance End of Year</i>	<u>\$3,125</u>	<u>\$3,125</u>	<u>\$0</u>

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Park Development Fund*  
*For the Year Ended December 31, 2018*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Licenses, Permits and Fees	\$100,000	\$71,870	(\$28,130)
<b>Expenditures</b>			
Capital Outlay	<u>201,272</u>	<u>165,851</u>	<u>35,421</u>
<i>Net Change in Fund Balance</i>	(101,272)	(93,981)	7,291
<i>Fund Balance Beginning of Year</i>	527,835	527,835	0
Prior Year Encumbrances Appropriated	<u>54,272</u>	<u>54,272</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$480,835</u></u>	<u><u>\$488,126</u></u>	<u><u>\$7,291</u></u>

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*City Hall Expansion Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$123,758	\$0	(\$123,758)
<b>Expenditures</b>			
Capital Outlay	123,758	81,901	41,857
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>(81,901)</u>	<u>(81,901)</u>
<b>Other Financing Sources (Uses)</b>			
Advances In	123,758	123,758	0
Advances Out	<u>(123,758)</u>	<u>0</u>	<u>123,758</u>
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>123,758</u>	<u>123,758</u>
<i>Net Change in Fund Balance</i>	0	41,857	41,857
<i>Fund Balance Beginning of Year</i>	<u>463</u>	<u>463</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$463</u></u>	<u><u>\$42,320</u></u>	<u><u>\$41,857</u></u>



**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Brunswick Lake Construction Fund  
For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Capital Outlay	89,304	0	89,304
<i>Excess of Revenues Over (Under) Expenditures</i>	(89,304)	0	89,304
<b>Other Financing Sources (Uses)</b>			
Promissory Note Proceeds	50,000	50,000	0
<i>Net Change in Fund Balance</i>	(39,304)	50,000	89,304
<i>Fund Balance Beginning of Year</i>	659,832	659,832	0
Prior Year Encumbrances Appropriated	3,119	3,119	0
<i>Fund Balance End of Year</i>	<u>\$623,647</u>	<u>\$712,951</u>	<u>\$89,304</u>

**City of Brunswick, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Self Insurance Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$2,552,000	\$2,329,524	(\$222,476)
<b>Expenses</b>			
Purchased Services	97,871	89,099	8,772
Claims	2,454,129	2,234,163	219,966
<i>Total Expenses</i>	<u>2,552,000</u>	<u>2,323,262</u>	<u>228,738</u>
<i>Excess of Revenues Over (Under)</i>			
<i>Expenses Before Transfers</i>	0	6,262	6,262
<b>Other Financing Sources (Uses)</b>			
Transfers In	<u>300,000</u>	<u>300,000</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	300,000	306,262	6,262
<i>Fund Equity Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$300,000</u></u>	<u><u>\$306,262</u></u>	<u><u>\$6,262</u></u>

---

# Statistical Section

---

*This Page Intentionally Left Blank.*

## Statistical Section

This part of the City of Brunswick, Ohio's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

---

<b>Contents</b>	<b>Pages(s)</b>
<b><i>Financial Trends</i></b> .....	<b><i>S2 – S11</i></b>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b><i>Revenue Capacity</i></b> .....	<b><i>S12 – S19</i></b>
These schedules contain information to help the reader assess the City's most significant local revenue, the property tax and the municipal income tax.	
<b><i>Debt Capacity</i></b> .....	<b><i>S20 – S24</i></b>
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b><i>Economic and Demographic Information</i></b> .....	<b><i>S25 – S26</i></b>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b><i>Operating Information</i></b> .....	<b><i>S28 – S33</i></b>
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

**City of Brunswick, Ohio**  
*Net Position By Component*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$45,058,361	\$39,818,640	\$38,414,803	\$38,220,217
Restricted:				
Capital Projects	11,518,947	13,361,772	11,925,995	8,082,688
Debt Service	1,747,653	1,889,987	2,026,752	2,161,113
Police	10,675,429	8,862,770	8,231,605	7,243,616
Fire	6,588,280	5,426,173	4,906,612	4,629,923
Transportation	6,274,432	5,715,514	5,234,927	4,569,333
Cable Television Local Programming	0	0	0	0
Recreation Center	642,141	0	0	0
Community Improvement	0	7,867	7,864	6,692
Other Purposes	313,878	955,985	918,976	636,832
Unrestricted (Deficit)	<u>(16,114,345)</u>	<u>(15,730,357)</u>	<u>380,794</u>	<u>727,397</u>
<i>Total Governmental Activities Net Position</i>	<u>66,704,776</u>	<u>60,308,351</u>	<u>72,048,328</u>	<u>66,277,811</u>
<b>Business-Type - Activities</b>				
Net Investment in Capital Assets	1,043,245	733,698	251,591	(103,981)
Unrestricted	<u>4,592,549</u>	<u>4,123,836</u>	<u>3,752,038</u>	<u>3,068,416</u>
<i>Total Business-Type Activity Net Position</i>	<u>5,635,794</u>	<u>4,857,534</u>	<u>4,003,629</u>	<u>2,964,435</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	46,101,606	40,552,338	38,666,394	38,116,236
Restricted	37,760,760	36,220,068	33,252,731	27,330,197
Unrestricted	<u>(11,521,796)</u>	<u>(11,606,521)</u>	<u>4,132,832</u>	<u>3,795,813</u>
<i>Total Primary Government Net Position</i>	<u>\$72,340,570</u>	<u>\$65,165,885</u>	<u>\$76,051,957</u>	<u>\$69,242,246</u>

Note: In 2010 - 2017, the cable TV and parks recreation net position balances are included in unrestricted net position. In 2009 and prior years, those balances were restricted for those purposes.

Note: In 2012, a restatement of 2011 net position occurred due to the collection of a stormwater fee.

Note: In 2015, the City implemented GASB 68 which affected Unrestricted Net Position for 2014.

Note: In 2018, the City implemented GASB 75 which affected Unrestricted Net Position for 2017.

2014	2013	2012	2011	2010	2009
\$35,540,785	\$35,531,358	\$35,268,325	\$34,415,337	\$32,948,516	\$32,426,336
6,929,597	5,665,555	4,248,609	4,277,237	4,663,156	4,252,051
2,285,825	2,288,361	2,133,143	2,178,849	2,378,423	2,939,856
6,335,708	5,506,700	4,542,196	3,771,232	2,839,358	1,813,015
4,426,721	3,925,584	3,090,053	2,523,216	1,964,092	1,556,605
3,591,517	3,076,455	3,382,089	2,512,538	1,969,709	2,150,145
0	0	0	0	0	1,105,854
0	0	0	0	0	506,586
57,048	55,876	55,920	265,396	221,826	272,600
923,418	832,129	38,975	35,166	28,025	29,793
(482,618)	12,743,641	11,721,507	8,815,719	5,103,746	2,288,917
59,608,001	69,625,659	64,480,817	58,794,690	52,116,851	49,341,758
(289,309)	(443,159)	(411,641)	(378,534)	194,474	220,015
2,544,835	2,047,340	1,315,008	426,367	603,045	550,777
2,255,526	1,604,181	903,367	47,833	797,519	770,792
35,251,476	35,088,199	34,856,684	34,036,803	33,142,990	32,646,351
24,549,834	21,350,660	17,490,985	15,563,634	14,064,589	14,626,505
2,062,217	14,790,981	13,036,515	9,242,086	5,706,791	2,839,694
\$61,863,527	\$71,229,840	\$65,384,184	\$58,842,523	\$52,914,370	\$50,112,550

**City of Brunswick, Ohio**  
*Change in Net Position*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

	2018	2017	2016	2015
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$730,540	\$934,736	\$1,034,429	\$934,790
Security of Persons and Property	1,295,899	1,295,169	1,155,762	1,167,294
Transportation	2,260	2,710	36,643	45,050
Community Environment	513,949	515,547	574,062	529,959
Public Health Services	2,255	2,768	1,988	1,797
Leisure Time Activities	1,038,259	1,162,012	1,190,903	1,227,188
Subtotal - Charges for Services	3,583,162	3,912,942	3,993,787	3,906,078
Operating Grants and Contributions and Interest:	1,888,450	1,928,967	2,482,201	2,223,309
Capital Grants and Contributions:	1,184,292	805,605	1,040,286	2,722,985
<i>Total Governmental Activities Program Revenues</i>	<u>6,655,904</u>	<u>6,647,514</u>	<u>7,516,274</u>	<u>8,852,372</u>
Business-Type Activities:				
Charges for Services:				
Refuse	2,433,757	2,359,633	2,444,327	2,347,313
Stormwater	1,209,892	1,183,449	1,226,990	1,153,028
Subtotal - Charges for Services	3,643,649	3,543,082	3,671,317	3,500,341
Capital Grants and Contributions:	0	14,965	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>3,643,649</u>	<u>3,558,047</u>	<u>3,671,317</u>	<u>3,500,341</u>
<i>Total Primary Government Program Revenues</i>	<u>10,299,553</u>	<u>10,205,561</u>	<u>11,187,591</u>	<u>12,352,713</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	3,552,631	3,748,966	3,288,745	3,097,211
Security of Persons and Property	13,754,744	12,838,125	12,451,461	11,354,162
Transportation	4,144,403	4,253,966	4,242,557	3,853,473
Community Environment	1,522,017	1,448,943	1,345,553	1,353,859
Public Health Services	33,490	33,004	29,151	29,116
Leisure Time Activities	1,856,006	1,908,288	1,797,202	1,751,750
Interest and Fiscal Charges	68,543	77,825	85,587	92,839
<i>Total Governmental Activities Expenses</i>	<u>24,931,834</u>	<u>24,309,117</u>	<u>23,240,256</u>	<u>21,532,410</u>
Business-Type Activities				
Refuse	2,270,948	2,157,882	2,110,905	2,209,565
Stormwater	594,441	530,364	521,218	581,867
<i>Total Business-Type Activities Expenses</i>	<u>2,865,389</u>	<u>2,688,246</u>	<u>2,632,123</u>	<u>2,791,432</u>
<i>Total Primary Government Program Expenses</i>	<u>27,797,223</u>	<u>26,997,363</u>	<u>25,872,379</u>	<u>24,323,842</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(18,275,930)	(17,661,603)	(15,723,982)	(12,680,038)
Business-Type Activities	778,260	869,801	1,039,194	708,909
<i>Total Primary Government Net Expense</i>	<u>(\$17,497,670)</u>	<u>(\$16,791,802)</u>	<u>(\$14,684,788)</u>	<u>(\$11,971,129)</u>



2014	2013	2012	2011	2010	2009
\$844,461	\$825,597	\$819,826	\$574,868	\$770,068	\$1,007,516
1,059,691	1,286,645	1,127,109	1,225,156	1,069,374	1,242,692
36,234	53,991	12,752	31,706	131,570	146,001
475,544	408,276	313,170	576,126	615,189	583,948
1,436	3,132	0	0	0	1,405
1,299,565	1,208,100	1,192,567	1,177,299	1,071,256	1,084,347
3,716,931	3,785,741	3,465,424	3,585,155	3,657,457	4,065,909
2,735,993	2,180,194	2,612,386	2,289,557	2,682,981	2,262,762
852,173	1,060,420	1,417,676	1,724,921	1,086,493	828,013
7,305,097	7,026,355	7,495,486	7,599,633	7,426,931	7,156,684
2,658,188	2,622,715	2,598,583	2,464,970	2,238,200	2,206,679
1,168,593	1,169,694	1,164,826	0	0	0
3,826,781	3,792,409	3,763,409	2,464,970	2,238,200	2,206,679
0	0	0	0	0	0
3,826,781	3,792,409	3,763,409	2,464,970	2,238,200	2,206,679
11,131,878	10,818,764	11,258,895	10,064,603	9,665,131	9,363,363
3,045,386	2,754,245	2,654,847	2,786,107	2,928,073	3,132,307
10,939,019	10,305,243	10,120,936	9,879,154	9,840,361	9,318,372
3,315,170	3,281,244	2,717,459	2,895,051	2,815,791	3,343,339
1,767,630	1,312,329	2,162,920	1,850,257	2,259,993	2,497,012
28,366	33,065	29,559	29,693	29,066	31,491
1,765,426	1,692,973	1,711,382	1,561,621	1,625,811	1,766,699
102,568	115,482	113,074	314,983	370,061	390,789
20,963,565	19,494,581	19,510,177	19,316,866	19,869,156	20,480,009
2,593,759	2,474,573	2,456,370	2,334,864	2,211,473	2,020,691
511,156	617,022	451,505	21,296	0	0
3,104,915	3,091,595	2,907,875	2,356,160	2,211,473	2,020,691
24,068,480	22,586,176	22,418,052	21,673,026	22,080,629	22,500,700
(13,658,468)	(12,468,226)	(12,014,691)	(11,717,233)	(12,442,225)	(13,323,325)
721,866	700,814	855,534	108,810	26,727	185,988
(\$12,936,602)	(\$11,767,412)	(\$11,159,157)	(\$11,608,423)	(\$12,415,498)	(\$13,137,337)

(continued)

**City of Brunswick, Ohio**  
*Change in Net Position*  
*Last Ten Years (Continued)*  
*(Accrual Basis of Accounting)*

	2018	2017	2016	2015
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Property and Other Local Taxes Levied For:				
General Purposes	\$1,537,469	\$1,491,989	\$1,391,805	\$1,358,559
Police	200,543	194,605	181,537	178,472
Debt Service	0	0	0	0
Road Improvement	828,167	801,930	801,145	785,580
Income Taxes Levied For:				
General Purposes	4,896,686	4,186,948	3,994,243	3,158,049
Capital Projects	630,712	489,745	416,033	392,660
Debt Service	0	0	0	0
Fire	4,686,208	3,896,498	3,926,792	3,827,115
Street Repair and Maintenance	1,376,757	1,156,085	1,160,884	1,129,656
Police	8,096,537	6,889,956	6,985,640	6,811,903
Brunswick Transit Alternative	15,000	71,897	149,785	148,287
Parks	625,820	537,839	536,746	521,506
Grants and Entitlements not Restricted to Specific Programs	884,005	799,145	790,103	857,709
Gain on Sale of Assets Held for Resale	0	0	959,128	0
Gain on Sale of Capital Assets	0	31,072	0	2,624
Unrestricted Donations	2,500	2,500	1,225	2,490
Interest	709,525	400,333	117,217	97,890
Other	182,426	143,725	82,216	77,348
Transfers	0	(48,402)	0	0
<i>Total Governmental Activities</i>	<u>24,672,355</u>	<u>21,045,865</u>	<u>21,494,499</u>	<u>19,349,848</u>
Business-Type Activities				
Transfers	0	48,402	0	0
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>24,672,355</u>	<u>21,094,267</u>	<u>21,494,499</u>	<u>19,349,848</u>
<b>Change in Net Position</b>				
Governmental Activities	6,396,425	3,384,262	5,770,517	6,669,810
Business-Type Activities	778,260	918,203	1,039,194	708,909
<i>Total Primary Government Change in Net Position</i>	<u>\$7,174,685</u>	<u>\$4,302,465</u>	<u>\$6,809,711</u>	<u>\$7,378,719</u>

2014	2013	2012	2011	2010	2009
\$1,351,681	\$1,394,972	\$1,464,138	\$1,418,940	\$1,607,360	\$1,804,661
178,836	184,481	195,799	191,812	209,654	7,531
0	0	0	0	0	382,896
18,205	0	0	0	0	0
2,813,664	2,860,086	3,474,876	3,208,310	1,511,497	1,765,037
344,828	299,614	224,661	72,224	0	0
132,251	299,617	306,614	458,449	489,271	237,508
3,725,537	3,616,243	3,362,609	3,293,225	3,274,810	2,494,004
1,093,923	1,007,855	870,387	844,635	251,851	784,805
6,640,384	6,537,500	6,202,867	6,129,986	6,054,675	3,146,772
142,851	130,330	117,404	132,191	124,695	109,162
494,976	463,655	436,194	431,108	328,767	488,697
836,486	746,287	953,963	1,381,304	1,280,690	1,251,775
0	0	0	0	0	396,554
0	0	0	0	0	0
0	0	0	0	0	0
44,529	32,156	41,096	35,458	32,393	66,022
301,174	40,272	50,210	70,552	51,655	70,083
0	0	0	0	0	0
<u>18,119,325</u>	<u>17,613,068</u>	<u>17,700,818</u>	<u>17,668,194</u>	<u>15,217,318</u>	<u>13,005,507</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>18,119,325</u>	<u>17,613,068</u>	<u>17,700,818</u>	<u>17,668,194</u>	<u>15,217,318</u>	<u>13,005,507</u>
4,460,857	5,144,842	5,686,127	5,950,961	2,775,093	(317,818)
721,866	700,814	855,534	108,810	26,727	185,988
<u>\$5,182,723</u>	<u>\$5,845,656</u>	<u>\$6,541,661</u>	<u>\$6,059,771</u>	<u>\$2,801,820</u>	<u>(\$131,830)</u>

**City of Brunswick, Ohio**  
*Fund Balances, Governmental Funds*  
*Last Ten Years*  
*(Modified Accrual Basis of Accounting)*

	2018	2017	2016	2015
<b>General Fund</b>				
Nonspendable	\$99,230	\$98,533	\$289,989	\$1,441,170
Committed	171,514	214,927	32,868	37,384
Assigned	5,940,680	6,067,447	5,770,089	4,135,720
Unassigned	8,335,939	6,519,659	6,145,350	6,744,861
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
<b>Total General Fund</b>	<b>14,547,363</b>	<b>12,900,566</b>	<b>12,238,296</b>	<b>12,359,135</b>
<b>All Other Governmental Funds</b>				
Nonspendable	407,732	546,312	621,574	261,701
Restricted	27,113,096	26,464,048	23,361,797	18,967,058
Committed	2,175,969	2,081,987	1,881,033	1,699,731
Assigned	732,268	732,268	722,571	19,318
Unassigned (Deficit)	0	0	(1,245)	(123,807)
Reserved	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue funds	N/A	N/A	N/A	N/A
Debt Service funds	N/A	N/A	N/A	N/A
Capital Projects funds (Deficit)	N/A	N/A	N/A	N/A
<b>Total All Other Governmental Funds</b>	<b>30,429,065</b>	<b>29,824,615</b>	<b>26,585,730</b>	<b>20,824,001</b>
<b>Total Governmental Funds</b>	<b>\$44,976,428</b>	<b>\$42,725,181</b>	<b>\$38,824,026</b>	<b>\$33,183,136</b>

Note: Since 2010, the cable TV fund is included with general fund on a GAAP basis. In 2009 and prior years, the cable TV fund balance was included in all other governmental funds.

Note: In 2012, the City had a restatement that affected other governmental funds and the stormwater enterprise fund that resulted in a change in fund balances for 2011.

Note: In 2015, the general fund had a restatement made for inclusion of a promissory note as explained on page 76 which affects the balances reported in 2014.

2014	2013	2012	2011	2010	2009
\$1,438,426	\$1,438,426	\$1,430,246	\$956,605	\$697,887	N/A
374,810	534,805	562,778	540,280	0	N/A
2,727,697	1,804,755	1,760,198	1,522,319	893,952	N/A
6,729,861	6,673,989	5,532,586	4,746,082	3,174,648	N/A
N/A	N/A	N/A	N/A	N/A	\$1,615,847
N/A	N/A	N/A	N/A	N/A	1,358,677
11,270,794	10,451,975	9,285,808	7,765,286	4,766,487	2,974,524
207,046	163,898	187,181	160,022	125,575	N/A
16,447,753	13,111,994	9,534,618	6,673,161	5,497,661	N/A
1,425,445	1,255,551	1,036,205	881,516	635,449	N/A
19,318	19,318	76,097	25,384	89,860	N/A
(118,119)	(314,630)	(110,582)	(331,884)	(372,205)	N/A
N/A	N/A	N/A	N/A	N/A	4,189,812
N/A	N/A	N/A	N/A	N/A	2,185,351
N/A	N/A	N/A	N/A	N/A	880,823
N/A	N/A	N/A	N/A	N/A	(525,162)
17,981,443	14,236,131	10,723,519	7,408,199	5,976,340	6,730,824
\$29,252,237	\$24,688,106	\$20,009,327	\$15,173,485	\$10,742,827	\$9,705,348

**City of Brunswick, Ohio**  
*Changes in Fund Balances, Governmental Funds*  
*Last Ten Years*  
*(Modified Accrual Basis of Accounting)*

	2018	2017	2016	2015
<b>Revenues</b>				
Property Taxes	\$2,568,371	\$2,551,227	\$2,338,497	\$2,328,213
Municipal Income Taxes	18,513,298	17,220,015	16,637,069	15,806,730
Charges for Services	1,734,679	1,776,374	1,785,174	1,803,784
Special Assessments	167,883	171,272	172,305	192,878
Licenses, Permits and Fees	1,288,644	1,629,167	1,517,742	1,605,807
Fines and Forfeitures	447,508	444,867	588,378	535,817
Intergovernmental	4,167,119	3,471,819	4,153,335	5,477,509
Contributions and Donations	2,500	2,500	1,225	138,350
Sales	0	0	0	0
Interest	689,598	377,661	80,488	82,322
Other	182,426	143,725	82,216	77,348
<i>Total Revenues</i>	<u>29,762,026</u>	<u>27,788,627</u>	<u>27,356,429</u>	<u>28,048,758</u>
<b>Expenditures</b>				
Current:				
General Government	3,239,312	3,255,460	3,053,815	3,032,772
Security of Persons and Property	11,594,040	11,314,781	11,404,970	11,449,970
Transportation	2,571,246	2,467,769	2,606,371	2,470,087
Community Environment	1,025,951	933,313	975,708	1,049,078
Public Health Services	10,330	9,844	5,991	5,956
Leisure Time Activities	1,572,084	1,539,600	1,538,970	1,575,326
Capital Outlay	6,919,168	4,206,226	2,801,304	4,249,970
Debt Service:				
Principal Retirement	210,314	201,035	195,496	190,016
Interest and Fiscal Charges	75,148	84,462	92,042	99,282
Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>27,217,593</u>	<u>24,012,490</u>	<u>22,674,667</u>	<u>24,122,457</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,544,433</u>	<u>3,776,137</u>	<u>4,681,762</u>	<u>3,926,301</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	173,420	0	4,598
Sale of Assets Held for Resale	0	0	959,128	0
Special Assessment Bond Premium	0	0	0	0
OPWC Loan Issued	6,814	0	0	0
General Obligation Bonds Issued	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0
General Obligation Bond Premium	0	0	0	0
Transfers In	2,672,623	3,325,671	3,641,354	1,775,294
Transfers Out	(2,972,623)	(3,374,073)	(3,641,354)	(1,775,294)
<i>Total Other Financing Sources (Uses)</i>	<u>(293,186)</u>	<u>125,018</u>	<u>959,128</u>	<u>4,598</u>
<b>Special Items</b>				
Sale of Assets Held for Resale	0	0	0	0
<i>Net Change in Fund Balances</i>	<u>\$2,251,247</u>	<u>\$3,901,155</u>	<u>\$5,640,890</u>	<u>\$3,930,899</u>
Debt Service as a Percentage of Noncapital Expenditures	1.4%	1.4%	1.4%	1.5%

Note: In 2015, the general fund had a restatement made for inclusion of a promissory note as explained on page 76 which affects the balances reported in 2014.

2014	2013	2012	2011	2010	2009
\$1,560,606	\$1,599,759	\$1,640,863	\$1,610,734	\$1,811,530	\$2,206,343
15,122,537	14,659,596	14,142,938	13,703,676	11,099,563	9,094,629
1,930,400	2,046,098	1,811,368	1,843,474	1,736,217	1,872,479
188,768	205,990	293,882	277,970	257,066	233,355
1,267,515	1,285,481	890,044	1,164,988	1,333,144	1,042,594
487,248	551,190	528,609	555,758	610,549	561,309
4,540,671	3,919,499	4,997,108	5,348,099	5,028,981	4,561,044
20,800	32,283	0	0	625	5,188
14	85	1,069	627	249	3,006
31,481	32,142	23,135	19,114	16,586	56,974
301,174	100,994	50,210	70,552	51,655	72,583
25,451,214	24,433,117	24,379,226	24,594,992	21,946,165	19,709,504
2,982,429	2,597,694	2,582,578	2,812,836	2,967,077	2,830,670
10,680,818	10,173,490	10,067,051	9,608,980	9,438,748	9,295,076
2,472,800	2,465,950	3,159,903	2,286,124	2,452,466	2,680,699
1,326,347	1,013,283	1,662,145	1,270,815	2,023,900	1,838,864
5,206	10,105	6,399	6,533	5,906	8,331
1,703,202	1,533,403	1,546,434	1,360,892	1,468,151	1,653,064
1,386,610	1,595,743	1,559,362	2,223,320	1,261,930	1,980,850
237,136	247,281	359,736	537,063	934,653	688,029
109,118	122,320	111,368	318,145	375,208	385,260
0	0	25,533	0	0	140,348
20,903,666	19,759,269	21,080,509	20,424,708	20,928,039	21,501,191
4,547,548	4,673,848	3,298,717	4,170,284	1,018,126	(1,791,687)
16,583	0	0	0	0	1,488
0	0	0	0	0	0
0	0	0	0	0	577
0	4,931	108,576	260,374	19,353	19,740
0	0	1,320,000	0	0	4,672,492
0	0	0	0	0	402,508
0	0	108,549	0	0	6,736
1,517,278	1,663,345	1,482,594	40,882	22,827	83,888
(1,517,278)	(1,663,345)	(1,482,594)	(40,882)	(22,827)	(83,888)
16,583	4,931	1,537,125	260,374	19,353	5,103,541
0	0	0	0	0	396,554
\$4,564,131	\$4,678,779	\$4,835,842	\$4,430,658	\$1,037,479	\$3,708,408
1.8%	2.1%	2.6%	4.7%	6.8%	5.6%

**City of Brunswick, Ohio**  
*Assessed Valuation and Estimated Actual Values of Taxable Property*  
*Last Ten Years*

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2018	\$601,288,000	\$152,075,600	\$2,152,467,429	\$9,306,550	\$10,575,625
2017	591,581,150	148,637,350	2,114,910,000	9,077,590	10,315,443
2016	541,422,840	138,266,330	1,941,969,057	8,416,270	9,563,943
2015	536,079,600	133,191,460	1,912,203,029	7,519,200	8,544,545
2014	533,318,350	130,405,170	1,896,352,914	7,519,200	8,544,545
2013	573,344,540	133,097,990	2,018,407,229	6,979,640	7,931,409
2012	568,692,790	135,979,950	2,013,350,686	5,936,530	6,746,057
2011	569,116,780	135,601,100	2,013,479,657	5,683,640	6,458,682
2010	612,020,650	133,798,300	2,130,911,286	5,683,640	6,458,682
2009	608,231,400	127,704,210	2,102,673,171	4,880,560	5,546,091

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property tax has been phased out, and during the phase out period, all general business tangible personal property was assessed at 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies, at 5 percent for 2010. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers, (except telephone companies whose last year to pay tangible personal property tax was 2010).

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

Source: Medina County, Ohio; County Auditor



Tangible Personal Property						Weighted Average Tax Rate (per \$1,000 of Assessed Value)
General Business		Total				
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Tax Rate (per \$1,000 of Assessed Value)	
\$0	\$0	\$762,670,150	\$2,163,043,054	35.26%	\$3.80	\$3.7157
0	0	749,296,090	2,125,225,443	35.26	3.80	3.7122
0	0	688,105,440	1,951,533,000	35.26	3.80	3.7960
0	0	676,790,260	1,920,747,574	35.24	3.80	3.7971
0	0	671,242,720	1,904,897,460	35.24	2.60	2.6000
4,542,370	90,847,400	717,964,540	2,117,186,038	33.91	2.60	2.6000
3,620,720	72,414,400	714,229,990	2,092,511,143	34.13	2.60	2.6000
2,490,600	49,812,000	712,892,120	2,069,750,339	34.44	2.60	2.6000
1,371,610	13,716,100	752,874,200	2,151,086,068	35.00	2.60	2.6000
4,615,530	73,848,480	745,431,700	2,182,067,742	34.16	3.20	3.2000

**City of Brunswick, Ohio**  
*Property Tax Rates - Direct and Overlapping Governments*  
*(Per \$1,000 of Assessed Valuation)*  
*Last Ten Years*

	2018	2017	2016	2015
<b>Unvoted Millage</b>				
Operating	\$2.3000	\$2.3000	\$2.3000	\$2.3000
Police Pension	0.3000	0.3000	0.3000	0.3000
<i>Total Unvoted Millage</i>	2.6000	2.6000	2.6000	2.6000
<b>Total Voted Millage by Type of Property</b>				
2014 Road Levy (10 Years):				
Residential/Agricultural Real	1.0998	1.1018	1.1962	1.1977
Commercial/Industrial and Public Utility Real	1.1733	1.1483	1.1949	1.1943
General Business and Public Utility Personal	1.2000	1.2000	1.2000	1.2000
1989 Bond (\$4,950,000)	0.0000	0.0000	0.0000	0.0000
<b>Total Millage by Type of Property</b>				
Residential/Agricultural Real	3.6998	3.7018	3.7962	3.7977
Commercial/Industrial and Public Utility Real	3.7733	3.7483	3.7949	3.7943
General Business and Public Utility Personal	3.8000	3.8000	3.8000	3.8000
<b>Total Weighted Average Tax Rate</b>	\$3.7157	\$3.7122	\$3.7960	\$3.7971
<b>Overlapping Rates by Taxing District</b>				
Brunswick City School District				
Residential/Agricultural Real	\$40.2198	\$40.5486	\$41.9722	\$42.0121
Commercial/Industrial and Public Utility Real	39.8054	39.8245	40.5332	40.5166
General Business and Public Utility Personal	68.8200	69.1200	69.1200	69.1200
Medina County				
Residential/Agricultural Real	7.1303	7.1421	7.4960	7.5036
Commercial/Industrial and Public Utility Real	7.3236	7.2445	7.5108	7.5056
General Business and Public Utility Personal	8.0400	8.0400	8.0400	8.0400
Medina CCTC				
Residential/Agricultural Real	2.0733	2.0805	2.2312	2.2371
Commercial/Industrial and Public Utility Real	2.1673	2.1346	2.2493	2.2438
General Business and Public Utility Personal	3.0500	3.0500	3.0500	3.0500
Medina County Library District				
Residential/Agricultural Real	2.0543	2.0083	2.0951	1.8471
Commercial/Industrial and Public Utility Real	2.1041	2.0358	2.1000	1.8500
General Business and Public Utility Personal	2.1500	2.1000	2.1000	1.8500
Medina County Park District				
Residential/Agricultural Real	0.9238	0.9263	0.7473	0.7484
Commercial/Industrial and Public Utility Real	0.9628	0.9469	0.7500	0.7500
General Business and Public Utility Personal	1.0000	1.0000	0.7500	0.7500

Source: Medina County Auditor

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

The City's basic property tax rate may be increased only by a majority vote of the City's residents.

The real property tax rates for the voted levies of the overlapping taxing districts are reduced so that inflationary increases in value do not generate additional revenue.

Overlapping rates are those of local and county governments that apply to property owners within the City.

Emergency and Debt Service levies are designed to raise a fixed amount of revenue each year. A rate is set each year so that when it is applied to the total assessed value, that fixed amount is generated.

2014	2013	2012	2011	2010	2009
\$2.3000	\$2.3000	\$2.3000	\$2.3000	\$2.3000	\$2.3000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
2.6000	2.6000	2.6000	2.6000	2.6000	2.6000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.6000
2.6000	2.6000	2.6000	2.6000	2.6000	3.2000
2.6000	2.6000	2.6000	2.6000	2.6000	3.2000
2.6000	2.6000	2.6000	2.6000	2.6000	3.2000
\$2.6000	\$2.6000	\$2.6000	\$2.6000	\$2.6000	\$3.2000
\$42.0638	\$39.7649	\$39.7649	\$40.2598	\$38.1783	\$39.2500
40.7592	39.1934	39.1934	39.2077	38.3531	39.3375
69.1200	68.0200	68.0200	68.5200	67.8200	68.9200
7.5148	7.4599	7.4599	6.5082	5.9807	5.9167
7.4957	7.4575	7.4575	6.4369	6.0632	5.9891
8.0400	8.0400	8.0400	8.0400	8.0400	8.0700
2.2447	2.1694	2.1694	2.1649	2.0048	2.0000
2.2252	2.1483	2.1483	2.0428	2.0158	2.0081
3.0500	3.0500	3.0500	3.0500	3.0500	3.0500
1.8500	2.0315	2.0315	2.0319	1.9378	2.1352
1.8500	2.0464	2.0464	1.9854	1.9696	2.1651
1.8500	2.0500	2.0500	2.0500	2.0500	2.2500
0.7500	0.7366	0.7366	0.7366	0.6775	0.6758
0.7500	0.7435	0.7435	0.7052	0.6969	0.6861
0.7500	0.7500	0.7500	0.7500	0.7500	0.7500

**City of Brunswick, Ohio**  
*Principal Real Property Taxpayers*  
 2018 and 2009

<u>2018</u>		
<u>Taxpayer</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of Real Property Assessed Valuation</u>
Wynn Acquisitions LLC	\$4,546,210	0.60 %
HGG Brunswick Residential LTD	4,410,000	0.59
Centro NP Brunswick Town Center LLC	4,392,330	0.58
Ohio Edison Company	4,186,110	0.56
Laurel Road LTD	4,060,920	0.54
Select-KM Plaza LLC	3,893,750	0.52
KRD Skyview LLC	3,850,470	0.51
Fezco Brunswick LLC & LMS Realty LLC	3,500,000	0.46
City of Brunswick	3,210,390	0.43
Columbia Gas of Ohio Inc.	3,171,500	0.42
<b>Total</b>	<b>\$39,221,680</b>	<b>5.21 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$753,363,600</b>	
<u>2009</u>		
<u>Taxpayer</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of Real Property Assessed Valuation</u>
Centro NP LLC	\$5,750,960	0.78 %
Village in the Park	4,653,680	0.63
Mark Spagnuolo LLC	4,466,240	0.61
Laurel Road LTD	4,235,370	0.58
Inland Real Estate Corporation	4,185,200	0.57
Clearbrooke Apartments LLC	3,500,240	0.48
Cleveland Clinic Foundation	3,224,770	0.44
City of Brunswick	3,207,370	0.44
Ohio Edison Company	3,105,180	0.42
Hickory Hills Apartments LP	2,860,260	0.38
<b>Total</b>	<b>\$39,189,270</b>	<b>5.33 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$735,935,610</b>	

Source: Medina County, Ohio; County Auditor

**City of Brunswick, Ohio**  
*Property Tax Levies And Collections*  
*Last Ten Years*

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2018	\$2,898,871	\$2,779,875	95.90%	\$48,485	\$2,828,360	97.57%	\$25,994	0.90%
2017	2,832,612	2,718,555	95.97	61,378	2,779,933	98.14	48,420	1.71
2016	2,660,343	2,536,991	95.36	55,995	2,592,986	97.47	11,436	0.43
2015	2,627,933	2,519,319	95.87	62,382	2,581,701	98.27	15,266	0.58
2014	1,814,474	1,701,230	93.76	54,487	1,755,717	96.76	34,604	1.91
2013	1,956,990	1,771,513	90.52	63,857	1,835,370	93.79	53,356	2.73
2012	1,980,750	1,804,235	91.09	66,575	1,870,810	94.45	68,292	3.45
2011	1,845,355	1,775,856	96.23	47,048	1,822,904	98.78	68,228	3.70
2010	2,062,762	1,897,099	91.97	70,619	1,967,718	95.39	61,158	2.96
2009	2,528,582	2,306,460	91.22	96,135	2,402,595	95.02	66,324	2.62

Source: Medina County, Ohio; County Auditor

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

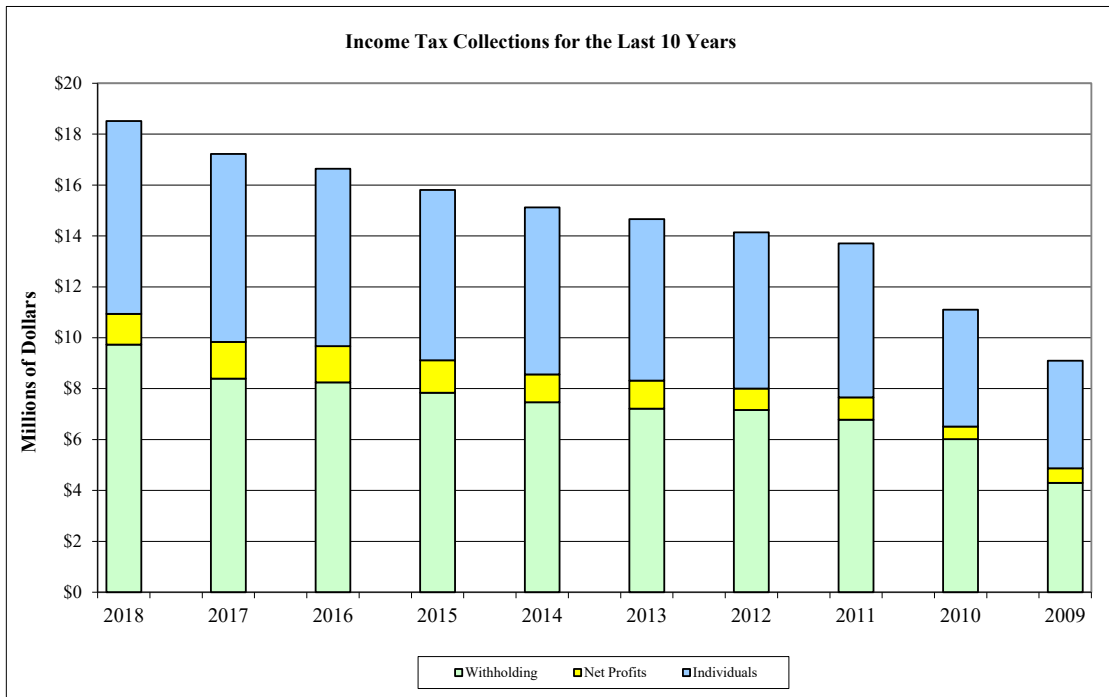
Note: The City is aware of the requirement to report delinquent tax collections by levy year rather than by collection year. However, the County's computer system tracks levy amounts by either current levy or delinquent levy. Once amounts become part of the delinquent levy the ability to track information by levy year is lost. The City is looking at options to improve the presentation.

**City of Brunswick, Ohio**  
*Income Tax Revenue Base and Collections*  
*(Modified Accrual Basis)*  
*Last Ten Years*

Tax Year	Tax Rate(1)(2)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2018	2.00%	\$18,513,298	\$9,734,292	52.58%	\$1,199,662	6.48%	\$7,579,344	40.94%
2017	1.85	17,220,015	8,396,479	48.76	1,439,593	8.36	7,383,943	42.88
2016	1.85	16,637,069	8,246,995	49.57	1,422,469	8.55	6,967,605	41.88
2015	1.85	15,806,730	7,840,138	49.60	1,272,442	8.05	6,694,150	42.35
2014	1.85	15,122,537	7,460,989	49.34	1,096,626	7.25	6,564,922	43.41
2013	1.85	14,659,596	7,215,452	49.22	1,100,935	7.51	6,343,206	43.27
2012	1.85	14,142,938	7,164,636	50.66	842,898	5.96	6,135,055	43.38
2011	1.85	13,703,676	6,781,949	49.49	875,665	6.39	6,046,062	44.12
2010	1.85	11,099,563	6,017,073	54.21	495,041	4.46	4,587,449	41.33
2009	1.35	9,094,629	4,299,031	47.27	570,233	6.27	4,225,365	46.46

- (1) In 2010, the tax rate was increased .5 percent by voters to increase funding for safety forces.  
(2) In 2018, the tax rate was increased by an additional 0.15 percent by voters to increase funding for safety forces.

Note: The City is prohibited by statute from presenting information regarding individual taxpayers.



**City of Brunswick, Ohio**  
*Ten Largest Municipal Income Tax Withholding Accounts*  
*Tax Years 2018 and 2009*

Tax Year 2018		
Taxpayers	Municipal Income Tax Withholding	Percent of Income Tax Collections
Brunswick City School District		
Brunswick Auto Mart, Inc.		
Cleveland Clinic Foundation		
City of Brunswick		
Digestive Disease Consultant		
Riser Foods Company		
CCL Label, Inc.		
Turf Care Supply Company		
Southwest General		
E.T. Healthcare Providers, Inc.		
Total	<u>\$2,489,817</u>	<u>13.45 %</u>
Total Municipal Income Tax Collection	<u>\$18,513,298</u>	

Tax Year 2009		
Taxpayers	Municipal Income Tax Withholding	Percent of Income Tax Collections
Brunswick City School District		
Brunswick Auto Mart, Inc.		
City of Brunswick		
Riser Foods Company		
Turf Care Supply Corporation		
Cleveland Clinic Foundation		
Digestive Disease Consultant		
W.W. Williams Midwest, Inc.		
Buehler Food Markets, Inc.		
Transitional Living Centers		
Total	<u>\$1,133,557</u>	<u>12.46 %</u>
Total Municipal Income Tax Collection	<u>\$9,094,629</u>	

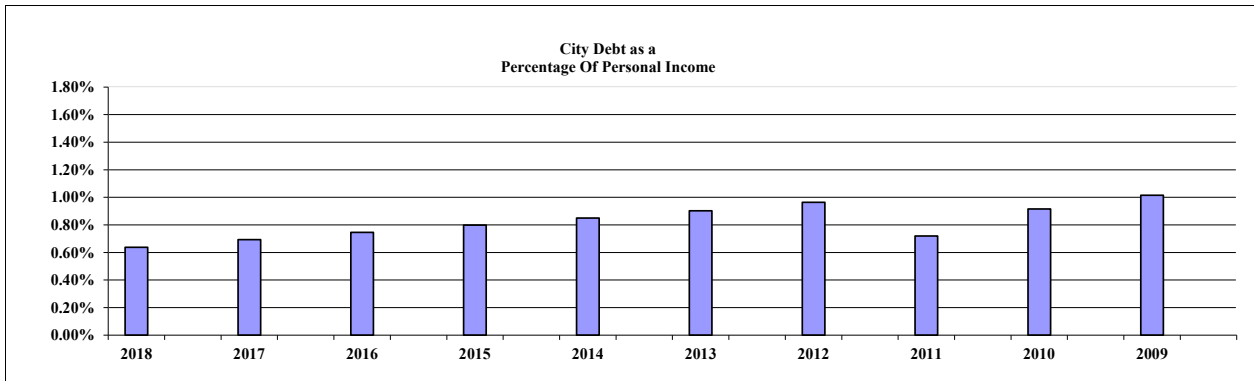
Source: City Financial Records

Note: Per Ohio Revised Code Section 718, the City is unable to disclose the amounts of municipal income tax withholding by individual taxpayer.

Note: The City income tax rate increased from 1.35% to 1.85% effective January 1, 2010. The City income tax rate increased from 1.85% to 2.00% effective January 1, 2018.

**City of Brunswick, Ohio**  
*Ratios of Outstanding Debt to  
 Total Personal Income and Debt Per Capita  
 Last Ten Years*

Fiscal Year	Governmental Activities					Business-Type Activities			Total Debt	Percentage of Personal Income (1)	Per Capita (2)
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Notes Payable	Capital Leases	General Obligation Bonds	OPWC Loans	Capital Leases			
2018	\$1,063,316	\$590,632	\$216,076	\$0	\$0	\$3,807,189	\$271,051	\$0	\$5,948,264	0.54%	\$171
2017	1,129,029	730,610	219,726	0	0	4,089,091	290,963	0	6,459,419	0.61	186
2016	1,189,742	866,311	230,189	0	0	4,361,592	310,875	0	6,958,709	0.70	201
2015	1,250,455	996,473	240,652	0	0	4,624,632	330,788	0	7,443,000	0.76	215
2014	1,311,168	1,121,153	251,115	0	0	4,888,152	350,700	0	7,922,288	0.81	231
2013	1,371,881	1,265,287	261,578	0	27,668	5,147,121	351,391	0	8,424,926	0.90	245
2012	1,427,594	1,404,023	288,930	0	54,059	5,401,491	230,400	0	8,806,497	0.96	256
2011	124,192	1,597,631	183,696	0	105,195	4,338,638	242,334	0	6,591,686	0.72	192
2010	4,756,836	1,791,298	180,360	0	153,837	0	0	0	6,882,331	0.92	201
2009	5,446,141	1,979,666	170,047	0	215,733	0	0	2,395	7,813,982	1.01	223



(1) Personal income information is on S25  
 (2) Population information is on S25



**City of Brunswick, Ohio**  
*Ratio of General Obligation Bonded Debt to Estimated True  
Value of Taxable Property and Bonded Debt Per Capita  
Last Ten Years*

Fiscal Year	General Obligation Bonds	Estimated True Value of Taxable Property	Ratio of Bonded Debt to Estimated True Value of Taxable Property	Bonded Debt per Capita (1)
2018	\$4,870,505	\$2,163,043,054	0.23%	\$140
2017	5,218,120	2,125,225,443	0.25	150
2016	5,551,334	1,951,533,000	0.28	160
2015	5,875,087	1,920,747,574	0.31	170
2014	6,199,320	1,904,897,460	0.33	171
2013	6,519,002	2,117,186,038	0.31	189
2012	6,829,085	2,092,511,143	0.33	198
2011	4,462,830	2,069,750,339	0.22	117
2010	4,756,836	2,151,086,068	0.22	125
2009	5,446,141	2,182,067,742	0.25	143

(1) Population information is on S25

Note: Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from the general obligation bonded debt.

**City of Brunswick, Ohio**  
*Legal Debt Margin Information*  
*Last Ten Years*

	2018	2017	2016	2015	2014
Overall Debt Limitation (10.5% of Assessed Valuation)	\$80,080,366	\$78,676,089	\$72,251,071	\$71,062,977	\$70,480,486
Net Debt Within 10.5% Limitations	3,580,552	3,917,198	4,239,443	4,552,226	4,921,867
Overall Legal Debt Margin Within 10.5% Limitations	<u>\$76,499,814</u>	<u>\$74,758,891</u>	<u>\$68,011,628</u>	<u>\$66,510,751</u>	<u>\$65,558,619</u>
Total net debt applicable to the limit as a percentage of debt limit	4.47%	4.98%	5.87%	6.41%	6.98%
Unvoted Debt Limitation (5.5% of Assessed Valuation)	\$41,946,858	\$41,211,285	\$37,845,799	\$37,223,464	\$36,918,350
Net Debt Within 5.5% Limitations	3,580,552	3,917,198	4,239,443	4,552,226	4,921,867
Unvoted Legal Debt Margin Within 5.5% Limitations	<u>\$38,366,306</u>	<u>\$37,294,087</u>	<u>\$33,606,356</u>	<u>\$32,671,238</u>	<u>\$31,996,483</u>
Total net debt applicable to the limit as a percentage of debt limit	8.54%	9.51%	11.20%	12.23%	13.33%

**Legal Debt Margin Calculation for Fiscal Year 2016**

	Overall Margin Within 10.5%	Unvoted Margin Within 5.5%
Assessed property value	<u>\$762,670,150</u>	<u>\$762,670,150</u>
Overall Debt Limitation (percentage of assessed valuation)	<u>\$80,080,366</u>	<u>\$41,946,858</u>
Gross Indebtedness	5,807,127	5,807,127
Less: Special Assessment Bonds	(589,555)	(589,555)
OPWC Loans	(487,127)	(487,127)
General Obligation Bond Retirement Fund Balance	<u>(1,149,893)</u>	<u>(1,149,893)</u>
Net Debt Within Limitations	<u>3,580,552</u>	<u>3,580,552</u>
Legal Debt Margin Within Limitations	<u>\$76,499,814</u>	<u>\$38,366,306</u>

Note: Under State of Ohio finance law, the City of Brunswick's outstanding general obligation debt should not exceed 10.5 percent of total assessed property value. In addition, the outstanding general obligation debt net of voted debt should not exceed 5.5 percent of total assessed property value. By law, the general obligation debt subject to the limitation is offset by amounts set aside for repaying general obligation bonds.

2013	2012	2011	2010	2009
\$75,386,277	\$74,994,149	\$74,853,673	\$79,051,791	\$78,270,329
<u>5,507,902</u>	<u>6,095,523</u>	<u>7,450,251</u>	<u>7,295,323</u>	<u>7,276,354</u>
<u>\$69,878,375</u>	<u>\$68,898,626</u>	<u>\$67,403,422</u>	<u>\$71,756,468</u>	<u>\$70,993,975</u>
7.31%	8.13%	9.95%	9.23%	9.30%
\$39,488,050	\$39,282,649	\$39,209,067	\$41,408,081	\$40,998,744
<u>5,507,902</u>	<u>6,095,523</u>	<u>7,450,251</u>	<u>7,295,323</u>	<u>7,276,354</u>
<u>\$33,980,148</u>	<u>\$33,187,126</u>	<u>\$31,758,816</u>	<u>\$34,112,758</u>	<u>\$33,722,390</u>
13.95%	15.52%	19.00%	17.62%	17.75%

**City of Brunswick, Ohio**  
*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2018*

	Debt Attributable to Governmental Activities	Percentage Applicable to City (1)	Amount of Direct and Overlapping Debt
Direct Debt:			
City of Brunswick			
General Obligation Bonds	\$1,063,316	100.00%	\$1,063,316
Special Assessment Bonds	590,632	100.00	590,632
OPWC Loans	<u>216,076</u>	100.00	<u>216,076</u>
Total Direct Debt	<u>1,870,024</u>		<u>1,870,024</u>
Overlapping Debt:			
Payable from Property Taxes			
Medina County Bonds	8,906,720	1.95	173,681
Brunswick City School District Bonds	77,058,376	100.00	77,058,376
Payable from Other Sources:			
Medina County Special Assessment Bonds	215,000	1.95	4,193
Medina County Manuscript Debt	2,625,000	1.95	51,188
Medina County OPWC Loans	<u>70,899</u>	1.95	<u>1,383</u>
Total Overlapping Debt	<u>88,875,995</u>		<u>77,288,821</u>
Total Direct and Overlapping Debt	<u><u>\$90,746,019</u></u>		<u><u>\$79,158,845</u></u>

Source: Medina County, Ohio; County Auditor

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the City by the total assessed valuation of the government. The valuations used were for the 2017 collection year.

**City of Brunswick, Ohio**  
*Demographic and Economic Statistics*  
*Last Ten Years*

Year	Population (1)	Total Personal Income	Median Family Income (1)	Per Capita Income (1)	Unemployment Rate (2)		City Square Miles (3)
					Medina County	State of Ohio	
2018	34,867	\$1,097,403,958	\$68,087	\$31,474	4.2%	4.6%	12.95
2017	34,756	1,056,269,596	64,706	30,391	4.0	4.7	12.94
2016	34,689	995,088,654	62,015	28,686	4.3	5.0	12.92
2015	34,604	979,500,824	62,417	28,306	3.2	4.8	12.92
2014	34,364	975,004,400	63,924	28,373	4.3	5.7	12.92
2013	34,364	932,742,052	61,776	27,143	6.1	7.4	12.70
2012	34,441	913,134,233	61,046	26,513	6.0	7.2	12.70
2011	34,255	916,149,975	62,022	26,745	6.7	8.6	12.70
2010	34,255	751,451,935	62,080	21,937	8.2	10.1	12.70
2009	35,094	769,857,078	62,080	21,937	8.3	10.2	12.70

(1) U.S. Census Bureau ([www.census.gov](http://www.census.gov)), the latest information available.

(2) Ohio Bureau of Employment Services (annual average); U.S. Department of Labor, Bureau of Labor Statistics

(3) City Records

**City of Brunswick, Ohio**  
*Principal Employers*  
 2018 and 2009

<b>2018</b>			
Employer	Nature of Activity	Total Employment	Percentage of Total City Employment
Brunswick City School District	Education		
Cleveland Clinic Foundation	Health Care Facility		
Brunswick Auto Mart, Inc.	Auto Dealer		
Riser Foods Company	Grocery Store		
City of Brunswick	Municipal Government		
E. T. Healthcare Providers, Inc.	Care Facility		
Southwest General	Health Care Facility		
St. Ambrose	Education/Religion		
CCL Label	Manufacturing		
Liberty Lincoln Mercury	Auto Dealer		
<b>Total</b>		<b>3,342</b>	<b>18.24%</b>
<b>Total Employment within the City</b>		<b>18,321</b>	

<b>2009</b>			
Employer	Nature of Activity	Total Employment	Percentage of Total City Employment
Brunswick City School District	Education		
Riser Foods Company	Grocery Store		
Buehler Food Markets Inc.	Grocery Store		
City of Brunswick	Municipal Government		
Marc Glassman, Inc.	Grocery Store		
Home Depot	Retail		
Transitional Living Centers	Care Facility		
E. T. Healthcare Providers, Inc.	Care Facility		
Brunswick Auto Mart, Inc.	Auto Dealer		
Southwest General	Health Care Facility		
<b>Total</b>		<b>3,278</b>	<b>18.42%</b>
<b>Total Employment within the City</b>		<b>17,798</b>	

Source: City Financial Records and Estimate for Total Employment within the City.  
 These may include full-time, part-time, temporary and transient employees.  
 Note: The City is unable to disclose the number of employees by individual taxpayer.

*This Page Intentionally Left Blank.*

**City of Brunswick, Ohio**  
*Full-Time Equivalent City Government Employees by Function/Program*  
*Last Ten Years*

Function/Program	2018	2017	2016	2015	2014
General Government					
City Manager	2.00	2.00	1.50	2.00	2.00
Council	5.00	5.00	5.00	5.00	5.00
Mayor/Mayor's Court	2.00	2.00	1.50	1.50	1.50
Finance	4.00	4.00	3.50	3.50	3.00
Income Tax	4.00	4.00	4.00	4.00	4.00
Law	3.00	3.00	3.00	3.00	3.00
Engineer	0.50	0.50	0.50	0.50	1.00
Administrative Services (Purchasing and H/R)	1.50	1.50	1.50	1.50	1.50
Information Systems	2.50	2.50	2.00	2.00	2.00
Security of Persons and Property					
Police and Communication Specialists	55.00	55.50	57.00	58.00	58.00
Animal Control	1.50	1.50	1.50	1.50	1.50
Fire and Clerical Staff	28.00	28.00	28.00	28.00	28.00
Community Environment					
Planning and Zoning	1.50	1.50	1.50	1.50	1.50
Building	4.00	4.00	4.50	4.50	4.50
Economic Development	1.00	1.00	1.00	1.00	0.00
Refuse (Business-Type Activities)	1.00	1.00	1.00	1.00	1.00
Stormwater (Business-Type Activities)	0.50	0.50	0.50	0.50	0.50
Cable TV	3.00	3.00	3.00	3.00	3.00
Leisure Time Activities					
Recreation Center	23.50	24.50	26.00	25.50	25.50
Senior Citizens	0.00	0.00	0.00	0.00	0.00
Parks	2.50	2.50	2.00	2.00	2.50
Transportation					
Streets	16.00	16.00	16.00	15.50	15.50
Brunswick Transit Alternative	0.00	0.00	0.50	0.50	0.50
Totals:	<u>162.00</u>	<u>163.50</u>	<u>165.00</u>	<u>165.50</u>	<u>165.00</u>

**Note:** All part-time employees, Council Members and Mayor were counted as 0.5 FTE's for the purpose of this table as of December 31. The above also excludes seasonal park personnel.

Source: City Records



<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
2.00	2.00	2.00	1.00	2.00
5.00	5.00	5.00	5.00	5.00
1.50	1.50	1.50	1.50	2.00
3.50	3.50	3.50	2.50	5.00
4.00	3.50	3.50	3.50	3.00
3.00	3.00	3.00	3.00	3.50
1.00	1.00	1.00	1.00	1.00
1.50	1.50	1.50	1.50	1.50
1.50	2.50	2.50	2.50	2.50
58.00	58.00	56.50	56.00	54.00
1.50	1.50	1.50	1.50	1.50
28.00	28.00	28.00	28.00	28.50
1.50	1.50	1.50	1.50	2.50
5.50	5.00	5.00	5.00	7.00
1.00	1.00	1.50	1.50	1.50
1.00	1.00	1.00	1.00	1.00
0.50	0.50	0.50	1.00	1.00
3.00	3.00	3.50	4.00	4.00
24.00	23.50	26.00	25.50	24.00
0.00	0.00	0.00	0.00	1.00
2.50	2.50	2.50	2.50	3.00
14.50	14.50	14.00	15.00	18.00
0.50	0.50	0.50	0.50	1.00
<u>164.50</u>	<u>164.00</u>	<u>165.50</u>	<u>164.50</u>	<u>173.50</u>

**City of Brunswick, Ohio**  
*Capital Assets Statistics by Function/Program*  
*Last Ten Years*

Function/Program	2018	2017	2016	2015
<b>Police</b>				
Stations	1	1	1	1
Garages	1	1	0	0
Vehicles (Police Cruisers Only)	19	19	19	19
<b>Fire</b>				
Stations	2	2	2	2
Vehicles	14	14	14	15
<b>Highways and Streets</b>				
Streets (in miles)	144	144	141	141
Traffic Signals	28	28	28	28
Other Public Services Vehicles	35	35	35	34
Garages	2	2	1	1
Salt Domes	2	2	2	2
<b>Brunswick Transit Alternative</b>				
Garages	0	0	1	1
Service Vehicles	0	0	8	6
<b>Recreation</b>				
Recreation Center	1	1	1	1
Number of Parks	23	23	23	23
Number of Baseball Diamonds	9	9	9	9
Number of Playgrounds	14	14	14	14
Number of Tennis Courts	9	9	9	9
Number of Full Sized Soccer Fields	7	7	7	7
Vehicles	17	17	17	16
<b>Cable TV</b>				
Studios	1	1	1	1
Cameras	20	20	20	20

Source: City Records

2014	2013	2012	2011	2010	2009
1	1	1	1	1	1
0	0	0	0	0	0
18	18	18	18	18	18
2	2	2	2	2	2
14	14	13	13	13	13
137	133	133	133	133	133
28	27	26	26	26	26
33	31	31	31	31	31
1	1	1	1	1	1
2	2	2	2	2	2
1	1	1	1	1	1
6	6	6	6	6	5
1	1	1	1	1	1
23	23	23	23	23	19
9	9	9	9	9	9
14	14	14	14	14	15
9	9	9	9	9	11
7	7	7	7	7	7
16	16	16	16	16	16
1	1	1	1	1	1
20	20	20	25	30	22

**City of Brunswick, Ohio**  
*Operating Indicators by Function/Program*  
*Last Ten Years*

Function/Program	2018	2017	2016	2015	2014
<b>Safety Services:</b>					
Police Expenditures (in thousands)	\$7,527	\$7,130	\$7,122	\$6,939	\$6,692
Total Arrests	4,254	4,535	5,155	5,433	5,200
Traffic Violations	3,357	3,743	3,973	3,477	3,835
Parking Violations	788	709	652	820	868
Motor Vehicle Accidents	782	743	743	745	686
Calls for Service/Incident reports	57,762	49,900	48,603	46,601	47,477
Calls per Resident	1.66	1.44	1.40	1.35	1.38
Average Cost per Resident (1)	\$215.88	\$205.14	\$205.31	\$200.53	\$194.74
Fire Expenditures (in thousands)	\$4,671	\$4,097	\$4,308	\$4,340	\$3,726
Inspections	326	328	314	297	386
Emergency Response Calls	3,269	2,586	2,428	2,575	2,262
Transport from Emergency Response Calls	2,058	1,974	1,942	2,163	1,653
Fire Calls	100	100	461	381	378
Total Calls	3,796	4,660	4,831	5,119	4,293
Avg Call per Resident	0.11	0.13	0.14	0.15	0.13
Average Cost per Resident (1)	\$133.97	\$117.88	\$124.19	\$125.41	\$108.43
<b>Recreation and Parks</b>					
Recreation Center Expenditures (in thousands)	\$972	\$974	\$1,051	\$1,052	\$1,135
Members	8,875	8,525	9,601	8,500	10,000
Programs Conducted	279	287	283	267	297
Community Free Events	10	7	10	12	10
Average Cost per Resident (1)	\$27.88	\$28.02	\$30.30	\$30.41	\$33.03
Parks Expenditures (in thousands)	\$618	\$439	\$409	\$361	\$430
Hours maintaining parks and City Buildings	10,723	11,159	10,500	10,511	10,030
Hours preparing Fields/Ball Diamonds	2,084	1,452	2,400	2,400	2,400
Hours of Snow removal	236	98	280	330	330
Hours of Naturalist Programs	0	0	0	0	0
Hours of Horticulture, Tree Care, etc.	106	118	100	100	80
Average Cost per Resident (1)	\$17.72	\$12.63	\$11.79	\$10.43	\$12.51
<b>Other Services</b>					
Cable TV Expenditures (in thousands)	\$335	\$295	\$308	\$499	\$361
Programs (hours)	1,275	1,600	1,055	1,055	1,085
Average cost per Resident (1)	\$9.61	\$8.49	\$8.88	\$14.42	\$10.51
Refuse Account	11,802	11,724	11,638	11,553	11,497
Cost per resident/year (1)	\$203	\$197	\$197	\$210	\$233
Storm Water Accounts	12,434	12,350	12,323	12,216	12,169
Cost per resident/year (1)	\$59	\$59	\$59	\$59	\$59
Building Expenditures (in thousands)	\$435	\$421	\$451	\$482	\$459
Building Permits Issued	2,256	2,061	1,731	2,128	2,767
New Residential Units	60	148	102	207	191
New Commercial Units	4	11	4	5	0
New Industrial Units	0	2	0	0	0
Site Plan Approvals	14	53	50	51	43
Property Maintenance Court Citations	16	20	19	14	24
Property Maintenance Violations	35	540	319	502	276
Average Cost per Resident (1)	\$12.48	\$12.11	\$13.00	\$13.93	\$13.36

(1) Cost is calculated on a cash basis.  
Source: City Records

\* Note - During 2017, the City elected to remove indicators specific to the Brunswick Transit Authority. It is no longer an active service.

2013	2012	2011	2010	2009
\$6,630	\$6,361	\$6,170	\$6,172	\$5,978
5,674	5,670	5,503	5,774	6,053
4,356	4,010	4,077	4,301	4,643
883	756	938	1,042	1,017
681	784	762	755	707
47,083	46,320	47,118	46,365	45,255
1.37	1.34	1.38	1.35	1.29
\$192.93	\$184.69	\$180.12	\$180.18	\$170.34
\$3,501	\$3,327	\$3,368	\$3,425	\$3,577
375	366	581	356	310
2,348	2,619	2,203	1,974	2,521
1,752	1,838	1,686	1,508	1,694
339	315	349	341	340
4,439	4,772	4,238	3,823	4,555
0.13	0.14	0.12	0.11	0.13
\$101.88	\$96.60	\$98.32	\$99.99	\$101.93
\$1,030	\$1,054	\$941	\$967	\$1,048
9,832	8,931	9,281	9,514	8,000
372	513	735	930	1,100
3	3	3	10	10
\$29.97	\$30.60	\$27.47	\$28.23	\$29.86
\$346	\$357	\$328	\$367	\$522
8,760	7,200	7,200	7,600	7,800
2,400	2,400	2,400	2,400	2,400
330	222	250	1,100	900
0	0	0	0	480
80	153	40	214	1,600
\$10.07	\$10.37	\$9.58	\$10.71	\$14.87
\$303	\$340	\$407	\$926	\$678
2,000	1,600	1,000	1,000	900
\$8.82	\$9.87	\$11.88	\$27.03	\$19.32
11,454	11,394	11,334	11,214	11,219
\$214	\$231	\$220	\$208	\$196
12,122	12,107	N/A	N/A	N/A
\$59	\$59	N/A	N/A	N/A
\$460	\$460	\$496	\$581	\$604
1,497	1,489	1,344	1,574	1,486
39	46	33	72	44
2	2	4	3	1
0	0	0	1	1
71	73	75	88	12
23	16	37	21	15
598	642	590	316	118
\$13.39	\$13.36	\$14.48	\$16.96	\$17.21

*This Page Intentionally Left Blank.*

City of Brunswick  
Medina County, Ohio

*Report Issued Pursuant to  
Government Auditing Standards*

For the Year Ended  
December 31, 2018

**CITY OF BRUNSWICK**  
**MEDINA COUNTY, OHIO**  
**TABLE OF CONTENTS**

	<b>PAGE</b>
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements Performed in Accordance With Government Auditing Standards.....	1



May 21, 2019

To the City Council  
City of Brunswick  
Medina County, Ohio  
4095 Center Road  
Brunswick, OH 44212

**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***

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 City of Brunswick, Medina County, Ohio (the "City") as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 21, 2019, in which we noted the City restated beginning net position balance to account for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*.

**Internal Control over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

City of Brunswick  
Independent Auditors Report on Internal Control Over  
Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*  
Page 2

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'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

**Purpose of this Report**

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

*Hea & Associates, Inc.*

Medina, Ohio

OHIO AUDITOR OF STATE  
**KEITH FABER**



**CITY OF BRUNSWICK**

**MEDINA COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 2, 2019**