

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2018**

James G. Zupka, CPA, Inc.
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER



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

Members of Council
City of Warrensville Heights
4301 Warrensville Center Road
Warrensville Heights, Ohio 44128

We have reviewed the *Independent Auditor's Report* of the City of Warrensville Heights, Cuyahoga County, prepared by James G. Zupka, CPA, 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 Warrensville Heights 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

August 15, 2019

This page intentionally left blank.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018**

TABLE OF CONTENTS

| | <u>PAGE</u> |
|---|----------------------|
| Independent Auditor's Report | Under Separate Cover |
| Comprehensive Annual Financial Report | Under Separate Cover |
| Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 1-2 |
| Schedule of Prior Audit Findings and Recommendations | 3 |

This page intentionally left blank.

JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

To the Members of City Council
City of Warrensville Heights
Warrensville Heights, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Warrensville Heights, Cuyahoga 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 June 28, 2019, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (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 City's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



James G. Zupka, CPA, Inc.
Certified Public Accountants

June 28, 2019

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2018**

The prior issued audit report, as of December 31, 2017, included a material weakness citation and significant deficiencies.

| Finding No. | Finding Summary | Status | Additional Information |
|----------------|--|---|---------------------------|
| 2017-001 | Material Weakness - Credit Cards | Correction action taken and Finding is reduced to a management comment. | None |
| 2017-002 | Significant Deficiency - Compensated Absences | Correction action taken and Finding is reduced to a management comment. | None |
| 2017-003 | Significant Deficiency - Capital Assets | Correction action taken and Finding is reduced to a management comment. | None |

Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

This page intentionally left blank.

CITY OF WARRENSVILLE HEIGHTS, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2018

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2018**

Prepared by:

Karen Howse, Director of Finance

and Department of Finance

This page is intentionally left blank

INTRODUCTORY SECTION

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2018
 TABLE OF CONTENTS**

I. Introductory Section

| | |
|--|-------|
| Table of Contents | i |
| Letter of Transmittal | v |
| Organizational Chart-Departments | xvi |
| GFOA Certificate of Achievement | xvii |
| City of Warrensville Heights Elected Officials | xviii |

II. Financial Section

| | |
|---|-------|
| Independent Auditor’s Report..... | 1 |
| Management’s Discussion and Analysis | 5 |
| Basic Financial Statements: | |
| Government-wide Financial Statements: | |
| Statement of Net Position | 15 |
| Statement of Activities..... | 16 |
| Fund Financial Statements: | |
| Balance Sheet – Governmental Funds | 17 |
| Reconciliation of Total Governmental Fund Balances To Net Position of Governmental Activities | 18 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds | 19 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities..... | 20 |
| Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual: | |
| General Fund..... | 21 |
| Ohio Department of Transportation State Infrastructure Bank Loan Fund | 22 |
| Statement of Fiduciary Net Position – Fiduciary Fund | 23 |
| Notes to the Basic Financial Statements | 25 |
| Required Supplementary Information: | |
| Schedule of the City’s Proportionate Share of the Net Pension Liability..... | 81-82 |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2018
 TABLE OF CONTENTS**

II. Financial Section (continued)

| | |
|---|-------|
| Schedule of the City’s Contributions: Pension..... | 83-84 |
| Schedule of the City’s Proportionate Share of the Net OPEB Liability..... | 85-86 |
| Schedule of the City’s Contributions: OPEB..... | 87-88 |
| Notes to Required Supplementary Information..... | 89 |

Combining Statements and Individual Fund Schedules:

Combining Statements: Non-Major Governmental Funds:

| | |
|---|-----|
| Fund Descriptions | 92 |
| Combining Balance Sheet – Non-Major Governmental Funds | 97 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds | 98 |
| Combining Balance Sheet – Non-Major Special Revenue Funds | 99 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Special Revenue Funds | 104 |
| Combining Balance Sheet – Non-Major Capital Project Funds | 108 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Capital Project Funds | 110 |

Combining Statements – Agency Funds:

| | |
|--|-----|
| Fund Descriptions | 112 |
| Combining Statement of Changes in Assets and Liabilities Agency Funds | 113 |

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

Major and Non-Major Funds:

| | |
|--|-----|
| General Fund..... | 115 |
| Ohio Department of Transportation State Infrastructure Bank Loan | 119 |
| General Obligation Bond Retirement Fund | 120 |
| Street Construction, Repair, and Maintenance Fund | 121 |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2018
 TABLE OF CONTENTS**

III. Financial Section (continued)

| | |
|---|-----|
| State Highway Fund..... | 122 |
| Police Levy Fund | 123 |
| Fire Levy Fund..... | 124 |
| Street Lighting Fund | 125 |
| Building Levy Fund | 126 |
| Fire Pension Fund | 127 |
| Police Pension Fund..... | 128 |
| Master Plan Grant Fund | 129 |
| Bureau of Justice Grant Fund | 130 |
| Community Development Block Grant Fund..... | 131 |
| Law Enforcement Trust Fund | 132 |
| Juvenile Diversion Program Fund | 133 |
| EMS Computer Grant Fund..... | 134 |
| COPS Grant Fund | 135 |
| CRA Monitoring Fee Fund | 136 |
| Economic Development Stimulus Grant Fund | 137 |
| Grass Refuse Fund | 138 |
| Warrensville Heights Occupancy Program Fund | 139 |
| Residential Demolition Fund | 140 |
| Community Recycling Grant Fund | 141 |
| Continuing Professional Training Program Fund | 142 |
| State Infrastructure Bank Loan Repayment Fund..... | 143 |
| Street Improvement Fund | 144 |
| Information Technology System Fund | 145 |
| Land Acquisition Fund | 146 |
| Emery Woods Project Fund..... | 147 |
| Town Center Project Fund..... | 148 |

IV. Statistical Section

| | |
|--|-----|
| Contents | S1 |
| Net Position by Component – Last Ten Fiscal Years | S2 |
| Changes in Net Position– Last Ten Fiscal Years..... | S3 |
| Fund Balances, Governmental Funds – Last Ten Fiscal Years | S5 |
| Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years | S6 |
| Assessed Valuations and Estimated True Values – Last Ten Years..... | S8 |
| Property Tax Rates – Direct and Overlapping Governments – (Per \$1,000 of Assessed Valuation) – Last Ten Years..... | S10 |

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018
TABLE OF CONTENTS**

IV. Statistical Section (continued)

| | |
|---|-----|
| Property Tax Levies and Collections – Last Ten Years | S11 |
| Principal Taxpayers – Real Estate Tax – 2018 and 2009 | S12 |
| Municipal Income Tax Revenues by Source – Last Ten Years | S13 |
| Ratio of Outstanding Debt to Total Personal Income and Debt per Capita – Last Ten Years | S14 |
| Ratio of General Obligation Bonded Debt to Estimated Actual Value or Taxable Property and Bonded Debt Per Capita – Last Ten Years..... | S15 |
| Legal Debt Margin – Last Ten Fiscal Years | S16 |
| Computation of Direct and Overlapping Debt..... | S18 |
| Principal Taxpayers– 2018 and 2009..... | S19 |
| Demographic and Economic Statistics – Last Ten Years | S20 |
| Operating Indicators by Function/Program – Last Ten Years | S21 |
| Capital Assets Statistics by Function/Program – Last Ten Years | S24 |
| Full Time Equivalent City Governmental Employees by Function/Program – Last Ten Years | S25 |



Bradley D. Sellers
Mayor

City of Warrensville Heights

4301 Warrensville Center Road
Warrensville Heights, Ohio 44128
Direct (216) 587-1043 • Fax (216) 587-6591

Karen A. Howse
Finance Director

June 28, 2019

Honorable Members of City Council
and Citizens of Warrensville Heights
Warrensville Heights, Ohio 44128

We are pleased to submit the *Comprehensive Annual Financial Report of the City of Warrensville Heights* for the year end of December 31, 2018. This report enables the City to comply with the Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a Generally Accepted Accounting Principles (GAAP) basis. It is also in compliance with the Ohio Revised Code Section 117.38, which requires the cities that are reporting on a GAAP basis to file unaudited basic financial statements with the Auditor of State. This report is submitted to satisfy that requirement.

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

James G. Zupka, C.P.A., Inc., a CPA firm, has issued an unmodified (“clean”) opinion on the City of Warrensville Heights’ financial statements for the year end of December 31, 2018. The *Independent Auditor’s Report* is located at the front of the financial section of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the *Independent Auditor’s Report* and provides a narrative introduction, overview, and analysis of the basic financial statements. The *MD&A* complements this letter of transmittal, and should be read in conjunction with it as a document of reference.

The City and Form of Government

The City of Warrensville Heights, Ohio is located in the southeast portion of Cuyahoga County, eight miles from downtown Cleveland. The City was incorporated as a village in 1927, and became a city in 1960. The City has 13,542 residents (10.4% less than 2000 data) according to the 2010 data from the United States Census Bureau.

The City is in the Cleveland Primary Metropolitan Statistical Area, which is comprised of the six counties of Ashtabula, Cuyahoga, Geauga, Lake, Lorain, and Medina. The City is also in the Cleveland-Akron-Lorain Consolidated Metropolitan Statistical Area, which is the 11th most populous in the country.

The City operates under, and is governed by, its Charter which was adopted in 1958 by its voters, and was last amended in 2010. The City is also subject to certain general laws applicable to all Ohio cities. Under the Ohio Constitution, the City may exercise all local self-government and police powers to the extent that none are in conflict with applicable general laws. The Charter provides for a mayor-council form of government.

Legislative authority is vested in a seven member Council. Formerly, the seven Council members were elected-at-large every two years, and served staggered terms so that no more than four members of Council would be elected at any biennial election. At the municipal election in November 2002, the electors of the City voted to amend the City Charter to require the election of members of Council by specified wards for terms of four years. Thus, at the municipal election in November 2003, the voters of the City elected seven members of Council by wards---each to serve for a term of four years.

The Council fixes compensation of City officials and employees and enacts ordinances and resolutions relating to the City's services: including tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The Council President is elected by a majority of the Council for a one-year term. The Charter establishes certain administrative departments. The Council may establish divisions of those departments and additional departments.

The City's chief executive and administrative officer is the Mayor who is elected by the voters for a four-year term and serves in a part-time capacity. The Mayor also serves as the City's Safety Director. The Mayor presides over all Council meetings, and may veto any legislation passed by Council. A two-third vote of all members of Council is required to override a veto.

The Mayor appoints, subject to the approval of Council, the directors of the City's departments, the Chiefs of Police and Fire, as well as police and fire personnel after competitive civil service examinations. Additionally, the Mayor appoints members to a number of boards and commissions and, in accordance with civil service requirements, may remove all appointed officials and employees - except Council officers and employees.

The City provides basic services to its residents, including police and fire protection, planning, zoning, street maintenance and repair, rubbish collection, and general administrative services. The City's residents receive water services from the City of Cleveland and sewer services from the Northeast Ohio Regional Sewer District and the City of Bedford Heights. The City is a member of the Northeast Ohio Public Energy Council (NOPEC) and participates in a program for natural gas and electricity for further benefits to the residents.

In addition to the basic services, the City makes available to its resident recreational activities through the YMCA of Greater Cleveland. The City constructed the 40,000 square foot facility in 2012 and engaged the services of the YMCA to manage and operate the facility as a branch for a period of twenty years. The annual membership fees are discounted for the residential and business communities.

The Bedford Municipal Court provides judicial services for the City of Warrensville Heights. The jurisdiction of the court, as established by the Ohio Revised Code, handles cases from fourteen different municipalities.

The annual operating budgets serve as the basis for the City's financial planning and control. The City's Charter requires the Mayor, with the assistance of the Finance Director, to submit a draft of the following year's proposed budget not less than forty-five days (November 16) prior to the end of each fiscal year. The Finance Director is responsible for preparing the budget based upon information submitted by each Department director. Council is required to adopt either an annual budget for the ensuing year or a temporary budget covering the first ninety days of the ensuing year by no later than December 31 of the current year. If a temporary budget is adopted, a permanent budget must be adopted by no later than the ninetieth (90) day of the budget year, normally March 31. In recent years, Council has adopted an annual budget prior to December 31 of the preceding year.

The appropriated budget is prepared by fund, department, and category (personal services and all other expenditures). Council must authorize transfers between departments and between categories within departments and transfers or advances of moneys between funds. Operating budgets expire on December 31. Budget-to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the basic financial statements for the governmental funds. For governmental funds, other than the General Fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report.

Economic Condition and Outlook

The City is an inner-ring suburb of the City of Cleveland and is primarily a residential community of beautifully maintained neighborhoods, as well as a thriving and robust business community. The City is home to one of the most technologically advanced hospitals in Northeast Ohio, South Pointe Hospital, an affiliate of Cleveland Clinic that provides quality health care to the City's residents as well as the neighboring communities. The City is diverse and has a growing local economy that maintains a solid tax base through a thriving commercial sector.

The following industries continues to be vital to the City's financial condition and contribute to the stable economic condition of the City: Sherwin-Williams Automotive Finishes Corporation's Research and Development facility and training center; Heinens, Incorporated, a retail food chain, headquarters and warehouse facility; Henkel Corporation manufactures and markets a broad range of high-performance adhesives, sealants and coatings; and Marcus Thomas, a leading advertising firm. All of these have their corporate headquarters in our friendly City. In addition, Harvard Park features Cleveland Marriott East and numerous retail businesses and high-end restaurants. The top ten employers have over 4,200 employees working in the City. (A list of the ten largest employers is featured in the Statistical section.)

The City has consistently enjoyed the benefits of a strong commercial employment base that has provided for a consistent level of withholding tax collection. On a cash basis, the City income tax revenues continues to grew 20% during a five-year period from 2013 to 2017. The City's income collection accounted for over 85% of the General Fund revenues.

The property values are assessed every six years by the Cuyahoga County Fiscal Officer for the Tax Commissioner for the State of Ohio in what they refer to as a mass appraisal. In 2018, the county reported that residential values have increased by 13% and our commercial/industrial properties have increased by 12%. This places us in the top 10% of communities in Cuyahoga County. It also qualifies us as the 6th top community out of 59.

New Commercial Development Projects Approved and Under Development in 2018

- **TREMCO:** *Tremco* is a manufacturer of roofing materials and Services Company is constructing a 40,000 square foot building expansion to support growth in the U.S. and Asia markets. Tremco consists of operating divisions specializing in the manufacture and sale of roofing materials and services, construction sealants, glazing and gaskets, waterproofing systems, air barrier and fire stopping systems and a host of custom-designed products, programs and services dedicated to the worldwide construction and maintenance and repair industries.

The City continues to make significant progress in its efforts to strengthen its economic base and community development. Each day, approximately 13,500 people come to work in the City and are responsible for 80% of the City's revenue through income tax withholding. Property tax revenues for 2018 represented 6.3 % of the City's total revenues.

Current Year Activities

The mission of the City of Warrensville Heights, its mayor, council, and employees, is to enhance the quality of life for all residents by providing the highest level of service in an efficient and cost effective manner. The City upheld that mission by expanding and improving services and upgrading infrastructure.

Community and Economic Development Department

The Community and Economic Development Department is the lead economic development agency that works with businesses, government, and community partners to attract business investments, develop a connected and supportive business climate, and to grow the City's talented workforce.

2018 Highlights

- **Mobile Food Pantry**

In 2018, Mobile Food Pantry distributions impacted approximately 1,050 households and accounted for 2,306 meals served. Of the meals served, there were 317 children fed between 0-17 years old, 785 adults between the ages 18-59 and 1,204 seniors 60 years old and over.

- **Community Shred Day**

The City held two residential Shred Day events in 2018. It was estimated that 3,000 individuals received recycling information. Between the two shred events the City was able to shred over 27,000 lbs. of documents and other papers in recycling efforts.

- **Exterior Maintenance Program**

The City continues to set aside grant funds to encourage and assist homeowners with improvements to the exterior maintenance/upkeep of their homes for projects including but not limited to concrete and asphalt, painting, windows, and roof repair. The City was able to positively impact 21 residential homes. Those residents collectively spent \$96,146 towards the upkeep and beautification of their homes. In exchange, the City granted out (reimbursed) \$28,307 to residents from the initial grant fund of \$30,000 to assist in facilitating much needed repairs. Concrete/asphalt work (driveways and sidewalks) was completed at 12 of the 21 homes, accounting for \$16,683 of the total amount grant dollars spent by homeowners. Roofing was completed on 2 homes, accounting for \$2,800 of grant dollars spent. All other repairs accounted for the remaining \$8,824 of grant dollars spent by homeowners.

- **Homebuyers Education to Homeownership Program – Celebrates *THIRD YEAR***

Breaking Chains Inc. celebrated the third year of its Homebuyer Education Seminars in the months of April-October. The four part series continued to cover money management, budgeting, credit, and shopping for a mortgage loan. Forty-nine (74) individuals participated in one or more classes, with thirty-two (51) individuals completing all four sessions and receiving a HUD certified Counseling Certification. These individuals now have a better understanding of the complete home buying cycle, and are better equipped to implement the necessary steps to improve their money management, to better monitor their spending habits and credit, allowing them to increase their credit worthiness. Breaking Chains Inc. consistently provided initial Counseling Assessments to each of these individuals to help determine credit-readiness prior to seeking a lender for pre-approval.

- **The Mayor’s Volunteer Service Award**

The City launch the Mayor's Volunteer Service Award, which is a civil award bestowed by the Mayor. The Mayor’s Volunteer Service Award (MVSA) encourages citizens to live a life of service through presidential gratitude and national recognition. In 2018, the City honored five (5) of its very own residents in recognition of their selfless dedication and generous contribution of time based on cumulative hours over a lifetime. Each recipient received a plaque for their service to the Warrensville Heights community.

- **Warrensville Emergency Alerts System**

Warrensville Alerts is a FREE mass notification system to issue emergency alerts to the public via the Cuyahoga County Office of Emergency Management ReadyNotify System powered by CodeRed. The system delivers messages to residents and businesses by telephone, cellular phone, text message, or electronic mail. The City sends notification about emergency events such as Street Closure Alerts, Citywide News, Safety Messages, Building Closures, and other Urgent Messages. This is part of the City’s larger vision to develop a state-of-the-art Emergency Management Program.

Since implementing Warrensville Alerts, the City has successfully enrolled 1,256 individuals (primarily City residents), giving them access to emergency and or critical notifications in real time.

Office of Strategic Initiative - 2018 Highlights

2018 COMMUNITY PARTNER GRANT AWARDS PROGRAM IMPACT

The City of Warrensville Heights is excited to share the 2018 Community Grants Program Impact for our residents. We are looking forward to 2019 Healthy and Safety Service Impacts!

Greater Cleveland YMCA- Warrensville Heights Branch – received \$5,000.00 to assist the Warrensville Heights Branch of the YMCA with scholarships for the “Livestrong Program.” The goal of the Livestrong Program is to empower adult cancer survivors to improve functional capacity and to increase their quality of life through organized program of fitness and strength.

IMPACT: Livestrong Program served 12 cancer survivors who are residents of Warrensville Heights. The YMCA conducted pre and post physical assessments on cardiovascular endurance, upper body strength, lower body strength, flexibility and balance. In 12 weeks, the Warrensville resident participants achieved between 10% and 20% physical movement scores in each of the categories.

Greater Cleveland YMCA- Warrensville Heights Branch – received \$5,000.00 to assist the Warrensville Heights Branch of the YMCA with scholarships for the “Diabetes Prevention Program.” The Diabetes Prevention Program helps adults at high risk of developing type 2 diabetes adopt and maintain healthy lifestyles by eating healthier, increasing physical activity and losing a modest amount of weights in order to reduce their chances of developing the disease.

IMPACT: In 2018 the YMCA of Warrensville conducted two (2) separate Diabetes Prevention classes. The first class had 7 out of 10 residents complete the program. The second class is still in process and currently has 8 participants. The average age of participants was 61; resident participation throughout the year was at 80% and the average physical activity minutes recorded was 130 minutes each week.

Cleveland Clinic South Pointe Hospital Taussig Cancer Institute Outreach Program – received \$10,000 to support and expand programming and outreach efforts in the City of Warrensville Heights.

IMPACT: Cleveland Clinic South Point Hospital held 14 events, reached over 2400 residents, provided educational programming to over 1300 individuals, and held over 600 screenings/assessments.

Cuyahoga County Public Library- Warrensville Heights Branch – received \$10,000 to assist the Warrensville Heights Branch Library’s Early Reader Summer Camps. The Warrensville Branch Library offered two free Kindergarten Boost Camps this past summer. These camps provided opportunity for parents with children entering Kindergarten in the fall of 2018 to have their child experience an extra academic boost to prepare them for success in their kindergarten year.

The Warrensville Branch Library held two free 123 READ Camps. Priority Registration was given to first and second graders identified by Warrensville Heights Schools as needing urgent help with their reading skills.

IMPACT: A total of 119 children participated in the Kindergarten Boost Camps and 92 participated in the 123 READ Camps.

Cuyahoga County Public Library-Warrensville Heights Branch – received \$10,000 to assist the Warrensville Heights Branch with funding a guest lecturer visit by Kareem Abdul-Jabbar.

IMPACT: Mayor Bradley Sellers introduced Mr. Abdul-Jabbar to crowd of approximately 300 that included about 250 youth. The youth also received a pre-signed copy of his book, Becoming Kareem: Growing Up On and Off the Court.

Ohio University Heritage College of Osteopathic Medicine Aspiring Doctor’s Program – received \$10,000 to assist with programming for Warrensville Heights High School Student participants (grades 10 -12). The Aspiring Doctor’s Precollege Program, a four-year high school pipeline program designed to foster an interest in medical/health professions in under-represented minority students from Warrensville Heights High School and John F. Kennedy PACT High School.

IMPACT: 20 WHHS 10th grade students participated in 2017-2018 program that included Grade 10 Intro Day and a Grade 10 ShaDOW Day. 3 students completed the Intro Day; 1 completed the ShaDOW Day; 7 students completed the ELA Day; 6 completed the Intro Day + ShaDOW Day; 2 completed the ShaDOW Day + ELA Day; 1 completed the Intro Day + ELA Day. There were a total of 23 WHHS 11th and 12th graded students enrolled in the Aspiring Doctors Program (11 – 11th graders and 12 – 12th graders). A total of 18 WHHS students completed the 2017-2018 program year (10 – 11th graders and 8 – 12th graders).

2018 - 2019 #CAREERU MENTORING PROGRAM FOR WARRENSVILLE HEIGHTS 8TH GRADE SCHOLARS

The City of Warrensville Heights and the Warrensville Heights City School District through its partnership agreement with College Now of Greater Cleveland’s Community Connector’s Grant has launched its 2019 #CareerU Mentoring Program for 8th grade student scholars at Warrensville Heights Middle School.

The goal of this 2nd year mentoring program is to match adult mentors with 8th grade scholars in order to help them with their transition to high school, understand their journey to graduation, and provide guidance to pathways leading to postsecondary education and eventual careers.

The 2018 – 2019 # CareerU Mentoring Program served and engaged 110 eighth graders. 28 mentors participating in the program. Mentors represented various industries such as Community/Organization Members from Greater Cleveland Faith Based Inc, Lee Rd Baptist Church; Cuyahoga Community College Students & Retirees; City of Warrensville Heights Employees; Former Teachers & Principals; US Census Bureau; Cleveland Edits; Former Professor from Stark State College; Thea Bowman Center President of the Board; Thea Bowman Center Youth Coordinator; Thea Bowman Center Youth Volunteer; LTV Steel; Job Corp of Cleveland; Open Doors Academy Campus Coach and Program Coordinators; College Now Advisors; AmeriCorps members; Medical Mutual Supervisors; YMCA Aftercare; J.U.M.P Dance Fit; U.S. Armed Services; Business Owners and Nonprofit Founders.

If you are interested in becoming a #CareerU mentor during the 2019-2020 school year, please contact Alicia Jordan, #CareerU Coordinator, at 216.408.2598 or ajordan@collegenowgc.org.

2019 Special Initiatives/Opportunities:

- Warrensville Heights as a Smart City – Research the Smart City platforms that allow electronic data collection sensors to supply information which is used to manage assets and resources efficiently. This includes data from citizens, devices, and assets that process and analyze to monitor and manage service systems.
- Business Growth Collaborative (BGC) – Reviewing the BGC model for the city of Warrensville Heights’s emerging entrepreneurs and business owners considering scaling up. The BGC is a partnership between 11 organizations that provide technical assistance services to business enterprises and start-up business entrepreneurs.
- School Travel Plan Safe Routes Program – As Warrensville Heights City School District embark on the construction of two new schools that will come on-line in a 2-4 year time span, it is imperative that the City of Warrensville begin to develop safe routes program for students, walking and biking to and from schools. The City of Warrensville, the Warrensville City School District and community partners will use the Ohio Safe Routes to Schools (SRTS) program which is funded by the Federal Highway Administration and administered by the Ohio Department of Transportation (ODOT). The program supports projects and programs that enable and encourage walking and bicycling to and from school.

Police Department

2018 Police Department Summary

The Warrensville Heights Police Department has completed the integration of Body Cameras and every officer is now required to have a body camera on them as they perform their duties. We are also proud to inform the residence of the “Friendly City” that we have re-established the K-9 unit, which was featured as the cover article in the most recent magazine. Our goal for 2018 was to hire five new police officer but we were only able to find, two highly qualified officers that have made a great addition to the department.

Statistics.

In 2018 the Warrensville Heights Police Department received 20,068 total calls with 9,904 of them being 911 calls. We issued 2,239 moving citations and 1,535 parking citations. This agency has responded to 1,579 residential/commercial alarms and maintains a response time of 3-5 minutes.

2019 Police Department Plan.

As always, the Warrensville Heights Police Department goal is to continue to provide professional and courtesy service to the residents and business owners of the “Friendly City”. We will continue to strive to increase manpower in the Warrensville Heights Police Department.

Fire Department

The Fire Department responded to 3,506 calls relating to fires, EMS, and hazardous materials. The Department also conducted 212 fire inspections at commercial buildings, hospitals, daycare centers, foster homes, and the City's School District buildings. The Department also provided mutual aid 38 times during the year.

2018 Highlights

- **Man Power New Hires**

The Fire Department hired one new firefighters/ paramedic in August of 2018. That brought the department total to 27 full time firefighters with 25 of them being paramedics. With the potential of losing 2 firefighters to retirement, the Fire Dept. is looking to hire 2-3 Firefighters in the upcoming year.

- **Station remodel after mold remediation**

Restoration of drywall and paint work in progress at both stations after the completion of mold remediation work. The next project is to replace the flooring at both stations.

Equipment

In 2018, 6 Seek Thermal Imaging Cameras that deliver high resolution thermal imaging to help see through smoke, visualize plan and execute maneuvers.

Service Department

The Service Department is involved in the maintenance of City streets, sewers, parks, buildings, and vehicles. Rubbish and recycling collection and some lawn maintenance has been outsourced to outside contractors in efforts to better utilize the time and skills of City personnel. 534.21 tons of recyclables were collected in 2017, excluding leaves and compost items. Three trees were planted and almost six hundred trees were trimmed. The Department is also responsible for snow and leaf removal, and assists with community events.

Building Department

The Building and Housing Department is very proud of the residential and business components of our community. All residents and businesses are encouraged to maintain a clean, healthy, and safe environment. The Building and Housing Department is responsible for enforcement of Building, Zoning, and Planning ordinances of the City.

Our Building and Housing Department is a State Certified Department recognized by the Board of Building Standards. One of our main purposes is to ensure that residential and commercial structures are constructed to safeguard the health, safety, property, and public welfare of the community. We manage all construction activities within the City through review and approval of all residential and commercial plans for new construction, additions/alterations to existing structures. Inspections will be conducted through permit approval for Building, Electrical, Plumbing, and HVAC work by State Certified Inspectors.

The 2018 Community Impact for the Building and Housing Department:

- 589 Permits Issued
- \$10,187,805 in Permit Application Valuations
- 32 Projects came through Plan Review for new construction, additions/alterations.

- 1,439 Property Maintenance Inspections performed.
- 134 Point of Sale Inspections performed.
- 908 Rental Occupancy Inspections performed.

The Civic & Senior Center

The Civic & Senior Center is a municipal facility whose primary mission is to provide services and activities for the senior and adult community of the City. The Center also serves as an emergency shelter. The Center currently offers a variety of activities and classes. There are opportunities for seniors to go on group outings to the Cleveland Playhouse, Karamu Theater, and other locations, depending on interest.

The Center offers a variety of room rental needs not only at the Center, but at the Chateaux of Emery Woods Clubhouse as well. The rooms can be rented by the residents of the City for adult events.

In 2016, the Center purchased a new bus to transport senior residents 60 years and older who are unable to drive themselves. The van is available for medical appointments, dialysis, and physical therapy on Mondays, Tuesdays, and Thursdays from 10:00 a.m. to 2:00 p.m. Transportation is limited to destinations within the eastern suburbs of Cuyahoga County and the University Circle area. Every Wednesday from 10:00 a.m. to 2:00p.m., seniors are transported to Walmart.

2018 Center's Highlights

- **Health Fair**

The Civic Center held a health fair that were well attended by vendors and participants. Some of the participating vendors were South Pointe Hospital-Cleveland Clinic, Ajuha Medical Center, Fairhill Partners, CVS Hearing Specialist, the Northeast Ohio Public Energy Council (NOPEC- a wholesale byer of broker of utility services, such as electricity of long-distance telephone services, who packages it and sells it to consumers), Aetna-Health Insurance Company, Humana-Health Insurance Company, and Right At Home Care-In home care services. Cleveland Clinic and Ahuja Medical Center provided screenings, which were monitored at each health fair. Participants gained a lot of information as it related to their screenings, learned about services that were available at reduced cost, and how to self-care for themselves through educational workshops. Matter of Balance, Chronic Health Pain Management, and Diabetes Management were just a few of the topics presented, and the list continues to grow as providers learn how to better educate the community.

The Civic Center continues to collaborate with South Pointe through the Healthy Community Initiative by hosting Community Baby Showers which are held at the Civic & Senior Center. This event focuses on women in their third trimester and women and men with a child under 6 months of age. The baby shower provided an Infant Mortality Workshop, among others, that equipped expected mothers with valuable information to keep their child healthy and safe during their first year of life and beyond. There were also opportunities to win gifts, enjoy refreshments, and talk amongst other new and expectant mothers and fathers.

- **The Center's Funding Sources**

Fairhill Partners provided priceless workshops to seniors: Matter of Balance, Diabetes Maintenance, and Chronic Disease workshops. These workshops promotes exercise, strengthening, endurance and flexibility; managing medications; nutrition; decision-making; evaluating new treatments and communicating with family, friends and doctors. Participants learn and practices a safe, no-impact exercise program and receive CD's and books to help them as they continue with their daily activities.

Cleveland Clinic continues to excel with monthly lunch and learn seminars. In these seminars participants learn about research done in areas of diet, nutrition, exercise, cognitive activity and social engagement. The seniors learn to use hands on tools to help them incorporate these recommendations into a plan for healthy aging. All this is done along with a light lunch.

University Hospital, Ahuja Medical Center is providing educational programs on a bi-monthly basis. The presentations are led by doctors and nurses in areas from reducing stress to managing diabetes. Our time includes good conversation, valuable information and developing relationships by learning from each other along with delicious refreshments.

Case Western Reserve, Community Dentistry Program, “Lifelong Smiles” van is a part of a new initiative at the Case Western Reserve School of Dental Medicine. Dental students treat older patients on a fully equipped van that can accomplish everything done in a dental office. The van visits the Warrensville Heights Civic & Senior Center to do basic exams and offer advice. The dental assistance not only offered advice, but provided tooth brushes, dental floss, mouth wash along with literature on proper care of our teeth.

AARP offers two programs, tax preparation and fraud watch. AARP Foundation Tax-Aide offers free tax preparation assistance Feb. 1 through April 15. Now in its 51st year, Tax-Aide has helped more than 68 million low- and moderate-income taxpayers. You don’t have to be an AARP member, and there’s no age requirement to get tax help from IRS-certified volunteers. Tax preparation is provided free of charge to anyone make an appointment. AARP also provides a Fraud Watch Network Presentation aimed at arming the seniors with tools and resources to spot and avoid identity theft and fraud, which will protect themselves and their families. Both of these programs were free of charge.

Ohio Department of Aging provides a monthly Partner Newsletter. The newsletter is titled “STEADY U OHIO” where the focus is “preventing falls one step at a time”. Each newsletter provides monthly tips to the seniors in the community on remaining conscious of how falls can occur.

Major Initiatives

The City has continued its commitment to improving infrastructure, investing in the City’s assets throughout the City, and to also upgrading its vehicle fleet one department as a time. In 2018, the City spent approximately \$200k in capital projects and asset improvements. To highlight a few, the City purchased for the police department a police K9 sport utility vehicle, HD DVR cameras, mobile radio equipment. The fire department purchased heat pumps, air conditioner, carrier furnace, and unit heater. The service department purchased a F150 Ram truck, mower, grass catcher, blower assembly and a street vacuum diesel. The road program was deferred until 2019.

The Mayor’s major initiative and focus will continue to be “Growth through Development and Innovation”. Through several strategic programs, partnerships and initiatives, the goal is to move the City toward an ultimate objective of continued economic growth through sustainable development and innovation. The Mayor and the Administration have been working on this mission through a three-pronged approach for several years now. They are as follows:

1. Implementation and Retention of Vital City Programs
2. Continued Technological Advances
3. Housing Initiatives.

The City's vision is to redevelop the areas that have been demolished for mix-use commercial, residential development and park setting. As you drive around the City it will immediately become evident that the vision is moving towards reality. It is exciting times for the City of Warrensville Heights and more is sure to come.

Long-Term Financial Planning

The Northfield Road Corridor is still identified as one area most in need of enhancements according to the City's Master Plan. The Plan recommends improvements between Clarkwood Parkway and Emery Road. In an effort to follow the Master Plan, the City proved its commitment by purchasing two buildings on the corridor that remained vacant for many years. The buildings purchased were once the home of a new and used auto dealership that sat on approximately 5.7 acres.

To further strengthen the City's reserve balances for years to come, the City plans to adopt a formal minimum fund balance policy for the General Fund, as well as establish new reserve funds for capital improvement, infrastructure, and for employee retirement payout by 2019. It has always been the City's goal to maintain fund balances that would finance at least a minimum of three months (25 percent) of operations. The Finance Department reviews all transactions on an on-going basis, balances bank accounts daily, and works diligently to manage and monitor revenues and expenditures to ensure that adequate fund balances are maintained.

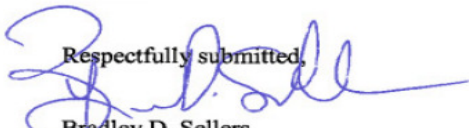
Awards and Acknowledgements


Award---The Government Finance Officers Association of the United States and Canada (GFOA) awarded a '**Certificate of Achievement for Excellence in Financial Reporting**' to the City of Warrensville Heights for its Comprehensive Annual Financial Report for the year end December 31, 2017.

The criteria established to be awarded a '**Certificate of Achievement for Excellence in Financial Reporting**', a government unit must publish a reader friendly and efficiently organized Comprehensive Annual Financial Report which satisfies all program standards. Such a report must also conform to generally accepted accounting principles and must satisfy all applicable legal requirements respective to the reporting entity.

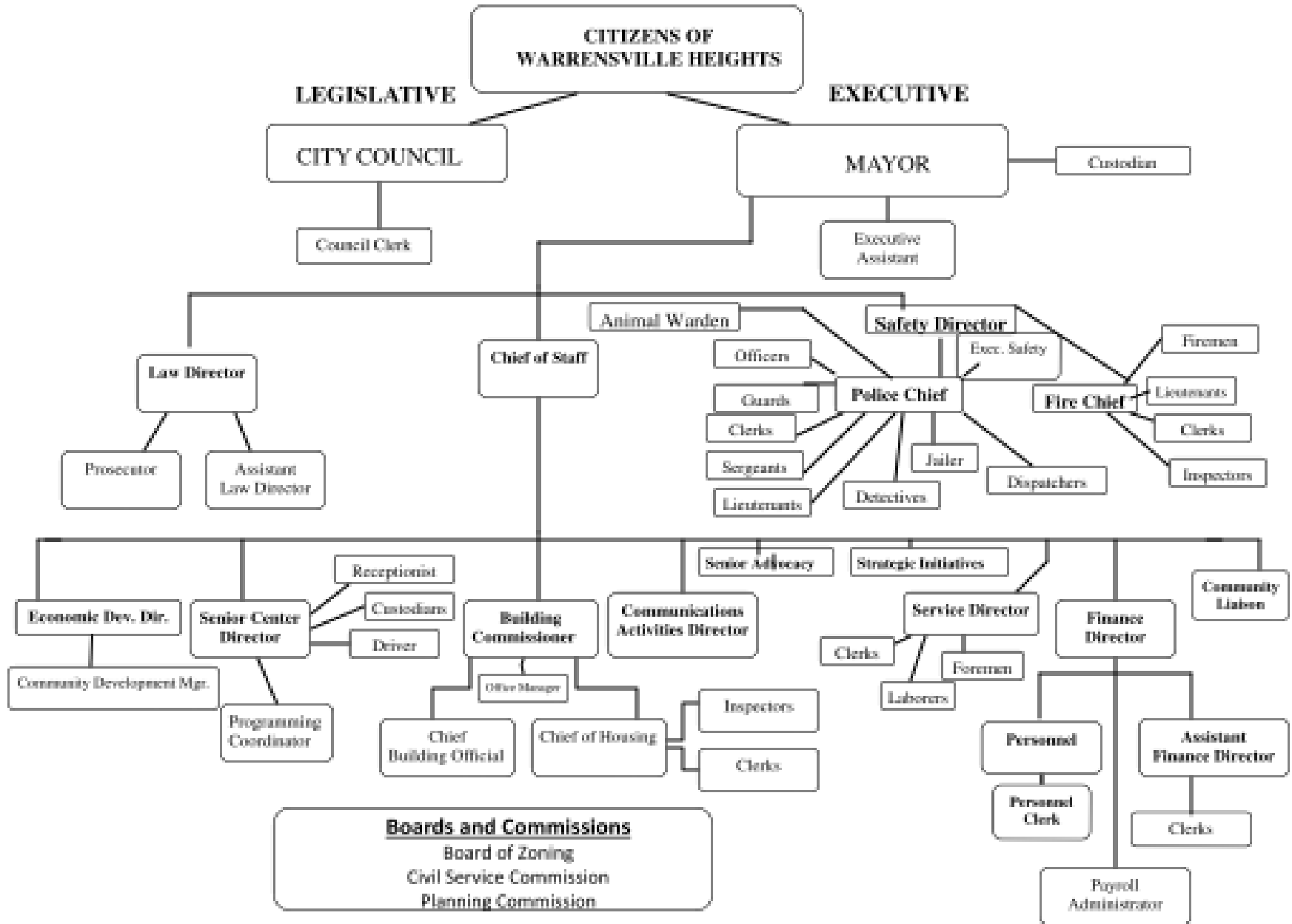
The Award is valid for only one year. We believe that our report for the year end of December 31, 2018 continues to meet the standards of the Award. Therefore, we are submitting it to GFOA at this time.

Acknowledgments This Comprehensive Annual Financial Report (CAFR) was prepared by the Finance Department with the efficient and dedicated services of its entire staff. Sincere gratitude goes to City Council for its enthusiastic support and its granting of funds for this project. Appreciation is also expressed to all City Hall Department Heads for their cooperation and assistance.

Respectfully submitted,

Bradley D. Sellers
Mayor


Karen A. Howse
Director of Finance

CITY OF WARRENSVILLE HEIGHTS ORGANIZATIONAL CHART





Government Finance Officers Association

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

Presented to

**City of Warrensville Heights
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Merrill

Executive Director/CEO

CITY OF WARRENSVILLE HEIGHTS

ELECTED AND APPOINTED CITY OFFICIALS

HONORABLE MAYOR BRADLEY D. SELLERS

CITY COUNCIL

Andrea Mitchell, Ward 2

Dorise Hagwood, Ward 1

Elona C. White, Ward 3

Walter Stewart, Ward 4

Matthew Howard, Ward 5

Stanley Anderson, Ward 6

Kimberly Hodge-Edwards, Ward 7

APPOINTED OFFICIALS

Kelli Wilson, Chief of Staff

Teresa Beasley, Director of Law

Karen Howse, Director of Finance

Ted Sims, Director of Service

Wesley Haynes, Chief of Police

Herb Waugh, Chief of Fire

Nicole Johnson, Personnel Director

Jerome DuVal, Economic Development Director

Ben Brown, Interim Building Commissioner

Jennifer Lastery, Director of Civic and Senior Center

GPD Associates, City Engineer

FINANCIAL SECTION

JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of City Council
City of Warrensville Heights
Warrensville Heights, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Warrensville Heights, Cuyahoga 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, each major fund, and the aggregate remaining fund information of the City of Warrensville Heights as of December 31, 2018, and the respective changes in financial position and the budgetary comparisons for the General Fund and the ODOT SIB Loan Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the basic financial statements, during 2018, the City adopted new accounting guidance in Governmental Accounting Standards Board (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 Schedules of Net Pension and Postemployment Benefit Liabilities and Pension and Postemployment Benefit Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 nonmajor 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 nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate 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 nonmajor 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 June 28, 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 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.



James G. Zupka, CPA, Inc.
Certified Public Accountants

June 28, 2019

This page intentionally left blank.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

The discussion and analysis of the City of Warrensville Heights' (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 are encouraged to consider information presented here in conjunction with the additional information contained in the transmittal letter, as well as the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The liabilities and deferred inflows of the City exceeded assets and deferred outflows at December 31, 2018 by \$17,251,298.
- Total assets decreased by \$1,391,532 and deferred outflows of resources decreased by \$822,587 in 2018. The largest decreases were in depreciable capital assets of \$707,690 and equity in pooled cash and cash equivalents of \$434,081. The decrease in deferred outflows of resources was related to the pension and OPEB plans.
- Total liabilities decreased by \$4,118,762 and deferred inflows of resources increased by \$3,040,052 in 2018. The main fluctuations in liabilities are related to a decrease in accounts payable \$765,260, and the net pension liability \$3,267,049.
- Net position in total decreased by \$1,135,409 during 2018. This represents a decrease of 7.05 percent from 2017. The main reason for the decrease in net position is due to the increase in City's expenses in 2018.

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 Warrensville Heights as a financial whole or as an entire operating entity. The statements proceed to provide an increasingly detailed look at our specific financial condition.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole City. They provide both an aggregate view of the City's finances in addition to a longer-term view of those assets. 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 nonmajor funds presented in total in one column.

The City as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position presents information, excluding fiduciary funds, on all the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. This change is important because it serves as a useful indicator of whether the City's financial position is improving or diminishing.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base, change in the tax law, and the condition of capital assets should also be considered.

In the Statement of Net Position and the Statement of Activities, all of the City's activities are reported as governmental activities, which include all of the City's services including police, fire, administration, and all other departments. The City does not operate any business-type activities and has no component units. Both the Statement of Net Position and the Statement of Activities use the accrual basis of accounting similar to the accounting methods used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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-end

Reporting the City's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 11. Fund financial reports provide detailed information about the City's major funds. The City has established many funds that account for the multitude of services, facilities, and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Warrensville Heights, the major governmental funds are the General Fund, Ohio Department of Transportation State Infrastructure Bank Loan and General Obligation Bond Retirement Fund.

Governmental Funds

The governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of available resources, as well as on balances of resources available at the end of the year.

All City activities are reported in the governmental funds focusing on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. The City's funds are reported using the accounting method called modified accrual accounting which measures cash and all other financial assets that are expected to be readily converted to cash.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (UNAUDITED)**

The governmental fund statements provide a detailed short-term view of the City's operations and the basic services it provides.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds.

Government-wide Financial Analysis – The City as a Whole

As noted earlier, the Statement of Net Position looks at the City as a whole and can be used as an indicator of the City's financial position. Table 1 provides a summary of the City's net position for 2018 compared to 2017.

Table1 – Net Position

| | 2018 | 2017* |
|---|-----------------|-----------------|
| ASSETS | | |
| Current and other assets | \$ 17,870,555 | \$ 18,554,397 |
| Capital assets, net | 25,835,584 | 26,543,274 |
| Total Assets | 43,706,139 | 45,097,671 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension | 3,175,761 | 5,434,631 |
| OPEB | 1,502,162 | 65,879 |
| Total Deferred Outflows of Resources | 4,677,923 | 5,500,510 |
| LIABILITIES | | |
| Current and other liabilities | 3,415,247 | 4,640,961 |
| Long-term liabilities: | | |
| Due within one year | 1,656,849 | 1,425,047 |
| Due in more than one year | | |
| Net pension liability | 18,529,403 | 21,796,452 |
| Net OPEB liability | 15,807,740 | 14,086,436 |
| Other amounts | 21,836,857 | 23,415,962 |
| Total Liabilities | 61,246,096 | 65,364,858 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Property taxes | 1,289,954 | 1,200,130 |
| Pension | 2,221,035 | 149,082 |
| OPEB | 878,275 | - |
| Total Deferred Inflows of Resources | 4,389,264 | 1,349,212 |
| NET POSITION | | |
| Net investment in capital assets | 3,969,735 | 1,531,320 |
| Restricted | 4,644,354 | 6,620,709 |
| Unrestricted | (25,865,387) | (24,267,918) |
| Total Net Position | \$ (17,251,298) | \$ (16,115,889) |

* Restated

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

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 fiscal year 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 deferred outflows related to pension and OPEB.

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 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.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (UNAUDITED)**

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

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability 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 net position at December 31, 2017, from a deficit of \$2,095,332 to a deficit of \$16,115,889.

The largest portion of the City's net position reflects its restricted funds available to pay down the City's debt. At December 31, 2018, total net position had a deficit of \$17,251,298. The deficit net position was due to the recording of the net pension and net OPEB liability. Total assets decreased by \$1,391,532 from 2017 to 2018. Of that decrease, the most significant changes were in equity in depreciable capital assets and cash and cash equivalents, which decreased by \$707,690 and \$434,081, accordingly. Total liabilities decreased by \$4,118,762 in 2018. This increase is primarily due to the decrease in the net pension liability by \$3,267,049. The changes in deferred outflows and inflows in resources is due to the recording of GASB statement nos. 68 and 75.

The implementation of GASB Statement No. 68 and 75 requires the reader to perform additional calculations to determine the City's Total Net Position at December 31, 2018 without the implementation of GASB Statement No. 68 and 75. This is an important exercise, as the State Pension Systems (OPERS & OP&F) collect, hold, invest, and distribute pensions to our employees, not the City of Warrensville Heights. These calculations are as follows:

| | Governmental Activities |
|---|------------------------------------|
| Total Net Position at December 31, 2018 (with GASB 68 and 75) | \$ (17,251,298) |
| GASB 68 Calculations: | |
| Add: | |
| Deferred Inflows related to Pension | 2,221,035 |
| Deferred Inflows related to OPEB | 878,275 |
| Net Pension Liability | 18,529,403 |
| Net OPEB Liability | 15,807,740 |
| Less: | |
| Deferred Outflows related to Pension | (3,175,761) |
| Deferred Outflows related to OPEB | (1,502,162) |
| Total Net Position (without GASB 68 and 75) | \$ 15,507,232 |

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

Table 2 shows the change in net position for the year ended December 31, 2018 compared to 2017.

Table 2 – Statement of Activities

| | 2018 | 2017 ** |
|--|-----------------|-----------------|
| REVENUES | | |
| Program Revenues: | | |
| Charges for services | \$ 1,145,820 | \$ 1,361,739 |
| Operating grants and contributions | 876,417 | 670,660 |
| Capital grants and contributions | 31,966 | 131,869 |
| Total Program Revenues | 2,054,203 | 2,164,268 |
| General Revenues: | | |
| Property taxes | 1,384,523 | 1,528,193 |
| Municipal income taxes | 17,797,030 | 17,607,661 |
| Hotel Taxes | 295,813 | 304,246 |
| Franchise Taxes | 214,692 | 189,805 |
| Grants and entitlements | 534,019 | 706,503 |
| Investment income | 129,037 | 74,099 |
| All other revenues | 543,237 | 87,904 |
| Total General Revenues | 20,898,351 | 20,498,411 |
| Total Revenues | 22,952,554 | 22,662,679 |
| EXPENSES | | |
| Program Expenses: | | |
| Security of persons and property | 10,765,269 | 11,130,235 |
| General government | 4,497,280 | 4,907,339 |
| Public works | 3,853,307 | 4,042,109 |
| Leisure time activities | 1,032,162 | 1,103,575 |
| Transportation | 1,582,197 | 2,004,261 |
| Community development | 1,675,338 | 1,035,567 |
| Public health and welfare | 58,020 | 53,085 |
| Interest and fiscal charges | 624,390 | 525,353 |
| Total Expenses | 24,087,963 | 24,801,524 |
| Change in Net Position | (1,135,409) | (2,138,845) |
| Net Position - Beginning of Year, Restated | (16,115,889) | N/A |
| Net Position - End of Year | \$ (17,251,298) | \$ (16,115,889) |

** certain reclassifications were done for comparative analysis

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 \$65,879 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, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$1,188,074. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (UNAUDITED)**

| | |
|---|----------------------------|
| Total 2018 program expenses under GASB 75 | \$ 24,087,963 |
| OPEB expense under GASB 75 | (1,188,074) |
| 2018 contractually required contribution | <u>24,778</u> |
| Adjusted 2018 program expenses | 22,924,667 |
| Total 2017 program expenses under GASB 45 | <u>24,801,524</u> |
| Increase in program expenses note related to OPEB | <u><u>\$ 1,876,857</u></u> |

Governmental Activities

Several revenue sources mainly fund the governmental activities with the City municipal income tax being the largest contributor. Under the accrual basis of accounting, the City's municipal income tax accounted for \$17,797,030 or 77.54 percent of total revenues. The electorates of the City voted to change the municipal income tax rate from 2.00 percent to 2.60 percent on May 5, 2009, which took effect on July 1, 2009.

Property taxes of \$1,384,523 accounted for 6.03 percent of total revenues. Other taxes of \$510,505 accounted for 2.22 percent of total revenues. Charges for services of \$1,145,820 accounted for 4.99 percent of total revenue. Operating grants and contributions of \$876,417 accounted for 3.82 percent of total revenue. Grants and entitlements of \$534,019 accounted for 2.33 percent of total revenues. All other revenue sources of \$ 1,580,657 accounted for the remaining 6.89 percent of the City's 2018 revenue. The City monitors its sources of revenue very closely for fluctuations throughout the year, especially municipal income taxes.

Security of persons and property, including the Police and Fire departments, accounted for program expenses of \$10,765,269, which is 44.69 percent of total City expenses for 2018. The general government expenses accounted for \$4,497,280, or 18.67 percent of total expenses. The public works expenses, primarily the Service Department, accounted for \$3,853,307, or 16.00 percent of total expenses.

The Police and Fire departments continue to provide the public with informative programs in a professional manner. The departments will continue to look for ways to expand our services and develop new public education programs for the community.

The City's Funds

Information about the City's major funds starts on page 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had revenues of \$23,016,619 and expenditures of \$22,505,189 (not including other financing sources and uses). The most significant fund is the General Fund with a fund balance at year-end of \$8,073,692. In 2018, the fund balance of the General Fund increased by \$291,730. This increase is due to revenues exceeding expenditures.

The City's other major fund is the General Obligation Bond Retirement Fund. The General Obligation Bond Retirement Fund is used to pay the City's outstanding general obligation debt and also accounts for property tax and special assessment revenues which help to make it a major fund.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

The General Obligation Bond Retirement Fund's fund balance decreased by \$179,512 from 2017, with a deficit fund balance of \$1,740,131 at December 31, 2018. This decrease in fund balance is mainly due to the repayment of short-term notes payable in the current year.

The City's third major fund is the Ohio Department of Transportation State Infrastructure Bank Loan Fund. The Ohio Department of Transportation State Infrastructure Bank Loan Fund is used to accounts for loan proceeds from the Ohio Department of Transportation for rehabilitation of local roads. The Ohio Department of Transportation State Infrastructure Bank Loan Fund's fund balance increased by \$267,552 from 2017, and had deficit fund balance of \$181,231 at December 31, 2018.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. An annual appropriation budget is legally required to be prepared for all funds of the City other than agency funds.

City Council is provided with a detailed line item budget for all departments and after a discussion at a Finance Committee meeting, which is open to the public, the budget is adopted by City Council at a regularly held City Council meeting at the object level for all other funds. The Finance Director has been authorized to allocate appropriations within the object level within each fund.

The General Fund supports many of our major activities including the police department, fire department, and most legislative and executive activities. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

Both the original revenue and expenditure budget is designed to be very conservative, requiring additional spending requests to be approved by City Council throughout the year. During the course of 2018, the City amended its General Fund budget in response to departmental needs. The original and final budgeted revenue, excluding other financing sources and uses, amounted to \$20,177,657 and \$20,672,346, respectively. Actual revenues, excluding other financing sources and uses, of \$20,788,659 were \$116,313 greater than the final budgeted revenues. This increase is mainly due to a greater amount of municipal income taxes received than budgeted.

The original and final budgeted expenditures, excluding other financing sources and uses, amounted to \$19,561,818 and \$21,039,742, respectively. Actual expenditures of \$18,490,115 were \$2,549,627 less than the final budgeted expenditures. See Notes 4 and 5 of the basic financial statements for additional information.

Capital Assets and Debt Administration

Capital Assets

At the end of 2018, the City had \$25,835,584 invested in land, buildings, land improvements, machinery and equipment, vehicles, furniture and fixtures, and infrastructure. Table 3 shows 2018 balances of capital assets as compared to 2018.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (UNAUDITED)**

Table 3 – Capital Assets at December 31 (Net of Depreciation)

| | 2018 | 2017 |
|-------------------------|----------------------|----------------------|
| Land | \$ 3,641,410 | \$ 3,641,410 |
| Buildings | 11,432,209 | 11,706,261 |
| Land Improvements | 150,361 | 166,913 |
| Machinery and Equipment | 366,764 | 452,903 |
| Furniture and fixtures | 35,040 | 40,417 |
| Vehicles | 1,033,935 | 1,121,404 |
| Infrastructure: | | |
| Roads | 6,550,434 | 6,698,736 |
| Sanitary Sewers | 875,337 | 909,700 |
| Water Lines | 795,482 | 818,656 |
| Storm Sewers | 954,612 | 986,874 |
| Total Capital Assets | <u>\$ 25,835,584</u> | <u>\$ 26,543,274</u> |

Capital assets decreased by \$707,690 in 2018. The main reason for the decrease was current year depreciation expense.

The City Engineer maintains a comprehensive listing of all the roads, sanitary sewers, waterlines, and storm sewers within the City. Each spring, this inventory is updated with current conditions and recommendations made for repair or replacement. The City has taken an aggressive approach in pursuing funding to assist in the financing of infrastructure projects. See Notes 2 and 11 of the basic financial statements for additional information on capital assets.

Long-Term Obligations

At December 31, 2018, the City had \$57,830,849 in outstanding long-term obligations, of which debt obligations primarily consisted of \$9,777,336 in certificates of participation and \$8,942,379 in various purpose general obligation bonds. Table 4 summarizes the long-term obligations outstanding.

Table 4 – Outstanding Long-Term Obligations at December 31

| | 2018 | 2017 * |
|---|----------------------|----------------------|
| General obligation bonds | \$ 8,942,379 | \$ 9,526,940 |
| Certificate of Participation | 9,777,336 | 9,881,406 |
| Loans Payable | 2,344,005 | 2,722,395 |
| Compensated Absences | 2,261,407 | 2,468,803 |
| Claims Payable | 26,450 | 19,252 |
| Capital leases | 142,129 | 222,213 |
| Net Pension Liability | 18,529,403 | 21,796,452 |
| Net OPEB Liability | 15,807,740 | 14,086,436 |
| Total outstanding long term liabilities | <u>\$ 57,830,849</u> | <u>\$ 60,723,897</u> |

*Restated

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

The City’s overall legal debt margin was \$13,669,206 with an unvoted legal debt margin of \$2,901,785 on December 31, 2018. For more information about the City’s long-term obligations and short-term note activity, see Notes 12, 13, 14, and 17 to the basic financial statements.

Current Financial Related Activities

The mission of the City of Warrensville Heights, its Mayor, City Council, and employees is to continue to enhance the quality of life for the residential and business community by providing an exceptional level of services. Warrensville is known as the “The Friendly City” and for a good reason. It’s attributed to the well planned programs and services offered. The City continuously attracts new residents and businesses. As well as, retain longtime citizens and companies. The City has an annual road improvement program to ensure that the roads and streets are safe. Warrensville offers a yearly Exterior Maintenance City Grant Program to encourage and assist homeowners with improvements to their exterior maintenance and upkeep of their homes. The City also runs a monthly Mobile Food Pantry that provide over 3,000 meals to children, adults and seniors. These are just a few of the many excellent services provided by the City.

According to the Mayor “One of the thrusts of our efforts in 2018 has been working with developers on new residential construction to accommodate all life situations including affordable housing for seniors and young families, workforce housing and quality rental units”. It is the City’s hope that offering the Homebuyers Education to Home Ownership Program in the prior year has helped individuals to be ready to purchase a home as a means to improve their chances of owning a newly constructed home. The fundamental objective of the City is to draw individuals to the City of Warrensville Heights in hopes they find it place to call home and to enhance their quality of life.

Although the economy appeared to be strong the City remains prepared should the economy take a downward turn. The City of Warrensville strives to be proactive in the face of challenges by continuing to increase unreserved balances. Having a strong unreserved balances strengthens the City’s ability to pay for infrastructure projects, capital improvements, continue to enhance the City’s Public Safety and Public Works Division. Additionally, it allows the City the ability to act on emergencies and unforeseen expenditures, should they arise. Hence, the City will continue to assess cost savings measures while addressing the needs of the community. The finances are closely monitored monthly by the Mayor, Administration and City Council ensuing in healthy year-end reserves. Moreover, Warrensville continues to carry a favorable credit rating of an A-1 assigned by Moody’s Investors Services. The City takes great pride in committing itself to financial excellence. This is evident in the City receiving once again a Certificate of Achievement for Excellence in Financial Report consecutively since 2003 from the Government Finance Officers Association (GFOA). City of Warrensville Heights will continue to make strong financial strides for many years to come.

Contacting the City of Warrensville Heights’ Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the City’s finances and to show the City’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director Karen Howse, at the City of Warrensville Heights, 4301 Warrensville Center Road, Warrensville Heights, Ohio 44128, (216) 587-1135, or e-mail to khowse@cityofwarrensville.com.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2018**

| | Governmental Activities |
|---|----------------------------|
| ASSETS | |
| Equity in Pooled Cash and Cash Equivalents | \$ 7,939,725 |
| Cash and Cash Equivalents: | |
| In Segregated Accounts | 4,664 |
| Materials and Supplies Inventory | 117,942 |
| Accounts Receivable | 505,388 |
| Accrued Interest Receivable | 6,467 |
| Intergovernmental Receivable | 508,207 |
| Prepaid Items | 178,480 |
| Municipal Income Taxes Receivable | 3,423,576 |
| Property Taxes Receivable | 1,792,322 |
| Special Assessments Receivable | 3,393,784 |
| Nondepreciable Capital Assets | 3,641,410 |
| Depreciable Capital Assets | 22,194,174 |
| Total Assets | 43,706,139 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension | 3,175,761 |
| OPEB | 1,502,162 |
| Total Deferred Outflows of Resources | 4,677,923 |
| LIABILITIES | |
| Accounts Payable | 374,625 |
| Accrued Wages and Benefits | 410,054 |
| Intergovernmental Payable | 154,161 |
| Accrued Interest Payable | 77,407 |
| Notes Payable | 2,399,000 |
| Long-term Liabilities: | |
| Due within one year | 1,656,849 |
| Due in more than one year: | |
| Net Pension Liability | 18,529,403 |
| Net OPEB Liability | 15,807,740 |
| Other amounts due in more than one year | 21,836,857 |
| Total Liabilities | 61,246,096 |
| DEFERRED INFLOWS OF RESOURCES | |
| Property Taxes | 1,289,954 |
| Pension | 2,221,035 |
| OPEB | 878,275 |
| Total Deferred Inflows of Resources | 4,389,264 |
| NET POSITION | |
| Net Investment in Capital Assets | 3,969,735 |
| Restricted for: | |
| Debt Services | 1,766,666 |
| Capital Projects | 862,412 |
| Street construction, maintenance and repair | 472,601 |
| Building Levy | 114,428 |
| Police programs | 129,266 |
| Fire | 103,202 |
| Other Purpose | 1,195,779 |
| Unrestricted | (25,865,387) |
| Total Net Position | \$ (17,251,298) |

See accompanying notes to the basic financial statements

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Capital Grants and Contributions</u> | <u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u> |
|---|----------------------|---------------------------------|---|---|--|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | | |
| Primary Government: | | | | | |
| Governmental activities: | | | | | |
| Security of Persons and Property | | | | | |
| Police and Others | \$ 6,362,593 | \$ 252,645 | \$ 20,502 | \$ - | \$ (6,089,446) |
| Fire | 4,402,676 | 315,974 | - | - | (4,086,702) |
| Public Health and Welfare | 58,020 | - | - | - | (58,020) |
| Leisure Time Activities | 1,032,162 | 77,379 | - | - | (954,783) |
| Community Development | 1,675,338 | 425,083 | 75,394 | - | (1,174,861) |
| Public Works | 3,853,307 | - | - | - | (3,853,307) |
| Transportation | 1,582,197 | 480 | 779,706 | 31,966 | (770,045) |
| General Government | 4,497,280 | 74,259 | 815 | - | (4,422,206) |
| Interest and Fiscal Charges | 624,390 | - | - | - | (624,390) |
| Total Governmental activities | <u>\$ 24,087,963</u> | <u>\$ 1,145,820</u> | <u>\$ 876,417</u> | <u>\$ 31,966</u> | <u>(22,033,760)</u> |
| General Revenues: | | | | | |
| Property Taxes levied for: | | | | | |
| General Purposes | | | | | 417,337 |
| Debt Service Purpose | | | | | 391,614 |
| Other Purposes | | | | | 575,572 |
| Municipal Income Taxes levied for: | | | | | |
| General Purposes | | | | | 17,797,030 |
| Hotel Taxes | | | | | 295,813 |
| Franchise Taxes | | | | | 214,692 |
| Grants & Entitlements not restricted to specific programs | | | | | 534,019 |
| Investment Income | | | | | 129,037 |
| Gain on Sale of Capital Assets | | | | | 245,998 |
| All Other Revenues | | | | | 297,239 |
| Total General Revenues | | | | | <u>20,898,351</u> |
| Change in Net Position | | | | | (1,135,409) |
| Net Position - Beginning of Year, Restated | | | | | <u>(16,115,889)</u> |
| Net Position - End of Year | | | | | <u>\$ (17,251,298)</u> |

See accompanying notes to the basic financial statements

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

| | General Fund | ODOT SIB Loan | General Obligation Bond Retirement | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|-------------------|--|--------------------------------|--------------------------------|
| Assets: | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 5,011,667 | \$ 412,836 | \$ 83,405 | \$ 2,431,817 | \$ 7,939,725 |
| Cash and Cash Equivalents: | | - | | | |
| In Segregated Accounts | 4,664 | - | - | - | 4,664 |
| Materials and Supplies Inventory | 117,942 | - | - | - | 117,942 |
| Accrued Interest Receivable | 6,467 | - | - | - | 6,467 |
| Accounts Receivable | 488,090 | - | - | 17,298 | 505,388 |
| Interfund Receivable | 716,216 | - | - | - | 716,216 |
| Intergovernmental Receivable | 215,979 | - | 16,590 | 275,638 | 508,207 |
| Prepaid Items | 178,480 | - | - | - | 178,480 |
| Municipal Income Taxes Receivable | 3,423,576 | - | - | - | 3,423,576 |
| Property Taxes Receivable | 530,351 | - | 535,641 | 726,330 | 1,792,322 |
| Special Assessments Receivable | - | - | 3,393,784 | - | 3,393,784 |
| Total Assets | <u>\$ 10,693,432</u> | <u>\$ 412,836</u> | <u>\$ 4,029,420</u> | <u>\$ 3,451,083</u> | <u>\$ 18,586,771</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ 330,420 | \$ - | \$ 7,500 | \$ 36,705 | \$ 374,625 |
| Accrued Wages and Benefits | 410,054 | - | - | - | 410,054 |
| Intergovernmental Payable | 154,161 | - | - | - | 154,161 |
| Accrued Interest Payable | - | - | 9,082 | - | 9,082 |
| Interfund Payable | - | 594,067 | 46,954 | 75,195 | 716,216 |
| Notes Payable | - | - | 1,760,000 | 639,000 | 2,399,000 |
| Total Liabilities | <u>894,635</u> | <u>594,067</u> | <u>1,823,536</u> | <u>750,900</u> | <u>4,063,138</u> |
| Deferred Inflows of Resources: | | | | | |
| Property Taxes | 382,078 | - | 385,418 | 522,458 | 1,289,954 |
| Unavailable Revenue - Delinquent Property Taxes | 148,273 | - | 150,223 | 203,872 | 502,368 |
| Unavailable Revenue - Income Taxes | 643,032 | - | - | - | 643,032 |
| Unavailable Revenue - Other | 551,722 | - | 3,410,374 | 196,090 | 4,158,186 |
| Total Deferred Inflows of Resources | <u>1,725,105</u> | <u>-</u> | <u>3,946,015</u> | <u>922,420</u> | <u>6,593,540</u> |
| Fund Balances: | | | | | |
| Nonspendable | 1,012,638 | - | - | - | 1,012,638 |
| Restricted | - | - | - | 1,859,606 | 1,859,606 |
| Committed | - | - | - | 169,287 | 169,287 |
| Assigned | 1,543,313 | - | - | - | 1,543,313 |
| Unassigned (Deficit) | 5,517,741 | (181,231) | (1,740,131) | (251,130) | 3,345,249 |
| Total Fund Balances (Deficit) | <u>8,073,692</u> | <u>(181,231)</u> | <u>(1,740,131)</u> | <u>1,777,763</u> | <u>7,930,093</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 10,693,432</u> | <u>\$ 412,836</u> | <u>\$ 4,029,420</u> | <u>\$ 3,451,083</u> | <u>\$ 18,586,771</u> |

See accompanying notes to the basic financial statements.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF
 GOVERNMENTAL ACTIVITIES
 DECEMBER 31, 2018**

Total Governmental Funds Balance \$ 7,930,093

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds 25,835,584

Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenues in the funds:

| | | | |
|---------------------------|----|-----------|-----------|
| Delinquent property taxes | \$ | 502,368 | |
| Municipal income taxes | | 643,032 | |
| Special assessments | | 3,393,784 | |
| Intergovernmental | | 358,674 | |
| Charges for services | | 405,728 | |
| Total | | 5,303,586 | 5,303,586 |

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due. (68,325)

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

| | | | |
|-----------------------------|--|--------------|--------------|
| Deferred Outflows - Pension | | 3,175,761 | |
| Deferred Inflows - Pension | | (2,221,035) | |
| Net Pension Liability | | (18,529,403) | |
| Deferred Outflows - OPEB | | 1,502,162 | |
| Deferred Inflows - OPEB | | (878,275) | |
| Net OPEB Liability | | (15,807,740) | |
| Total | | (32,758,530) | (32,758,530) |

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

| | | | |
|------------------------------------|--|--------------|--------------|
| General obligation bonds | | (8,635,000) | |
| Loans Payable | | (2,344,005) | |
| Certificate of Participation | | (9,700,000) | |
| Unamortized bond and note premiums | | (384,715) | |
| Claims Payable | | (26,450) | |
| Capital leases | | (142,129) | |
| Accrued compensated absences | | (2,261,407) | |
| Total | | (23,493,706) | (23,493,706) |

Net Position of Governmental Activities \$ (17,251,298)

See accompanying notes to the basic financial statements

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

| | General Fund | ODOT SIB Loan | General Obligation Bond Retirement | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|---------------------|--|--------------------------------|--------------------------------|
| REVENUES | | | | | |
| Property Taxes | \$ 420,512 | \$ - | \$ 391,614 | \$ 570,865 | \$ 1,382,991 |
| Municipal Income Taxes | 17,802,827 | - | - | - | 17,802,827 |
| Hotel Taxes | - | - | - | 295,813 | 295,813 |
| Franchise Taxes | 214,692 | - | - | - | 214,692 |
| Intergovernmental | 513,815 | 267,552 | 33,179 | 582,425 | 1,396,971 |
| Interest | 129,037 | - | - | - | 129,037 |
| Licenses and Permits | 263,303 | - | - | - | 263,303 |
| Fines and Forfeitures | 252,628 | - | - | 26,389 | 279,017 |
| Rentals | 170,550 | - | - | - | 170,550 |
| Charges for Services | 572,211 | - | - | 9,469 | 581,680 |
| Special Assessments | - | - | 202,499 | - | 202,499 |
| All Other Revenues | 280,867 | - | 14,562 | 1,810 | 297,239 |
| Total Revenues | <u>20,620,442</u> | <u>267,552</u> | <u>641,854</u> | <u>1,486,771</u> | <u>23,016,619</u> |
| EXPENDITURES | | | | | |
| Security of Persons and Property: | | | | | |
| Police and Others | 5,066,670 | - | - | 384,761 | 5,451,431 |
| Fire | 3,528,544 | - | - | 192,885 | 3,721,429 |
| Public Health and Welfare | 58,020 | - | - | - | 58,020 |
| Leisure Time Activities | 712,525 | - | - | - | 712,525 |
| Community Development | 622,317 | - | - | 967,733 | 1,590,050 |
| Public Works | 3,488,250 | - | - | - | 3,488,250 |
| Transportation | 662,180 | - | - | 868,888 | 1,531,068 |
| General Government | 3,806,716 | - | - | 4,800 | 3,811,516 |
| Capital Outlay | 170,580 | - | - | 14,925 | 185,505 |
| Debt Service: | | | | | |
| Principal Retirement | 174,199 | - | 660,000 | 284,275 | 1,118,474 |
| Interest and Fiscal Charges | 15,911 | - | 704,666 | 84,644 | 805,221 |
| Bond Issuance Costs | - | - | 31,700 | - | 31,700 |
| Total Expenditures | <u>18,305,912</u> | <u>-</u> | <u>1,396,366</u> | <u>2,802,911</u> | <u>22,505,189</u> |
| Excess of Revenues (Under) Expenditures | <u>2,314,530</u> | <u>267,552</u> | <u>(754,512)</u> | <u>(1,316,140)</u> | <u>511,430</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Sale of Capital Assets | 245,998 | - | - | - | 245,998 |
| Transfers In | - | - | 575,000 | 1,693,798 | 2,268,798 |
| Transfers Out | (2,268,798) | - | - | - | (2,268,798) |
| Total Other Financing Sources (Uses) | <u>(2,022,800)</u> | <u>-</u> | <u>575,000</u> | <u>1,693,798</u> | <u>245,998</u> |
| Net Change in Fund Balances | 291,730 | 267,552 | (179,512) | 377,658 | 757,428 |
| Fund Balances (Deficit) - Beginning of Year | 7,781,962 | (448,783) | (1,560,619) | 1,400,105 | 7,172,665 |
| Fund Balances (Deficit) - End of Year | <u>\$ 8,073,692</u> | <u>\$ (181,231)</u> | <u>\$ (1,740,131)</u> | <u>\$ 1,777,763</u> | <u>\$ 7,930,093</u> |

See accompanying notes to the basic financial statements.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2018**

Net Change in Fund Balances-Total Governmental Funds \$ 757,428

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

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 depreciation exceeded capital outlay in the current period.

| | | |
|----------------|------------|-----------|
| Capital Outlay | \$ 185,505 | |
| Depreciation | (893,195) | |
| Total | (707,690) | (707,690) |

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

| | | |
|---------------------------|-----------|-----------|
| Delinquent property taxes | 1,532 | |
| Municipal income taxes | (5,797) | |
| Special assessments | (170,533) | |
| Intergovernmental | 12,650 | |
| Charges for services | (147,915) | |
| Total | (310,063) | (310,063) |

Repayment of bond and loan principal and capital leases are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

1,118,474

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows

| | | |
|---------|--|-----------|
| Pension | | 1,610,773 |
| OPEB | | 24,778 |

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 | | (2,674,547) |
| OPEB | | (1,188,074) |

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.

| | | |
|---------------------------|---------|---------|
| Claims Payable | (7,198) | |
| Compensated Absences | 207,396 | |
| Amortization of Premium | 28,631 | |
| Accrued Interest On Bonds | 4,683 | |
| Total | 233,512 | 233,512 |

Change in Net Position of Governmental Activities \$ (1,135,409)

See accompanying notes to the basic financial statements

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budgeted Amounts | | Actual | Variance with |
|---|---------------------|---------------------|---------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Revenues: | | | | |
| Property Taxes | \$ 396,161 | \$ 396,161 | \$ 420,512 | \$ 24,351 |
| Income Taxes | 17,438,392 | 17,873,401 | 17,958,559 | 85,158 |
| Intergovernmental | 708,888 | 726,944 | 729,002 | 2,058 |
| Interest | 136,127 | 139,595 | 139,990 | 395 |
| Licenses and Permits | 255,246 | 261,747 | 262,488 | 741 |
| Fines and Forfeitures | 245,658 | 251,915 | 252,628 | 713 |
| Rentals | 165,844 | 170,068 | 170,550 | 482 |
| Charges for Services | 563,572 | 577,926 | 579,563 | 1,637 |
| All Other Revenues | 267,769 | 274,589 | 275,367 | 778 |
| Total Revenues | <u>20,177,657</u> | <u>20,672,346</u> | <u>20,788,659</u> | <u>116,313</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 9,320,349 | 9,374,049 | 8,804,250 | 569,799 |
| Public Health and Welfare | 54,000 | 59,000 | 58,020 | 980 |
| Leisure Time Activities | 663,844 | 809,272 | 717,897 | 91,375 |
| Community Development | 726,403 | 743,253 | 603,311 | 139,942 |
| Public Works | 3,447,571 | 3,951,471 | 3,498,484 | 452,987 |
| General Government | 5,349,651 | 6,102,697 | 4,808,153 | 1,294,544 |
| Total Expenditures | <u>19,561,818</u> | <u>21,039,742</u> | <u>18,490,115</u> | <u>2,549,627</u> |
| Excess of Revenues Over (Under) Expenditures | 615,839 | (367,396) | 2,298,544 | 2,665,940 |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 239,211 | 245,303 | 245,998 | 695 |
| Transfer In | - | - | 8,445 | 8,445 |
| Transfers Out | (1,730,000) | (2,623,809) | (2,755,276) | (131,467) |
| Total Other Financing Sources (Uses) | <u>(1,490,789)</u> | <u>(2,378,506)</u> | <u>(2,500,833)</u> | <u>(122,327)</u> |
| Net Change in Fund Balance | (874,950) | (2,745,902) | (202,289) | 2,543,613 |
| Fund Balance - Beginning of Year | 4,432,157 | 4,432,157 | 4,432,157 | - |
| Prior Year Encumbrances | 491,011 | 491,011 | 491,011 | - |
| Fund Balance - End of Year | <u>\$ 4,048,218</u> | <u>\$ 2,177,266</u> | <u>\$ 4,720,879</u> | <u>\$ 2,543,613</u> |

See accompanying notes to the basic financial statements.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 OHIO DEPARTMENT OF TRANSPORTATION STATE INFRASTRUCTURE BANK LOAN FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ 450,000 | \$ 267,552 | \$ (182,448) |
| Net Change in Fund Balance | - | 450,000 | 267,552 | (182,448) |
| Fund Balance - Beginning of Year | 163,029 | 163,029 | 163,029 | - |
| Fund Balance - End of Year | <u>\$ 163,029</u> | <u>\$ 613,029</u> | <u>\$ 430,581</u> | <u>\$ (182,448)</u> |

See accompanying notes to the basic financial statements.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2018**

| | <u>Agency Funds</u> |
|--|-------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | \$ 1,384,033 |
| Total Assets | <u>\$ 1,384,033</u> |
| | |
| Liabilities | |
| Deposits Held and Due to Others | \$ 1,384,033 |
| Total Liabilities | <u>\$ 1,384,033</u> |

See accompanying notes to the basic financial statements

Notes to the financial statements

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, 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 Warrensville Heights (the “City”) is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own Charter. The current Charter, which provides for a Mayor-Council form of government, was adopted May 6, 1958. Legislative authority is vested in a seven member City Council. City Council members are elected for a four year term. The Mayor is elected for a four year term and serves as the City’s chief executive and administrative officer.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City. For the City, this includes the agencies and departments that provide the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, and general administrative services. The City’s departments include a Public Safety Department, a Public Service Department, a Street Maintenance Department, a Parks and Recreation Department, a Planning and Zoning Department, and a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operations of each of these activities and entities are directly controlled by the City Council through the budgetary process.

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; or 3) the City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, 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 the levying of taxes. The City has no component units.

The City is associated with four jointly governed organizations. These organizations are the First Suburbs Consortium of Northeast Ohio Council of Governments, the Northeast Ohio Public Energy Council (NOPEC), Chagrin/Southeast Council of Government, and Valley Enforcement Regional Council of Government. These organizations are presented in Note 20 to the basic financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial reporting practices of the City conform to generally accepted accounting principles as applicable to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the City’s accounting policies are described below.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

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

A. **Basis of Presentation**

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements usually distinguish between those activities that are governmental and those that are considered business-type; the City, however, has no business-type activities.

The Statement of Net Position presents the financial condition of the governmental 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. Direct expenses are those that are specifically associated with a service, program, or department and therefore are 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 function is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental 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. Fiduciary funds are reported by type.

B. **Fund Accounting**

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The City's funds are classified as either governmental or fiduciary.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

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

B. **Fund Accounting** (Continued)

Governmental Funds

Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and 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 for all financial resources except those required to be accounted for in another fund. The General Fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City and/or the general laws of Ohio.

Ohio Department of Transportation State Infrastructure Bank Loan Fund – The Ohio Department of Transportation State Infrastructure Bank Loan Fund is a special revenue fund that accounts for loan proceeds received from the Ohio Department of Transportation for the rehabilitation of local roads.

General Obligation Bond Retirement Fund – The General Obligation Bond Retirement Fund accounts for property tax collections and special assessments revenue which are used to pay the voted general obligation refunding bonds and special assessment bonds principal, interest, and related costs.

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

Fiduciary Funds

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

C. **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., revenue) and decreases (i.e., expenses) in total net position.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

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

C. **Measurement Focus** (Continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities and deferred inflows of resources generally are included on the balance sheet.

The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. **Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statement for the fiduciary funds are prepared using 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 inflows/outflows 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 60 days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include municipal income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from municipal income taxes is recognized in the year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 8). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

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

D. **Basis of Accounting** (Continued)

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

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 plans are explained in Notes 17 and 18.

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 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 year 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and 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, municipal income taxes, special assessments, intergovernmental grants and entitlements, and charges for services. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities fund on page 18. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 17 and 18)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. **Cash and Cash Equivalents**

To improve cash management, cash received by the City is pooled. Monies for all 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."

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

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

E. **Cash and Cash Equivalents** (Continued)

During the year, the City's investments were limited to STAROhio, certificates of deposits and money market funds.

During fiscal year 2018, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79 "Certain External Investment Pools and Pool Participants." The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2018, there were no limitation 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.

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the General Fund, the Bureau of Justice Grant, and the Local Law Enforcement Block Grant special revenue funds. Interest income credited to the General Fund during 2018 amounted to \$129,037, which includes \$47,587 assigned from other funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating certificates of deposits, which are reported at cost.

F. **Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2018, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

G. **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.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

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

H. **Capital Assets**

The City’s only capital assets are general 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. General capital assets are reported in the governmental activities column of the governmental-wide statement of net position but are not reported in the fund financial statements.

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 back-trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using the appropriate price level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of one thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

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

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

| <u>Description</u> | <u>Estimated Lives</u> |
|-------------------------|------------------------|
| Buildings | 50 years |
| Land improvements | 30 years |
| Machinery and equipment | 5 to 15 years |
| Furniture and fixtures | 7 years |
| Vehicles | 3 to 15 years |
| Infrastructure | 75 years |

The City’s infrastructure consists of roads, sanitary sewers, waterlines, storm sewers, and includes infrastructure acquired prior to December 31, 1980.

I. **Interfund Balances**

On the fund financial statements, receivables and payables resulting from transactions between funds for services provided or goods received and from short-term interfund loans are classified as “Interfund Receivables/Payables.” Interfund loans which do not represent available expendable resources should have an equal offset which would be included in nonspendable fund balance unless the proceeds from their collection are restricted, committed, or assigned. Interfund balance amounts between governmental funds are eliminated in the Statement of Net Position.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

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

J. Compensated Absences

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

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

K. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring 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.

L. Payables, Accrued Liabilities, and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, 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, capital leases, 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.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

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

M. **Fund Balance**

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

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are not spendable in 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 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, laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City Council’s resolutions). 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 a formal action (ordinance) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts would represent intended uses established by City Council.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

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

M. **Fund Balance** (Continued)

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In the other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

N. **Net Position**

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. 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 either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

O. **Internal Activity**

Internal allocations of overhead expenses from one function to another or 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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

P. **Bond Premiums and Discounts**

On the government-wide financial statements, bond premiums and discounts 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 reported in the year the bonds are issued.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

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

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence.

R. 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.

S. 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 resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates.

The certificate of estimated resources establishes a limit on the amount City Council may appropriate. The appropriations ordinance is City Council's authorization to spend resources and set annual limits on expenditures plus encumbrances at the level of control selected by City Council. The legal level of control has been established by City Council at the object level. 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 certificate of estimated resources when the original and final appropriations were enacted by City Council.

The appropriation 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 reflect the first appropriation 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 City Council during the year.

NOTE 3: **CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION**

During the year, the City implemented the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 85, *Omnibus 2017*, Statement No. 86, *Certain Debt Extinguishment Issues*, 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)*.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 3: CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION (Continued)

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 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. 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 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:

| | |
|--|----------------|
| Net Position December 31, 2017 | \$ (2,095,332) |
| Adjustments: | |
| Net OPEB liability | (14,086,436) |
| Deferred Outflow - Payments Subsequent to Measurement Date | 65,879 |
| Restated Net Position December 31, 2017 | \$(16,115,889) |

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 were not available.

NOTE 4: ACCOUNTABILITY AND COMPLIANCE

A. Accountability

The following funds had deficit fund balances as of December 31, 2018:

Major Funds

| | |
|---|--------------|
| General Obligation Bond Retirement Fund | \$ 1,740,131 |
| Ohio Department of Transportation State Infrastructure Bank Loan Fund | 181,231 |

Nonmajor Funds

| | |
|--|---------|
| Special Revenue Funds: | |
| Street Lighting | 13,669 |
| Community Development and Building Grant | 14,854 |
| COPS Grant | 16,748 |
| 2007 Nature Works Grant | 19,589 |
| Capital Projects Funds: | |
| Land Acquisition | 186,270 |

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 4: **ACCOUNTABILITY AND COMPLIANCE** (Continued)

A. **Accountability** (Continued)

The deficits in the nonmajor special revenue funds are caused by the recognition of expenditures on the modified accrual basis of accounting. The General Fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficits in the General Obligation Bond Retirement Fund and the Land Acquisition Capital Projects Fund is the result of the issuance of anticipation notes which are used to finance projects until bonds are issued. Once the notes are retired or the bonds are issued, the deficits will be eliminated. The deficit in the Ohio Department of Transportation State Infrastructure Bank Loan fund is due to local roads rehabilitation project started in 2016. The City anticipates to receive the balance of loan proceeds in 2019, which will eliminate the deficit balance.

B. **Compliance**

Contrary to Section 5705.41 (B), Ohio Revised Code, the following funds, functions, departments, and objects had expenditures plus encumbrances in excess of appropriations:

This space intentionally left blank

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

| Fund/Function | Appropriations | Expenditures Plus Encumbrances | Excess |
|---|----------------|-----------------------------------|-------------|
| General Fund | | | |
| <u>Security of Persons and Property</u> | | | |
| Fire Department | | | |
| Personal Services | \$ 3,361,179 | \$ 3,436,771 | \$ (75,592) |
| <u>Security of Persons and Property</u> | | | |
| Police Department | | | |
| Contractual Services | 84,214 | 206,905 | (122,691) |
| <u>Leisure Time Activities</u> | | | |
| Park and Recreation | | | |
| Supplies and Materials | 201,136 | 210,314 | (9,178) |
| <u>Basic Utility Services</u> | | | |
| Service Building | | | |
| Personal Services | 2,203,039 | 2,528,195 | (325,156) |
| <u>General Government</u> | | | |
| Legal | | | |
| Contractual Services | 230,500 | 234,235 | (3,735) |
| Engineering | | | |
| Travel and Education | 68,164 | 83,557 | (15,393) |
| Other General Government | | | |
| Transfers Out | 2,623,809 | 2,755,276 | (131,467) |
| Nonmajor Governmental Funds | | | |
| Police Salary and Equipment Fund | | | |
| <u>Security of Persons and Property</u> | | | |
| Police and Others | | | |
| Personal Services | 107,885 | 127,000 | (19,115) |
| Street Lighting Fund | | | |
| Community Development | | | |
| Contractual Services | 205,000 | 219,485 | (14,485) |
| Juvenile Diversion Program Fund | | | |
| <u>Security of Persons and Property</u> | | | |
| Mandatory Drug Law | | | |
| Supplies and Material | 800 | 1,536 | (736) |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 5: BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), 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 Balance – Budget (Non-GAAP Budgetary Basis) and Actual for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budgetary basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP);
2. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP);
3. Encumbrances are treated as expenditures (budgetary) rather than as a part of restricted, committed, and assigned fund balances (GAAP);
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budgetary basis for the General Fund are as follows:

| Net Change in Fund Balance | | |
|-----------------------------|-----------------|--------------------------|
| | General Fund | ODOT SIB Loan Fund |
| GAAP Basis | \$ 291,730 | \$ 267,552 |
| Increase (Decrease) Due to: | | |
| Revenue Accruals | (237,391) | - |
| Expenditure Accruals | (675,135) | - |
| Net Impact of Encumbrances | (302,815) | - |
| Budgetary Basis | \$ (923,611) | \$ 267,552 |

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 6: FUND BALANCES

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

| | General | ODOT SIB Loan | General Bond Retirement | Other Governmental Funds | Total |
|---------------------------------------|----------------------------|----------------------------|-------------------------------|--------------------------------|----------------------------|
| <i>Nonspendable</i> | | | | | |
| Prepaid Items | \$ 178,480 | \$ - | \$ - | \$ - | \$ 178,480 |
| Inventories | 117,942 | - | - | - | 117,942 |
| Interfund Balance | 716,216 | - | - | - | 716,216 |
| <i>Total Nonspendable</i> | <u>1,012,638</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,012,638</u> |
| <i>Restricted</i> | | | | | |
| Fire Pension | - | - | - | 3,742 | 3,742 |
| Police Pension | - | - | - | 5,856 | 5,856 |
| Police and Fire Services | - | - | - | 60,819 | 60,819 |
| Other Law Enforcement | - | - | - | 57,544 | 57,544 |
| Master Plan Grant | - | - | - | 25,353 | 25,353 |
| BJA Grant | - | - | - | 18,027 | 18,027 |
| Streets and Highways | - | - | - | 299,327 | 299,327 |
| Building Levy | - | - | - | 88,118 | 88,118 |
| Residential Demolition | - | - | - | 193,436 | 193,436 |
| SIB Loan | - | - | - | 701,026 | 701,026 |
| Capital Improvements | - | - | - | 388,682 | 388,682 |
| Other Purposes | - | - | - | 17,676 | 17,676 |
| <i>Total Restricted</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,859,606</u> | <u>1,859,606</u> |
| <i>Committed</i> | | | | | |
| CRA monitoring fees | - | - | - | 136,275 | 136,275 |
| Economic development | - | - | - | 28,150 | 28,150 |
| Occupancy Program | - | - | - | 4,862 | 4,862 |
| <i>Total Committed</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>169,287</u> | <u>169,287</u> |
| <i>Assigned</i> | | | | | |
| Fiscal Year 2019 Appropriations | 1,258,322 | - | - | - | 1,258,322 |
| Purchases on Order: | | | | | |
| Police Programs and services | 5,959 | - | - | - | 5,959 |
| Fire Programs and services | 4,780 | - | - | - | 4,780 |
| Community and Leisure Time Activities | 3,010 | - | - | - | 3,010 |
| Streets and Public Works | 245,745 | - | - | - | 245,745 |
| General Government | 25,497 | - | - | - | 25,497 |
| <i>Total Assigned</i> | <u>1,543,313</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,543,313</u> |
| <i>Unassigned (Deficit)</i> | <u>5,517,741</u> | <u>(181,231)</u> | <u>(1,740,131)</u> | <u>(251,130)</u> | <u>3,345,249</u> |
| Total Fund Balance | <u><u>\$ 8,073,692</u></u> | <u><u>\$ (181,231)</u></u> | <u><u>\$ (1,740,131)</u></u> | <u><u>\$ 1,777,763</u></u> | <u><u>\$ 7,930,093</u></u> |

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 7: DEPOSITS AND INVESTMENTS

The City follows State statute and classifies held monies into three categories.

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

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

Interim monies 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 obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations.; and
6. The State Treasurer's investment pool (STAROhio).

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 7: **DEPOSITS AND INVESTMENTS** (Continued)

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

1. Bonds of the State of Ohio;
2. Bond of any municipal corporation, village, county, township or other political subdivision of this state, as to which there is not of principal, interest, or coupon; and,
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. Investments may only be made through specified dealers and institutions.

Deposits

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party.

At year-end, the carrying amount of the City's deposits was \$1,965,381 (excluding \$4,664 in segregated accounts) and the bank balance was \$2,142,852. Of the City's bank balance \$834,502 was covered by Federal Depository Insurance Company (FDIC) and \$1,308,350 was uninsured. At year-end, the City had \$600 in cash on hand.

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

Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The City's financial institution had enrolled in OPCS as of December 31, 2018.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 7: DEPOSITS AND INVESTMENTS (Continued)

Investments

As of December 31, 2018, the City had the following investments:

| Investment Type | Measurement Value | Level Input | Credit Rating (*) | Investment Maturities (in Years) | | |
|-----------------------------|---------------------|-------------|-------------------|----------------------------------|-------------------|-------------------|
| | | | | <1 | 1-3 | 3-5 |
| Money Market Mutual Funds | \$ 741,119 | N/A | AA+ | \$ 741,119 | \$ - | \$ - |
| Negotiable CD's | 2,315,459 | 1 | N/A | 1,091,419 | 981,407 | 242,633 |
| STAR Ohio | 4,301,199 | N/A | AAAm | 4,301,199 | - | - |
| Total Investments | <u>7,357,777</u> | | | <u>\$ 6,133,737</u> | <u>\$ 981,407</u> | <u>\$ 242,633</u> |
| Carrying Amount of Deposits | 1,965,381 | | | | | |
| Petty Cash | 600 | | | | | |
| Total Cash and Investments | <u>\$ 9,323,758</u> | | | | | |

* Credit Ratings were obtained from Standard & Poor's, respectively, for all investments.

Star Ohio is measured at net asset value per share while all other investments are measured at fair value. The City has categorized 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 Negotiable CD's are measured at fair value and is valued using quoted market prices (Level 1 inputs). All other 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). The above chart identifies the City's recurring fair value measurements as of December 31, 2018. As previously discussed, Star Ohio is reported at its net asset value.

Interest Rate Risk – The City has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and that an investment must be purchased with the expectation that it will be held to maturity. 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 two percent and be marked to market daily.

Credit Risk – STAROhio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The negotiable certificates of deposits were not rated. The credit ratings for the money market mutual fund were AA+ by Standard and Poor's. The City has no investment policy that would further limit its investment choices.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 7: **DEPOSITS AND INVESTMENTS** (Continued)

Investments (Continued)

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Securities backed by a federal government agency or instrumentality are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty’s trust department or agent but not in the City’s name. At the year end, the City’s investments in negotiable certificates of deposit was fully covered by the FDIC. The City has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

NOTE 8: **RECEIVABLES**

A. **Property Taxes**

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2018 for real and public utility property taxes represents collections for 2017 taxes. Property tax payments received during 2018 for tangible personal property, except for public utility property, are for prior year unpaid tangible personal property taxes.

Real property taxes (other than public utility property) are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by the County Auditor at 35 percent of the appraised market value, and reappraisal of all property is required every six years with a triennial update. The last reappraisal was completed for tax year 2015.

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31, if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Taxes not paid become delinquent after December 31 of the year in which payable. 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. Public utility real and tangible personal property taxes collected during the calendar year were levied in the preceding calendar year based on assessed values as of January 1 of that preceding year, the lien date.

Real and public utility 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 30. Under certain circumstances, state statute permits earlier or later payment dates to be established.

Public utility tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 8: **RECEIVABLES** (Continued)

A. **Property Taxes** (Continued)

The Cuyahoga County Fiscal Officer collects property tax on behalf of all taxing districts within the County. The Cuyahoga County Fiscal Officer periodically remits to the taxing districts their portions of the taxes collected.

The full tax rate for all City operations for the year ended December 31, 2018, was \$9.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2018 property tax receipts were based are as follows:

| Category | Assessed Value |
|-----------------|-----------------------|
| Real Property | \$ 206,045,000 |
| Public Property | 9,303,430 |
| Total | \$ 215,348,430 |

Property taxes receivable represents real and tangible personal property taxes and public utility taxes which are measurable as of December 31, 2018 and for which there is an enforceable legal claim. In the General Fund, the General Obligation Bond Retirement Fund, the Police Salary and Equipment, the Fire Salary and Equipment, the Street Lighting, the Building Levy, the Fire Pension, and the Police Pension special revenue funds, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2018 operations and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred inflows of resources.

B. **Municipal Income Taxes**

The City levies a municipal income tax of 2.60 percent on income earned within the City. Residents of the City who work and pay taxes in another community receive a fifty percent credit of their Warrensville Heights City income tax. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the Central Collection Agency (CCA) at least quarterly. Corporations and other individual taxpayers are also required to pay estimated tax quarterly and file a return annually. Taxes collected by CCA in one month are remitted to the City on the tenth of the following month. Municipal income tax revenue is credited entirely to the General Fund.

C. **Intergovernmental Receivables**

A summary of intergovernmental receivables follows:

| Revenue Description | Amount |
|------------------------------------|-------------------|
| Local Government | 200,437 |
| Cents Per Gallon and Excise Tax | 248,957 |
| Homestead and Rollback | 54,948 |
| Permissive Tax | 2,515 |
| Miscellaneous | 1,350 |
| Total Intergovernmental Receivable | \$ 508,207 |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 9: INTERFUND TRANSFERS

The transfers among City funds were made to provide additional resources for current operations and for the payment of debt. The following transfers were made during the year ended December 31, 2018:

| <u>Transfer To</u> | <u>Transfer From</u> |
|------------------------------------|----------------------|
| | General Fund |
| General Obligation Bond Retirement | \$ 575,000 |
| Non-Major Governmental Funds | 1,693,798 |
| Total | \$ 2,268,798 |

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; distribute unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money approved by council to the fund from which it was originally provided once a project is completed.

NOTE 10: INTERFUND BALANCES

Interfund balances at December 31, 2018, consist of the following interfund receivable and payables:

| <u>Interfund Payable</u> | <u>Interfund Receivable</u> |
|---|---------------------------------|
| | General Fund |
| Major Governmental Funds: | |
| General Obligation Bond Retirement Fund | \$ 46,954 |
| State Infrastructure Bank Loan Fund | 594,067 |
| Nonmajor Governmental Funds: | |
| Bereau of Justice Grant | 148 |
| Community Development Block Grant | 27,919 |
| COPS Grant | 21,566 |
| 2007 Nature Works Grant | 19,589 |
| Town Center Project Fund | 5,973 |
| Total | \$ 716,216 |

The loans to the other major and other governmental funds from the General Fund were made to cover expenditures until reimbursements are received. All of the loans will be repaid in subsequent periods.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 11: CAPITAL ASSETS

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

| | Balances 12/31/2017 | Additions | Disposals | Balances 12/31/2018 |
|---|------------------------|---------------------|-------------|------------------------|
| Governmental Activities | | | | |
| Nondepreciable Assets: | | | | |
| Land | \$ 3,641,410 | \$ - | \$ - | \$ 3,641,410 |
| Total Nondepreciable Assets | <u>3,641,410</u> | <u>-</u> | <u>-</u> | <u>3,641,410</u> |
| Depreciable Assets: | | | | |
| Land Improvements | 335,654 | - | - | 335,654 |
| Buildings | 14,874,941 | 29,730 | - | 14,904,671 |
| Machinery and Equipment | 1,772,758 | 55,515 | - | 1,828,273 |
| Furniture and Fixtures | 57,791 | - | - | 57,791 |
| Vehicles | 4,291,443 | 100,260 | - | 4,391,703 |
| Infrastructure: | | | | |
| Roads | 10,828,058 | - | - | 10,828,058 |
| Sanitary Sewers | 2,583,416 | - | - | 2,583,416 |
| Water Lines | 2,162,689 | - | - | 2,162,689 |
| Storm Sewers | 2,426,227 | - | - | 2,426,227 |
| Total Depreciable Assets | <u>39,332,977</u> | <u>185,505</u> | <u>-</u> | <u>39,518,482</u> |
| Less Accumulated Depreciation | | | | |
| Land Improvements | (168,741) | (16,552) | - | (185,293) |
| Buildings | (3,168,680) | (303,782) | - | (3,472,462) |
| Machinery and Equipment | (1,319,855) | (141,654) | - | (1,461,509) |
| Furniture and Fixtures | (17,374) | (5,377) | - | (22,751) |
| Vehicles | (3,170,039) | (187,729) | - | (3,357,768) |
| Infrastructure: | | | | |
| Roads | (4,129,322) | (148,302) | - | (4,277,624) |
| Sanitary Sewers | (1,673,716) | (34,363) | - | (1,708,079) |
| Water Lines | (1,344,033) | (23,174) | - | (1,367,207) |
| Storm Sewers | (1,439,353) | (32,262) | - | (1,471,615) |
| Total Accumulated Depreciation | <u>(16,431,113)</u> | <u>(893,195)</u> | <u>-</u> | <u>(17,324,308)</u> |
| Total Depreciable Assets, Net | <u>22,901,864</u> | <u>(707,690)</u> | <u>-</u> | <u>22,194,174</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 26,543,274</u> | <u>\$ (707,690)</u> | <u>\$ -</u> | <u>\$ 25,835,584</u> |

Depreciation expense was charged to governmental activities as follows:

| | |
|-----------------------------------|-------------------|
| Security of Persons and Property: | \$ 139,450 |
| Leisure Time Activities | 254,969 |
| Community Development | 9,932 |
| Public Works | 106,390 |
| General Government | 382,454 |
| Total Depreciation Expense | <u>\$ 893,195</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 12: LONG-TERM OBLIGATIONS

Original issuance amounts and interest rates of the City's debt issues are as follows:

| Debt Issue | Interest Rate | Original Issue | Year of Maturity |
|--|----------------|----------------|------------------|
| General obligation bonds: | | | |
| 2013 Various purpose improvement refunding bonds | 2.00%-3.125% | 9,055,000 | 2032 |
| 2013 Various purpose improvement refunding bonds | 2.00%-4.00% | 1,725,000 | 2029 |
| Unamortized Premium | n/a | 304,219 | 2032 |
| 2014 Cinema Park improvement bonds | 1.500% - 4.00% | 2,095,000 | 2030 |
| Unamortized Premium | n/a | 142,163 | 2030 |
| Certificates of participation: | | | |
| 2013 Certificates of participation | 3.125%-4.50% | 9,800,000 | 2037 |
| Unamortized premiums | n/a | 145,419 | 2013-2037 |
| Loan payable: | | | |
| Land installment loan | 4.50% | 450,000 | 2019 |
| State Infrastructure Bank Loan | 3.00% | 2,529,893 | 2025 |

This space is intentionally left blank

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 12: LONG-TERM OBLIGATIONS (Continued)

| | Restated Balances 12/31/2017 | Issued | Retired | Balances 12/31/2018 | Amounts Due in One Year |
|--------------------------------------|------------------------------------|---------------------|-----------------------|------------------------|-------------------------------|
| General Obligation Bonds: | | | | | |
| Various Purpose Bonds | | | | | |
| Series 2013-1 | \$ 5,920,000 | \$ - | \$ (470,000) | \$ 5,450,000 | \$ 485,000 |
| Various Purpose Bonds | | | | | |
| Series 2013-2 | 1,195,000 | - | (85,000) | 1,110,000 | 85,000 |
| Cinema Park Improvement | | | | | |
| Bond Series 2014 | 2,080,000 | - | (5,000) | 2,075,000 | - |
| Unamortized Premium | 331,940 | - | (24,561) | 307,379 | - |
| Total General Obligation Bonds | <u>9,526,940</u> | <u>-</u> | <u>(584,561)</u> | <u>8,942,379</u> | <u>570,000</u> |
| Certificates of Participation: | | | | | |
| 2013 Certificates of Participation | 9,800,000 | - | (100,000) | 9,700,000 | 365,000 |
| Unamortized Premium | 81,406 | - | (4,070) | 77,336 | - |
| Total Certificates of Participation: | <u>9,881,406</u> | <u>-</u> | <u>(104,070)</u> | <u>9,777,336</u> | <u>365,000</u> |
| Loans Payable: | | | | | |
| Land Installment Loan Payable | 192,502 | - | (94,115) | 98,387 | 98,387 |
| State Infrastructure Bank Loan | 2,529,893 | - | (284,275) | 2,245,618 | 292,868 |
| Total Loans Payable: | <u>2,722,395</u> | <u>-</u> | <u>(378,390)</u> | <u>2,344,005</u> | <u>391,255</u> |
| Other Long-Term Obligations: | | | | | |
| Compensated Absences | 2,468,803 | 113,201 | (320,597) | 2,261,407 | 264,791 |
| Claims Payable | 19,252 | 49,460 | (42,262) | 26,450 | 10,431 |
| Capital Leases | 222,213 | - | (80,084) | 142,129 | 55,372 |
| Net Pension Liability: | | | | | |
| OPERS | 6,772,296 | - | (2,055,053) | 4,717,243 | - |
| OP&F | 15,024,156 | - | (1,211,996) | 13,812,160 | - |
| Total Net Pension Liability | <u>21,796,452</u> | <u>-</u> | <u>(3,267,049)</u> | <u>18,529,403</u> | <u>-</u> |
| Net Pension OPEB: | | | | | |
| OPERS | 2,827,085 | 229,798 | - | 3,056,883 | - |
| OP&F | 11,259,351 | 1,491,506 | - | 12,750,857 | - |
| Total Net OPEB Liability | <u>14,086,436</u> | <u>1,721,304</u> | <u>-</u> | <u>15,807,740</u> | <u>-</u> |
| Total Other Long-Term Obligations: | <u>38,593,156</u> | <u>1,883,965</u> | <u>(3,709,992)</u> | <u>36,767,129</u> | <u>330,594</u> |
| Total Governmental Activities | <u>\$ 60,723,897</u> | <u>\$ 1,883,965</u> | <u>\$ (4,777,013)</u> | <u>\$ 57,830,849</u> | <u>\$ 1,656,849</u> |

The voted general obligation, special assessment refunding bonds for various purpose improvements and the street improvement general obligation bonds, and the certificate of participation will be paid with property tax revenue and special assessment revenue from the General Obligation Bond Retirement Fund.

Compensated absences, employer pension contributions, claims payable, and capital leases (see Notes 14 and 16 for additional detail on capital leases and claims payable) will be paid from the General Fund. There is no repayment schedule for the net pension liability. See Notes 17 and 18 for further information regarding net pension liability and net OPEB liability.

As of December 31, 2018, the City's overall legal debt margin was \$13,669,206 and the unvoted legal debt margin was \$2,901,785.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 12: LONG-TERM OBLIGATIONS (Continued)

The annual requirements to amortize all long-term debt outstanding as of December 31, 2017 are as follows:

| Year | General Obligation Bonds | | Governmental Activities | | | | State Infrastructure Bank Loan | |
|-----------|--------------------------|---------------------|-------------------------------|---------------------|-----------------------|-----------------|--------------------------------|-------------------|
| | Principal | Interest | Certificates of Participation | | Land Installment Loan | | Principal | Interest |
| | | | Principal | Interest | Principal | Interest | | |
| 2019 | \$ 570,000 | \$ 268,938 | \$ 365,000 | \$ 376,663 | \$ 98,387 | \$ 2,783 | \$ 292,868 | \$ 65,188 |
| 2020 | 870,000 | 252,125 | 380,000 | 358,062 | - | - | 301,719 | 56,337 |
| 2021 | 585,000 | 234,799 | 395,000 | 342,863 | - | - | 310,840 | 47,216 |
| 2022 | 910,000 | 215,900 | - | 327,062 | - | - | 320,234 | 37,822 |
| 2023 | 560,000 | 192,506 | - | 314,250 | - | - | 329,914 | 28,142 |
| 2024-2028 | 3,375,000 | 624,930 | 3,160,000 | 1,362,119 | - | - | 690,043 | 26,069 |
| 2029-2033 | 1,765,000 | 122,481 | 2,755,000 | 923,531 | - | - | - | - |
| 2034-2037 | - | - | 2,645,000 | 303,975 | - | - | - | - |
| Total | <u>\$ 8,635,000</u> | <u>\$ 1,911,679</u> | <u>\$ 9,700,000</u> | <u>\$ 4,308,525</u> | <u>\$ 98,387</u> | <u>\$ 2,783</u> | <u>\$ 2,245,618</u> | <u>\$ 260,774</u> |

NOTE 13: NOTE DEBT

In 2018, the City issued \$660,000 in General Obligation Emery Woods Improvement bond anticipation notes at 2.45 percent and maturing August 7, 2019.

The City issued \$1,100,000 in certificates of participation (COPs) in 2018 to retire \$1,300,000 in COPs issued in December 2017. These COPs were issued to provide funds for constructing, furnishing and equipping the City's Community Center. As of December 31, 2018, none of the proceeds have been spent.

The City also issued a \$639,000 Emery Woods Improvements bond anticipation notes on December 11, 2018 at 2.79 percent and maturing on December 11, 2019. As of December 31, 2018, none of the proceeds have been spent.

| | Balances 12/31/2017 | Issued | Retired | Balances 12/31/2018 |
|---|------------------------|---------------------|-----------------------|------------------------|
| 2017 Bond Anticipation Notes | | | | |
| Emery Woods Improvements | 639,000 | - | (639,000) | - |
| 2017 Emery Woods General Obligation Notes | | | | |
| Series 2017-1 | 720,000 | - | (720,000) | - |
| 2017 Certificates of Participation | | | | |
| Series 2017-1 | 1,300,000 | - | (1,300,000) | - |
| Improvement Bond Anticipation Note | | | | |
| 2018 Bond Anticipation Notes | | | | |
| Anticipation Note Series 2017 | - | 639,000 | - | 639,000 |
| 2018 Emery Woods General Obligation Notes | | | | |
| Series 2018-1 | - | 660,000 | - | 660,000 |
| 2018 Certificates of Participation | | | | |
| Series 2018-1 | - | 1,100,000 | - | 1,100,000 |
| Total Governmental Activities | <u>\$ 2,659,000</u> | <u>\$ 2,399,000</u> | <u>\$ (2,659,000)</u> | <u>\$ 2,399,000</u> |

All the notes are backed by the full faith and credit of the City and mature within one year. The note liability is reflected in the funds which received the proceeds. The notes will be paid off from the debt service funds.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 14: **LEASES**

Capital Leases

In previous years, the City has entered into several lease agreements for various vehicles, machinery and equipment. These lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of their minimum lease payments as of inception date.

| | Governmental Activities |
|---|----------------------------|
| Capital Leases, being depreciated | |
| Machinery & Equipment | \$ 106,960 |
| Vehicles | 502,567 |
| Total Capital Leases, being depreciated | 609,527 |
| Less: Accumulated Depreciation | (53,308) |
| Capital Leases, Net | \$ 556,219 |

The following is a schedule of the future long-term minimum lease payments required under the capital lease and present value of the minimum lease payments is as follows:

| Year | Payment |
|----------------------|------------|
| 2018 | \$ 61,173 |
| 2019 | 61,173 |
| 2020 | 29,143 |
| | 151,489 |
| Less Interest | (9,360) |
| Future Minimum Lease | \$ 142,129 |

Capital lease payments have been presented as part of the General Fund's program expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balances, and principal payments reduce liabilities rather than being an expense on the statement of activities.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 15: **CONTINGENCIES**

A. **Litigation**

The City is party to legal proceedings. The City management is of the opinion that the ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

B. **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.

This space is intentionally left blank

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 16: RISK MANAGEMENT

A. Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. During 2018, the City contracted with U.S. Specialty Insurance Company for various types of insurance as follows:

| <u>Company</u> | <u>Coverage</u> | <u>Amount</u> |
|------------------------------|--|-------------------------|
| U.S. Specialty Insurance Co. | General Liability (per occurrence/aggregate) | \$1,000,000/\$3,000,000 |
| | Damage to Premises Rented to You | 1,000,000 |
| | Premises Medical Payments (per person) | 10,000 |
| | Employee Benefits Liability (per occurrence/aggregate) | 1,000,000/3,000,000 |
| | Ohio Stop Gap Liability | 1,000,000 |
| | Employment Practice Liability | 1,000,000/1,000,000 |
| | Automobile Liability and Physical Damage Coverage: | |
| | Combined Bodily Injury and Property Damage | 1,000,000 |
| | Medical Payments | 5,000 |
| | Law Enforcement Liability (per occurrence/aggregate) | 1,000,000/3,000,000 |
| | Public Officials Liability (per occurrence/aggregate) | 1,000,000/1,000,000 |
| | Sexual Abuse Liability | 1,000,000/1,000,000 |
| | Crime: | |
| | Forgery and Alterations | 250,000 |
| | Computer Fraud | 250,000 |
| | Theft, Disappearance, and Destruction | 25,000 |
| | Employee Dishonesty | 500,000 |
| | Flood | 500,000 |
| | Earthquake | 500,000 |
| | Property (Building and Contents) Coverage | 27,655,943 |
| Inland Marine Coverage | 2,588,698 | |
| Umbrella Liability | 5,000,000 | |

Settled claims have not exceeded this commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from the prior year.

B. Workers' Compensation

The City participates in the State Workers' Compensation Retrospective Rating and Payment Plan. This Plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claims cost for injured employees. The balance of claims payable at December 31, 2018, represents an estimate of the liability for unpaid claims costs provided by Bureau of Workers' Compensation. The claims liability for the Workers' Compensation retrospective rating and payment system at December 31, 2018, was \$26,450. All of the claims are paid from the General Fund.

The claims liability reported at December 31, 2018 for workers' compensation is based on the requirements of Governmental Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated adjustment expenses.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 16: **RISK MANAGEMENT** (Continued)

Changes in claims activity for the years 2014 through 2018 are as follows:

| | <u>Beginning of Year</u> | <u>Claims</u> | <u>Payments</u> | <u>End of Year</u> |
|------|------------------------------|---------------|-----------------|------------------------|
| 2014 | 87,828 | - | 36,560 | 51,268 |
| 2015 | 51,268 | - | 2,129 | 49,139 |
| 2016 | 49,139 | - | 33,162 | 15,977 |
| 2017 | 15,977 | 4,395 | 1,120 | 19,252 |
| 2018 | 19,252 | 49,460 | 42,262 | 26,450 |

NOTE 17: **DEFINED BENEFIT PENSION PLAN**

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

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension. GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers.

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

All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 17: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

Plan Description - City employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administer 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 cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members 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 plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information):

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

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 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. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 17: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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.

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

| | State and Local |
|--|--------------------|
| 2018 Statutory Maximum Contribution Rates | |
| Employer | 14.0 % |
| Employee * | 10.0 % |
| 2018 Actual Contribution Rates | |
| Employer: | |
| Pension ** | 14.0 % |
| Post-Employment Health Care Benefits ** | 0.0 |
| Total Employer | 14.0 % |
| Employee | 10.0 % |

* Member contributions within 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 remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions was \$574,051 for fiscal year ending December 31, 2018. Of this amount, \$37,319 is reported as an intergovernmental payable.

B. 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 may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 17: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 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.

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

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

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

| | <u>Police</u> | <u>Firefighters</u> |
|--|----------------|---------------------|
| 2018 Statutory Maximum Contribution Rates | | |
| Employer | 19.50 % | 24.00 % |
| Employee | 12.25 % | 12.25 % |
| 2018 Actual Contribution Rates | | |
| Employer: | | |
| Pension | 19.00 % | 23.50 % |
| Post-employment Health Care Benefits | 0.50 | 0.50 |
| 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 \$1,036,722 for 2017. Of this amount, \$82,178 is reported as an intergovernmental payable.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 17: **DEFINED BENEFIT PENSION PLAN** (Continued)

C. Pension Liabilities, Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability 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 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:

| | OPERS Traditional Pension Plan | OP&F Police | OP&F Fire | Total |
|---|--------------------------------------|-------------------|-------------------|---------------|
| Proportion of the Net Pension Liability/Asset Prior Measurement Date | 0.029823% | 0.1142501% | 0.1229522% | |
| Proportion of the Net Pension Liability/Asset Current Measurement Date | 0.030069% | 0.1097825% | 0.1152646% | |
| Change in Proportionate Share | <u>0.000246%</u> | <u>-0.004468%</u> | <u>-0.007688%</u> | |
| Proportionate Share of the Net Pension Liability | \$ 4,717,243 | \$ 6,737,849 | \$ 7,074,311 | \$ 18,529,403 |
| Pension Expense | \$ 1,125,369 | \$ 769,699 | \$ 779,479 | \$ 2,674,547 |

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

| | OPERS | OP&F Police | OP&F Fire | Total |
|---|--------------------|------------------|--------------------|--------------------|
| Deferred Outflows of Resources | | | | |
| Differences between expected and actual experience | \$ 4,817 | \$ 102,251 | \$ 107,357 | \$ 214,425 |
| Changes of assumptions | 563,739 | 293,604 | 308,265 | 1,165,608 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 109,035 | 22,745 | 53,175 | 184,955 |
| City contributions subsequent to the measurement date | <u>574,051</u> | <u>484,962</u> | <u>551,760</u> | <u>1,610,773</u> |
| Total Deferred Outflows of Resources | <u>\$1,251,642</u> | <u>\$903,562</u> | <u>\$1,020,557</u> | <u>\$3,175,761</u> |
| Deferred Inflows of Resources | | | | |
| Net difference between projected and actual earnings on pension plan investments | \$ 1,012,730 | \$ 233,077 | \$ 244,716 | \$ 1,490,523 |
| Differences between expected and actual experience | 92,961 | 12,189 | 12,797 | 117,947 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | <u>-</u> | <u>204,856</u> | <u>407,709</u> | <u>612,565</u> |
| Total Deferred Inflows of Resources | <u>1,105,691</u> | <u>450,122</u> | <u>665,222</u> | <u>2,221,035</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 17: **DEFINED BENEFIT PENSION PLAN** (Continued)

C. Pension Liabilities, Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

\$1,610,773 reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 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:

| Year Ending December 31: | <u>OPERS</u> | <u>OP&F Police</u> | <u>OP&F Fire</u> | <u>Total</u> |
|--------------------------|--------------------|----------------------------|--------------------------|--------------------|
| 2019 | \$513,172 | \$135,713 | \$113,832 | \$762,717 |
| 2020 | (79,175) | 74,433 | 49,493 | \$44,751 |
| 2021 | (445,953) | (166,979) | (203,974) | (\$816,906) |
| 2022 | (416,144) | (120,646) | (169,445) | (\$706,235) |
| 2023 | - | 37,177 | 10,758 | 47,935 |
| Thereafter | - | 8,780 | 2,911 | 11,691 |
| Total | <u>(\$428,100)</u> | <u>(\$31,522)</u> | <u>(\$196,425)</u> | <u>(\$656,047)</u> |

D. Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (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 in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all prior 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, are presented below:

| | |
|---|--|
| Wage Inflation | 3.25 percent |
| Future Salary Increases, including inflation COLA or Ad Hoc COLA | 3.25 to 10.75 percent including wage inflation Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 3 percent, simple through 2018, then 2.15% simple |
| Investment Rate of Return | 7.5 percent |
| Actuarial Cost Method | Individual Entry Age |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 17: **DEFINED BENEFIT PENSION PLAN** (Continued)

D. Actuarial Assumptions – OPERS (Continued)

Mortality rates were based on the RP-2014 Health Annuitant Mortality table. For males, Health Annuitant Mortality tables were used, adjusted for mortality improvement back to the observant period base of 2006 and then established the base year as 2015. For females, Health 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.

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.

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 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 2016 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 | 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 |
| Total | <u>100.00 %</u> | <u>5.66 %</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 17: **DEFINED BENEFIT PENSION PLAN** (Continued)

D. Actuarial Assumptions – OPERS (Continued)

Discount Rate The discount rate used to measure the total pension liability was 7.5 percent, post-experience study results. 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 to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability 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 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%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|--|------------------------|-------------------------------------|------------------------|
| City’s proportionate share of the net pension liability | \$ 8,376,622 | \$ 4,717,243 | \$ 1,666,424 |

Changes Between Measurement Date and Report Date

In October 2018, the OPERS Board adopted certain assumption changes which will impact their valuation prepared as of January 1, 2018. The most significant change is a reduction in the assumed actuarial rate of return from 7.50 percent to 7.20 percent. Although the exact amount of these changes is not known, it has the potential to impact the City’s net pension liability.

E. 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.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 17: **DEFINED BENEFIT PENSION PLAN** (Continued)

E. Actuarial Assumptions – OP&F (Continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, are presented below:

| | |
|----------------------------|--------------------------------------|
| Valuation Date | January 1, 2017 |
| Actuarial Cost Method | Entry Age Normal |
| Investment Rate of Return | 8.00 percent |
| Projected Salary Increases | 3.75 percent to 10.5 percent |
| Payroll Increases | 3.25 percent |
| Inflation Assumptions | 2.75 percent |
| Cost of Living Adjustments | 2.20 percent and 3.00 percent Simple |

Mortality rates for active members were based on the RP2014 Total employee and Healthy Annuitant Mortality Tables rolled back to 2006, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent. For disabled retirees, the mortality rates were based on the RP2014 Disabled Mortality Tables rolled back to 2006, and projected with the Conduent Modified 2016 Improvement Scale.

The most recent experience study was completed January 1, 2017.

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 expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted 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 | 10 year Expected Real Rate of Return ** | 30 year Expected Real Rate of Return ** |
|-------------------------------|-------------------|---|---|
| Cash and Cash Equivalents | - % | | |
| Domestic Equity | 16.00 | 4.22 % | 4.36 % |
| Non-US Equity | 16.00 | 4.41 | 5.59 |
| Core Fixed Income * | 23.00 | 1.57 | 2.71 |
| U.S. Inflation Linked Bonds * | 17.00 | 0.98 | 2.52 |
| High Yield | 7.00 | 2.94 | 4.71 |
| Real Estate | 12.00 | 5.58 | 6.34 |
| Private Markets | 8.00 | 6.67 | 8.08 |
| Master Limited Partnerships | 8.00 | 7.50 | 79.93 |
| Private Credit | 5.00 | 6.93 | 7.26 |
| Real Assets | 8.00 | 6.88 | 7.24 |
| Total | 120.00 % | | |

Note: Assumptions are geometric

* levered 2x

** numbers are net of expected inflation

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 17: **DEFINED BENEFIT PENSION PLAN** (Continued)

E. Actuarial Assumptions – OP&F (Continued)

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

Discount Rate The total pension liability was calculated using the discount rate of 8.00 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 (7.25%) | Current Discount Rate (8.25%) | 1% Increase (9.25%) |
|--|------------------------|-------------------------------------|------------------------|
| City’s proportionate share of the net pension liability | \$ 19,147,276 | \$ 13,812,160 | \$ 9,460,885 |

NOTE 18: **DEFINED BENEFIT OPEB PLANS**

A. Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the City’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

A. Net OPEB Liability (Continued)

The net OPEB liability 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 OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

B. 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.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

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.

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 \$276 for 2018.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

C. 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.

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 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).

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

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

The City's contractually required contribution to OP&F was \$1,036,722 for 2018. Of this amount, \$2,111 is reported as an intergovernmental payable.

D. 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:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--------------------------------------|------------------|-------------------|---------------|
| Proportion of the Net OPEB Liability | | | |
| Prior Measurement Date | 0.027990% | 0.237200% | |
| Proportion of the Net OPEB Liability | | | |
| Current Measurement Date | <u>0.028150%</u> | <u>0.225047%</u> | |
| Change in Proportionate Share | <u>0.000160%</u> | <u>-0.012153%</u> | |
| | | | |
| Proportionate Share of the Net OPEB | | | |
| Liability | \$ 3,056,883 | \$ 12,750,857 | \$ 15,807,740 |
| OPEB Expense | \$ 264,643 | \$ 923,431 | \$ 1,188,074 |

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

D. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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&F</u> | <u>Total</u> |
|---|-------------------------|---------------------------|---------------------------|
| Deferred Outflows of Resources | | | |
| Differences between expected and actual experience | \$ 2,381 | \$ - | \$ 2,381 |
| Changes of assumptions | 222,573 | 1,244,213 | 1,466,786 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 8,217 | - | 8,217 |
| City contributions subsequent to the measurement date | <u>276</u> | <u>24,502</u> | <u>24,778</u> |
| Total Deferred Outflows of Resources | <u><u>\$233,447</u></u> | <u><u>\$1,268,715</u></u> | <u><u>\$1,502,162</u></u> |
| Deferred Inflows of Resources | | | |
| Differences between expected and actual experience | \$ - | \$ 64,310 | \$ 64,310 |
| Net difference between projected and actual earnings on OPEB plan investments | 227,718 | 83,932 | 311,650 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | <u>-</u> | <u>502,315</u> | <u>502,315</u> |
| Total Deferred Inflows of Resources | <u><u>\$227,718</u></u> | <u><u>\$650,557</u></u> | <u><u>\$878,275</u></u> |

\$24,778 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&F</u> | <u>Total</u> |
|--------------------------|-----------------------|-------------------------|-------------------------|
| Year Ending December 31: | | | |
| 2019 | \$54,552 | \$78,079 | \$132,631 |
| 2020 | 54,552 | 78,079 | 132,631 |
| 2021 | (46,720) | 78,079 | 31,359 |
| 2022 | (56,931) | 78,079 | 21,148 |
| 2023 | - | 99,062 | 99,062 |
| Thereafter | <u>-</u> | <u>182,278</u> | <u>182,278</u> |
| Total | <u><u>\$5,453</u></u> | <u><u>\$593,656</u></u> | <u><u>\$599,109</u></u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

E. Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan 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.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

E. Actuarial Assumptions – OPERS (Continued)

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 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 |
| Total | <u>100.00 %</u> | <u>4.98 %</u> |

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.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

E. Actuarial Assumptions – OPERS (Continued)

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:

| | 1% Decrease (2.85%) | Current Discount Rate (3.85%) | 1% Increase (4.85%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net OPEB liability | \$4,061,201 | \$3,056,883 | \$2,244,400 |

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 | \$2,924,785 | \$3,056,883 | \$3,193,336 |

Changes Between Measurement Date and Report Date

In October 2018, the OPERS Board adopted certain assumption changes which will impact their valuation prepared as of January 1, 2018. The most significant change is a reduction in the assumed actuarial rate of return from 6.50 percent to 6.00 percent. Although the exact amount of these changes is not known, it has the potential to impact the City’s net OPEB liability.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

F. 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.

| | |
|----------------------------|--|
| 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.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

F. Actuarial Assumptions – OP&F (Continued)

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 |

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

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

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

| 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

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

F. Actuarial Assumptions – OP&F (Continued)

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

Discount Rate The total OPEB liability was calculated using the discount rate of 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 | \$15,938,725 | \$12,750,857 | \$10,297,932 |

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.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

F. Actuarial Assumptions – OP&F (Continued)

Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

| Year | <u>Non-Medicare</u> | <u>Non-AARP</u> | <u>AARP</u> | <u>Rx Drug</u> | <u>Medicare Part B</u> |
|----------------|---------------------|-----------------|-------------|----------------|----------------------------|
| 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.

| | <u>1% Decrease</u> | <u>Current Rates</u> | <u>1% Increase</u> |
|---|--------------------|--------------------------|--------------------|
| City's proportionate share of the net OPEB liability | \$9,905,095 | \$12,750,857 | \$16,585,981 |

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 19: **COMPENSATED ABSENCES**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. All City employees earn vacation ranging from two to six weeks based upon length of service.

General administration employees not covered by a collective bargaining agreement earn sick leave of 120 hours annually, without limit on the amount they can accumulate. General administration employees may carry forward a maximum of 336 hours of vacation leave unless the employee's department head certifies to the Mayor that the employee has exceeded the maximum vacation hours allowed as a result of the employee's inability to use vacation leave due to staffing requirements. Upon separation from the City, a maximum of 25 percent of accumulated sick leave up to 240 hours and up to 336 hours of vacation leave shall be paid.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 19: **COMPENSATED ABSENCES** (Continued)

Fire department employees earn 168 hours of sick leave annually and may carry forward an unlimited amount. Upon separation from the City, fire department employees will be paid for 37.5 percent of their accumulated sick balance up to 1,080 hours and up to 120 hours of vacation leave shall be paid. The maximum amount of vacation leave that may be carried forward annually is 120 hours.

Police officers earn 120 hours of sick leave per year and may carry forward an unlimited amount of sick leave annually. However, only 480 hours of vacation time may be carried forward annually. Police officers separating from employment will be paid for any unused vacation balance with a maximum of 480 hours. Police officers with at least ten years of continuous City service will be paid 30 percent of their accumulated sick leave balance upon separation from the City, with a maximum of 400 hours.

Police dispatchers earn 120 hours of sick leave annually and may carry forward an unlimited amount; the maximum amount of vacation leave that may be carried forward is 336 hours. Upon separation from employment, dispatchers may be paid for all accumulated vacation leave up to 336 hours; however they are only paid for accumulated sick leave at 30 percent of total or a maximum of 232 hours if separation is by retirement and with at least ten years of continuous service with the City.

NOTE 20: **JOINTLY GOVERNED ORGANIZATIONS**

First Suburbs Consortium of Northeast Ohio Council of Governments

The City is a member of the First Suburbs Consortium of Northeast Ohio Council of Government (“Council”). The Council is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. The Council is currently comprised of 18 communities. The Council was formed to foster cooperation between municipalities in matters of mutual concern including but not limited to, initiation and support of policies and practices which protect, maintain and redevelop mature communities and other matters which affect health, safety, welfare, education, economic conditions, and regional development.

The Council is governed by an Assembly made up of one representative from each member community. The representatives then elect the Governing Board made up of a Chair, Vice Chair, and other members elected in annual elections. The Governing Board oversees and manages the Council.

The degree of control exercised by any participating government is limited to its representation in the Assembly and on the Governing Board.

During 2018, the City contributed \$1,500 to the Council. Financial information can be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 40 Severance Circle, Cleveland Heights, Ohio 44118.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 20: **JOINTLY GOVERNED ORGANIZATIONS** (Continued)

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 energy. NOPEC is currently comprised of members in over 235 communities who have been authorized by ballot to purchase energy on behalf of their citizens. The intent of NOPEC is to provide energy at the lowest possible rates while at the same time ensuring stability in prices by entering into long-term contracts with suppliers to provide energy 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 eight-member NOPEC Board of Directors. The Board of Directors 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 of Directors. The City of Warrensville Heights did not contribute to NOPEC during 2018. Financial information can be obtained by contacting NOPEC, 31320 Solon Rd, Suite 20, Solon, Ohio 44139.

Chagrin/Southeast Council of Government

The Chagrin/Southeast Council of Government operates the Chagrin/Southeast HazMat Response Team. The team was formed in 1990 to assist local fire departments in responding to incidents involving industrial chemicals. The Council of Government has established two subsidiary organizations, the West Shore Hazardous Materials Committee which provides hazardous material protection and assistance, and the West Shore Enforcement Bureau which provides extra assistance to cities in the form of a Swat Team. During 2018, the City contributed \$3,500 to the organization. The Chagrin/Southeast Council of Government financial statements may be obtained by contacting the Finance Director of the Village of Glenwillow, 29555 Pettibone Road, Glenwillow, Ohio 44139.

The City is a member of Valley Enforcement Regional Council of Government (“VERCOG”), a jointly governed organization. VERCOG is a regional council of government formed under Chapter 167 of the Ohio Revised Code. VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. It includes the supervision and control of the Valley Enforcement Group (“VEG”), which has been a mutual aid organization providing the mutual interchange and sharing of police personnel and police equipment.

VERCOG is comprised of communities located within the Chagrin Valley which exercise law enforcement authority under Ohio law and whose law enforcement agency consists of four or more full-time, sworn law enforcement officers. VERCOG is authorized to acquire and own police equipment and other property, to be used by all participating members, and may do any other thing permitted by law to accomplish its general purposes. During 2018, the City paid \$8,000 to VERCOG. Financial information can be obtained by contacting the City of Pepper Pike, 28000 Shaker Boulevard, Pepper Pike, Ohio 44124.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 21: OTHER SIGNIFICANT COMMITMENTS

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 were as follows:

| | <u>Encumbrances</u> |
|--|---------------------|
| General Fund | \$ 284,991 |
| Nonmajor Governmental Funds | 42,434 |
| Total Encumbrances-Governmental Funds | \$ 327,425 |

NOTE 22: TAX ABATEMENT DISCLOSURE

Income tax abatement program

As of December 31, 2018, the City of Warrensville Heights continues to pursue new and efficient economic development strategies that are fiscally responsible, support the creation of new jobs, and grow the City’s economic tax base.

The Warrensville Heights Occupancy Program (W.H.O.P.) provides a monetary grant to businesses occupying or looking to occupy, whether buying or leasing, existing vacant industrial and/or commercial property within the City of Warrensville Heights, where such occupancy results in new jobs in the City of Warrensville Heights. The grant is an annual payment from the City’s non-tax revenues, which is equal to a percentage of the businesses total annual payroll. Retail and food service businesses are not eligible program participants.

The business must currently employ at least twenty-five (25) full time or full-time equivalent employees with a current payroll, excluding benefits, exceeding \$500,000 and is creating at least ten (10) new jobs that will result in at least \$320,000 in new annual payroll within a three (3) year period beginning at the commencement date of the agreement.

An eligible grant recipient will receive an annual grant payment equal to no more than fifty percent (50%) of the total annual payroll taxes paid to the City of Warrensville Heights for the duration of the W.H.O.P. agreement. The duration of the agreement may not exceed the lease term if the benefiting business is leasing space.

Real Estate Tax abatement

The City of Warrensville Heights Community Reinvestment Areas was created in 1977. The program underwent major revisions in 1994. In fact, there are two types of CRAs – those created prior to July 1, 1994 and those after. The City Council passed legislative authority with designated area determined the size, the number of areas as well as the term and extent of the real property exemptions. Designations includes Northeast, Southeast and West boundaries of the City of Warrensville Heights.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 22: **TAX ABATEMENT DISCLOSURE** (Continued)

Real Estate Tax abatement (Continued)

The City's Reinvestment Area program is an economic development tool administered by City of Warrensville Heights and county government that provides real property tax exemptions for property owners who renovate existing or construct new buildings. For residential property, a tax exemption on the increase in the assessed valuation resulting from improvements. Residential application must be filed with the Housing Officer no later than six months after construction completion.

- A. Ten (10) years, for the remodeling of dwellings containing not more than two housing units and upon which the cost of remodeling is at least \$2,500;
- B. Twelve (12) years for remodeling of existing residential dwelling containing more than two housing units and upon which the cost of remodeling is at least \$5,000;
- C. Fifteen (15) years for new residential, commercial, and industrial facilities shall be negotiated on a case-by-case basis in advance of construction occurring.

Warrensville Heights Tax Increment Financing (TIF) is another economic development mechanism used by the city to apply payments derived from the increased assessed value of improvements to real property beyond that amount are directed towards a separate fund to finance the construction of infrastructure defined within the TIF legislation.

The City Council designate a Housing Officer to review applications and serve as the program lead. The city created a Tax Incentive Review Council (TIRC) to review performance of all agreements and projects.

City Council's incentive criteria for decision making

The City of Warrensville Heights has offered Community Reinvestment Area abatement and tax incentives programs to businesses based upon substantial investment into the City. All projects requires an application to the Office of Community and Economic Development, Mayoral review, Council approval and is filed with the County.

The City's Health Neighborhood Initiative housing development projects continues to rehabilitate areas of the city needing improvement. In 2018, we have continued to see increases in real estate values, particularly since the triannual appraisal occurred.

The total amount of tax abated for tax year 2017 is \$96,431.

Required Supplementary Information

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, 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 FISCAL YEARS (1)**

| Traditional Plan | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-------------|-------------|-------------|-------------|-------------|
| City's Proportion of the Net Pension Liability | 0.030069% | 0.029823% | 0.028017% | 0.027299% | 0.027299% |
| City's Proportionate Share of the Net Pension Liability | \$4,717,243 | \$6,772,296 | \$4,852,897 | \$3,292,564 | \$3,218,196 |
| City's Covered Payroll | \$3,973,692 | \$3,865,858 | \$3,533,442 | \$3,375,283 | \$3,507,777 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 118.71% | 175.18% | 137.34% | 97.55% | 91.74% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 84.66% | 77.25% | 81.08% | 86.45% | 86.36% |

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 OHIO POLICE AND FIRE PENSION FUND
 LAST FIVE FISCAL YEARS (1)**

| Police | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-------------|-------------|-------------|-------------|-------------|
| City's Proportion of the Net Pension Liability | 0.1097825% | 0.1142500% | 0.1144450% | 0.1145327% | 0.1145327% |
| City's Proportionate Share of the Net Pension Liability | \$6,737,849 | \$7,236,487 | \$7,362,327 | \$5,933,271 | \$5,578,102 |
| City's Covered Payroll | \$2,749,674 | \$2,970,400 | \$2,690,837 | \$2,523,995 | \$3,093,713 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 245.04% | 243.62% | 273.61% | 235.07% | 180.30% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 70.91% | 68.36% | 66.77% | 71.71% | 73.00% |
| Fire | 2018 | 2017 | 2016 | 2015 | 2014 |
| City's Proportion of the Net Pension Liability | 0.1152646% | 0.1229520% | 0.1252940% | 0.1232648% | 0.1232648% |
| City's Proportionate Share of the Net Pension Liability | \$7,074,311 | \$7,787,669 | \$8,060,251 | \$6,385,631 | \$6,003,382 |
| City's Covered Payroll | \$2,366,579 | \$2,557,613 | \$2,296,545 | \$2,199,736 | \$2,627,736 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 298.93% | 304.49% | 350.97% | 290.29% | 228.46% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 70.91% | 68.36% | 66.77% | 71.71% | 73.00% |

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CITY'S CONTRIBUTIONS - PENSION
 OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM – TRADITIONAL PLAN
 LAST SIX FISCAL YEARS (1)**

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually Required Contributions | \$574,051 | \$516,580 | \$463,903 | \$424,013 | \$405,034 | \$456,011 |
| Contributions in Relation to the Contractually Required Contribution | <u>(\$574,051)</u> | <u>(\$516,580)</u> | <u>(\$463,903)</u> | <u>(\$424,013)</u> | <u>(\$405,034)</u> | <u>(\$456,011)</u> |
| Contribution Deficiency / (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City's Covered Payroll | \$0 | \$3,973,692 | \$3,865,858 | \$3,533,442 | \$3,375,283 | \$3,507,777 |
| Pension Contributions as a Percentage of Covered | 14.00% | 13.00% | 12.00% | 12.00% | 12.00% | 13.00% |

(1) Information prior to 2013 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

See accompanying notes to the required supplementary information

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CITY'S CONTRIBUTIONS - PENSION
 OHIO POLICE AND FIRE PENSION FUND
 LAST TEN FISCAL YEARS**

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|---|----------------------|----------------------|----------------------|----------------------|--------------------|----------------------|--------------------|--------------------|--------------------|--------------------|
| <u>Contractually Required Contributions</u> | | | | | | | | | | |
| Police | \$484,962 | \$522,438 | \$564,376 | \$511,259 | \$479,559 | \$486,641 | \$332,201 | \$315,146 | \$318,591 | \$324,726 |
| Fire | \$551,760 | \$556,146 | \$601,039 | \$539,688 | \$516,938 | \$531,591 | \$399,714 | \$403,288 | \$358,172 | \$406,236 |
| Total Required Contributions | \$1,036,722 | \$1,078,584 | \$1,165,415 | \$1,050,947 | \$996,497 | \$1,018,232 | \$731,915 | \$718,434 | \$676,763 | \$730,962 |
| Contributions in Relation to the Contractually Required Contribution | <u>(\$1,036,722)</u> | <u>(\$1,078,584)</u> | <u>(\$1,165,415)</u> | <u>(\$1,050,947)</u> | <u>(\$996,497)</u> | <u>(\$1,018,232)</u> | <u>(\$731,915)</u> | <u>(\$718,434)</u> | <u>(\$676,763)</u> | <u>(\$730,962)</u> |
| Contribution Deficiency / (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>City's Covered Payroll</u> | | | | | | | | | | |
| Police | \$2,552,432 | \$2,749,674 | \$2,970,400 | \$2,690,837 | \$2,523,995 | \$3,093,713 | \$2,605,498 | \$2,471,733 | \$2,498,753 | \$2,546,871 |
| Fire | \$2,347,915 | \$2,366,579 | \$2,557,613 | \$2,296,545 | \$2,199,736 | \$2,627,736 | \$2,317,183 | \$2,337,901 | \$2,076,359 | \$2,354,991 |
| <u>Pension Contributions as a Percentage of Covered Payroll</u> | | | | | | | | | | |
| Police | 19.00% | 19.00% | 19.00% | 19.00% | 19.00% | [1] | 12.75% | 12.75% | 12.75% | 12.75% |
| Fire | 23.50% | 23.50% | 23.50% | 23.50% | 23.50% | [1] | 17.25% | 17.25% | 17.25% | 17.25% |

[1] – The portion of the City's contributions to fund pension obligations from January 1, 2013 thru May 31, 2013, for both police officers and firefighters was 14.81 percent and 19.31 percent, respectively. The portion of the City's contributions to fund pension obligations from June 1, 2013 thru December 31, 2013 for both police officers and firefighters was 16.65 percent and 21.15 percent, respectively.

See accompanying notes to the required supplementary information

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST TWO FISCAL YEARS (1)**

| | 2018 | 2017 |
|---|--------------|--------------|
| City's Proportion of the Net OPEB Liability | 0.028150% | 0.027990% |
| City's Proportionate Share of the Net OPEB Liability | \$ 3,056,883 | \$ 2,827,085 |
| City's Covered Payroll | \$ 3,847,733 | \$ 3,810,666 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 79.45% | 74.19% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 54.14% | 54.04% |

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of the City's measurement date, which is the prior calendar year end.

See accompanying notes to the required supplementary information

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 OHIO POLICE AND FIRE PENSION FUND
 LAST TWO FISCAL YEARS (1)**

| | 2018 | 2017 |
|---|---------------|---------------|
| City's Proportion of the Net OPEB Liability | 0.225047% | 0.237200% |
| City's Proportionate Share of the Net OPEB Liability | \$ 12,750,857 | \$ 11,259,351 |
| City's Covered Payroll | \$ 5,116,253 | \$ 5,528,013 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 249.22% | 203.68% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 14.13% | 15.96% |

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of the City's measurement date, which is the prior calendar year end.

See accompanying notes to the required supplementary information

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CITY'S CONTRIBUTIONS - OPEB
 OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST FOUR FISCAL YEARS (1)**

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|--------------|-----------------|-----------------|-----------------|
| Contractually Required Contribution | \$ 276 | \$ 40,298 | \$ 79,192 | \$ 71,970 |
| Contributions in Relation to the Contractually Required Contribution | <u>(276)</u> | <u>(40,298)</u> | <u>(79,192)</u> | <u>(71,970)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City Covered Payroll | \$ 4,107,257 | \$ 3,847,733 | \$ 3,810,666 0 | \$ 3,789,838 |
| Contributions as a Percentage of Covered Payroll | 0.01% | 1.05% | 2.08% | 1.90% |

(1) Information prior to 2015 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

See accompanying notes to the required supplementary information

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CITY'S CONTRIBUTIONS - OPEB
 OHIO POLICE AND FIRE PENSION FUND
 LAST TEN FISCAL YEARS**

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|
| Contractually Required Contribution | \$ 24,502 | \$ 25,581 | \$ 25,580 | \$ 26,425 | \$ 23,846 | \$ 170,997 | \$ 331,969 | \$ 325,549 | \$ 308,820 | \$ 330,876 |
| Contributions in Relation to the Contractually Required Contribution | <u>(24,502)</u> | <u>(25,581)</u> | <u>(25,580)</u> | <u>(26,425)</u> | <u>(23,846)</u> | <u>(170,997)</u> | <u>(331,969)</u> | <u>(325,549)</u> | <u>(308,820)</u> | <u>(330,876)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City Covered Payroll | \$ 4,900,347 | \$ 5,116,253 | \$ 5,528,013 | \$ 4,987,382 | \$ 4,723,731 | \$ 5,721,449 | \$ 4,922,681 | \$ 4,809,634 | \$ 4,575,112 | \$ 4,901,862 |
| Contributions as a Percentage of Covered Payroll | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 3.62% | 6.75% | 6.75% | 6.75% | 6.75% |

See accompanying notes to the required supplementary information

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018**

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2018.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) 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.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018.

Changes in assumptions: For 2018, the single discount rate changed from 4.23 percent to 3.85 percent

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2018.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the investment rate of return was reduced from 8.25 percent to 8.00 percent (b) the projected salary increases was reduced from 4.25% to 3.75% (c) the payroll increases was reduced from 3.75% to 3.25% (d) the inflation assumptions was reduced from 3.25% to 2.75% (e) the cost of living adjustments was reduced from 2.60% to 2.20% (f) rates of withdrawal, disability and service retirement were updated to reflect recent experience (g) mortality rates were updated to the RP-2014 Total Employee and Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2016 (h) mortality rates used in evaluating disability allowances

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018**

were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2016.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018.

Changes in assumptions: For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

Combining and Individual Fund Statements and Schedule

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

Nonmajor Special Revenue Funds

Special revenue funds are established 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. A description of the City's special revenue funds follows:

Street Construction, Maintenance, and Repair Fund

The Street Construction, Maintenance and Repair Fund accounts for ninety-two and one half percent (92.5%) of the state gasoline tax and motor vehicle registration fees restricted for street maintenance and repair.

State Highway Fund

The State Highway Fund accounts for seven and one half percent (7.5%) of the state gasoline tax and motor vehicle registration fees restricted for maintenance and repair of state highways within the City.

Police Levy Fund

The Police Salary and Equipment Fund accounts for property tax revenue levied for the payment of salaries and for the purchase of equipment in the police department.

Fire Levy Fund

The Fire Salary and Equipment Fund accounts for property tax revenue levied for the payment of salaries and for the purchase of equipment in the fire department.

Street Lighting Fund

The Street Lighting Fund accounts for property tax revenue levied to provide street lighting within the City.

Building Levy Fund

The Building Levy Fund accounts for property tax revenue levied for the payment of repairs to City owned buildings.

Fire Pension Fund

The Fire Pension Fund accounts for the accumulation of property taxes levied for the payment of employer's pension contributions.

Police Pension Fund

The Police Pension Fund accounts for the accumulation of property taxes levied for the payment of employer's pension contributions.

DARE Grant Fund

The DARE Grant Fund accounts for grant monies received which are used to educate the public regarding drug abuse and drug abuse prevention. This fund did not have any activity or a budget in 2018 and therefore no budgetary schedule has been provided.

Master Plan Grant Fund

The Master Plan Grant Fund accounts for revenues received from the Cuyahoga County Department of Development to be used for maintaining the City's master plan which is a plan to create and maintain a quality way of life for the City's residents and businesses in both the immediate and longer-term future.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

Bureau of Justice Grant Fund

The Bureau of Justice Grant Fund accounts for monies to be expended for safety equipment in the police department.

Community Development Block Grant Fund

The Community Development Block Grant Fund accounts for revenues received from the federal government and City matching funds and expenditures as prescribed under the Community Development Block Grant Program.

Law Enforcement Trust Fund

The Law Enforcement Trust Fund accounts for confiscated monies from criminals that are restricted, by state statute, for expenditures that would enhance the police department.

Juvenile Diversion Program Fund

The Juvenile Diversion Program Fund accounts for monies received from Cuyahoga County to be used to establish or expand community policing programs.

Fire Department Child Safety Grant Fund

The Fire Department Child Safety Grant Fund accounts for monies to be used for fire safety programs for children. This fund did not have any activity or a budget in 2018 and therefore no budgetary schedule has been provided.

EMS Computer Grant Fund

The EMS Computer Grant Fund accounts for monies from the state to be used for the purchase of equipment, computer software, and other costs associated with EMS mobile computing.

EMS Training and Equipment Grant Fund

The EMS Training and Equipment Grant Fund accounts for monies used for the purchase of computers in the fire department. This fund did not have any activity or a budget in 2018 and therefore no budgetary schedule has been provided.

Local Law Enforcement Block Grant Fund

The Local Law Enforcement Block Grant Fund accounts for monies used for the purchase of equipment in the police department. This fund did not have any activity or a budget in 2018 and therefore no budgetary schedule has been provided.

Sidewalk Replacement Fund

The Sidewalk Replacement Fund accounts for monies received from the Cuyahoga County Community Development department for the inspection and improvement of sidewalks within the City. This fund did not have any activity or a budget in 2018 and therefore no budgetary schedule has been provided.

COPS Grant Fund

The COPS Grant Fund accounts for monies from the federal government to be used for the purchase of equipment, computer software, and other costs associated with police mobile computing.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

FEMA Grant Fund

The FEMA Grant Fund accounts for monies received from the Federal Emergency Management Agency to be expended on personal protective equipment for use by the fire department. This fund did not have any activity or a budget in 2018 and therefore no budgetary schedule has been provided.

Cleveland Browns Foundation Fund

The Cleveland Browns Foundation Fund accounts for monies to be used for youth crime prevention programs. This fund did not have any activity or a budget in 2018 and therefore no budgetary schedule has been provided.

CRA Monitoring Fee Fund

The CRA Monitoring Fee Fund accounts for monies received from companies that have a Community Reinvestment Agreement with the City. Funds are to be used exclusively for the purpose of complying with Section 3735.671 (D) of the Ohio Revised Code.

The Cleveland Foundation Fund

The Cleveland Foundation Fund accounts for monies received from the Cleveland Foundation to be used for a summer and after school family based prevention program within the City. This fund did not have any activity or a budget in 2018 and therefore no budgetary schedule has been provided.

Economic Development Stimulus Incentive Grant Fund

The Economic Development Stimulus Incentive Grant Fund accounts for monies received from building permits issued to developers of the Emery Woods Housing Project.

Grass Refuse Fund

The Grass Refuse Fund accounts for monies received from a special assessment to be used for various expenses incurred by the City for upkeep on unkempt lots and/or lawns.

Homeland Security Grant Fund

The Homeland Security Grant Fund accounts for federal grant monies received to provide overtime payments to the service department employees participating in emergency preparedness . This fund did not have any activity or a budget in 2018 and therefore no budgetary schedule has been provided.

Civic Center Park Restoration Grant Fund

The Civic Center Park Restoration Grant Fund accounts for local grant monies used for the assessment, consultation, and implementation of sewer and drainage requirements; sidewalk repairs, and reconstruction; provision of recreation facilities; and rehabilitation of community housing and code enforcement. This fund did not have any activity or a budget in 2018 and therefore no budgetary schedule has been provided.

G.R.E.A.T. Grant Fund

The G.R.E.A.T. Grant Fund accounts for federal grant monies used to implement gang-prevention education activities and programming for elementary school students. This fund did not have any activity or a budget in 2018 and therefore no budgetary schedule has been provided.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

Fire Reporting Grant Fund

The Fire Reporting Grant Fund accounts for revenues received from the State of Ohio's Fire Marshall's office to be used towards computers, printers, and accessories to assist in the department's fire reporting requirements, and provide fire protection to the citizens for the community. This fund did not have any activity or a budget in 2018 and therefore no budgetary schedule has been provided.

2007 NatureWorks Grant Fund

The NatureWorks Grant Fund accounts for revenues received from the Ohio Department of Natural Resources and City's matching funds. The fund expends funds in compliance with the NatureWorks Local Grant Program State/Local Project Agreement, which includes: new playground equipment and various other improvements at the Green Road Civic Center and Park. This fund did not have any activity or a budget in 2018 and therefore no budgetary schedule has been provided.

2008 G.R.E.A.T. Grant Fund

The G.R.E.A.T. Grant Fund accounts for federal grant monies used to implement gang prevention education activities and programming for elementary school students. The 2008 grant is a subsequent grant to the 2007 G.R.E.A.T. Grant. This fund did not have any activity or a budget in 2018 and therefore no budgetary schedule has been provided.

Warrensville Heights Occupancy Program Fund

The Warrensville Heights Occupancy Program Fund accounts for fees received to be used for compliance monitoring of companies participating in the program.

Residential Demolition Fund

The Residential Demolition Fund accounts for monies to be used for asbestos remediation and demolition of properties deemed blighted by the City.

Community Recycling Grant Fund

The Community Recycling Grant Fund accounts for funds received from the Cuyahoga County Solid Waste District to be used for community recycling programs.

Continuing Professional Training Program Fund

The Continuing Professional Training Program Fund accounts for funds received from the State of Ohio Continuing Professional Training Program to be used for law enforcement continuing professional training.

Ohio Bureau Workers Compensation Intervention Grant Fund

The Ohio Bureau Workers Compensation Intervention Grant Fund accounts for funds received from the State of Ohio Bureau of Workers Compensation to be used for capital outlay equipment. This fund did not have any activity or a budget in 2018 and therefore no budgetary schedule has been provided.

Ohio Department of Aging Grant Fund

The Ohio Department of Aging Grant Fund accounts for funds received from the Department of Aging to be used for the senior community services. This fund did not have any activity or a budget in 2018 and therefore no budgetary schedule has been provided.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

Ohio Department of Aging Grant 2016-2017 Fund

The Ohio Department of Aging Grant Fund accounts for funds received from the Department of Aging to be used for the senior community services for 2016-2017 period. This fund did not have any activity or a budget in 2018 and therefore no budgetary schedule has been provided.

State Infrastructure Repayment Loan Fund

The State Infrastructure Repayment Loan Fund accounts for the funds received for hotel and motel taxes to be used for the repayment of state infrastructure bank loan.

Nonmajor Capital Projects Funds

Capital project funds are established 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. A description of the City's capital project funds follows:

Street Improvement Fund

The Street Improvement Fund accounts for grant monies and note proceeds used for the improvement of streets and curbs within the City.

Information Technology System Fund

The Information Technology System Fund accounts for resources to be used for purchasing computer hardware, application software, network telephone systems and other technology system upgrades.

Land Acquisition Fund

The Land Acquisition Fund accounts for resources set aside for future economic growth and development.

Emery Woods Project Fund

The Emery Woods Project Fund accounts for note proceeds used to pay for the costs of constructing a new development in the City which will consist of new houses.

Town Center Project Fund

The Town Center Project Fund accounts for note proceeds used to pay for the costs of constructing projects within the City's Town Center project.

Generators Fund

The Generator Fund accounts for monies received from a note issuance to be used for the purchase and installation of a generator at City Hall. This fund did not have any activity of a budget in 2018 and therefore no budgetary schedule has been provided.

Cinema Park Fund

The Cinema Park Fund accounts for note proceeds used to pay for the costs of the infrastructure improvements at a housing development project. This fund did not have any activity of a budget in 2018 and therefore no budgetary schedule has been provided.

City Hall Boiler Replacement Fund

The City Hall Boiler Replacement Fund accounts for monies received from a NOPEC "Powering Our Communities" grant that will be used to replace the City Hall's boiler. This fund did not have any activity of a budget in 2018 and therefore no budgetary schedule has been provided.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2018**

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|--|--|
| ASSETS | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 1,565,598 | \$ 866,219 | \$ 2,431,817 |
| Accounts Receivable | 17,298 | - | 17,298 |
| Intergovernmental Receivable | 275,638 | - | 275,638 |
| Property Taxes Receivable | 726,330 | - | 726,330 |
| Total Assets | <u>\$ 2,584,864</u> | <u>\$ 866,219</u> | <u>\$ 3,451,083</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts Payable | \$ 17,871 | \$ 18,834 | \$ 36,705 |
| Interfund Payable | 69,222 | 5,973 | 75,195 |
| Notes Payable | - | 639,000 | 639,000 |
| Total Liabilities | <u>87,093</u> | <u>663,807</u> | <u>750,900</u> |
| Deferred Inflows of Resources: | | | |
| Property Taxes | 522,458 | - | 522,458 |
| Unavailable Revenue - Delinquent Property Taxes | 203,872 | - | 203,872 |
| Unavailable Revenue - Other | 196,090 | - | 196,090 |
| Total Deferred Inflows of Resources | <u>922,420</u> | <u>-</u> | <u>922,420</u> |
| Fund Balances: | | | |
| Restricted | 1,470,924 | 388,682 | 1,859,606 |
| Committed | 169,287 | - | 169,287 |
| Unassigned (Deficit) | (64,860) | (186,270) | (251,130) |
| Total Fund Balances | <u>1,575,351</u> | <u>202,412</u> | <u>1,777,763</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 2,584,864</u> | <u>\$ 866,219</u> | <u>\$ 3,451,083</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2018**

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|--|--|
| REVENUES | | | |
| Property Taxes | \$ 570,865 | \$ - | \$ 570,865 |
| Hotel Taxes | 295,813 | - | 295,813 |
| Intergovernmental | 582,425 | - | 582,425 |
| Fines and Forfeitures | 26,389 | - | 26,389 |
| Charges for Services | 9,469 | - | 9,469 |
| All Other Revenues | 1,810 | - | 1,810 |
| Total Revenues | 1,486,771 | - | 1,486,771 |
| EXPENDITURES | | | |
| Security of Persons and Property: | | | |
| Police and Others | 384,761 | - | 384,761 |
| Fire | 192,885 | - | 192,885 |
| Community Development | 241,459 | 726,274 | 967,733 |
| Transportation | 624,588 | 244,300 | 868,888 |
| General Government | 4,800 | - | 4,800 |
| Capital Outlay | 14,925 | - | 14,925 |
| Debt Service: | | | |
| Principal Retirement | 141,079 | 143,196 | 284,275 |
| Interest and Fiscal Charges | 37,949 | 46,695 | 84,644 |
| Total Expenditures | 1,642,446 | 1,160,465 | 2,802,911 |
| Excess of Revenues Over (Under) Expenditures | (155,675) | (1,160,465) | (1,316,140) |
| OTHER FINANCING SOURCES | | | |
| Transfer In | 329,287 | 1,364,511 | 1,693,798 |
| Total Other Financing Sources | 329,287 | 1,364,511 | 1,693,798 |
| Net Change in Fund Balances | 173,612 | 204,046 | 377,658 |
| Fund Balances (Deficit) - Beginning of Year | 1,401,739 | (1,634) | 1,400,105 |
| Fund Balances - End of Year | \$ 1,575,351 | \$ 202,412 | \$ 1,777,763 |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2018**

| | <u>Street Maintenance</u> | <u>State Highway</u> | <u>Police Levy</u> | <u>Fire Levy</u> | <u>Street Lighting</u> |
|---|-------------------------------|--------------------------|------------------------|----------------------|----------------------------|
| ASSETS | | | | | |
| OUTFLOWS OF RESOURCES | | | | | |
| Assets: | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 192,937 | \$ 32,394 | \$ 25,737 | \$ 35,082 | \$ - |
| Accounts Receivable | - | - | - | - | - |
| Intergovernmental Receivable | 232,404 | 19,068 | 3,357 | 3,357 | 8,295 |
| Property Taxes Receivable | - | - | 118,234 | 118,234 | 245,916 |
| Total Assets | <u>\$ 425,341</u> | <u>\$ 51,462</u> | <u>\$ 147,328</u> | <u>\$ 156,673</u> | <u>\$ 254,211</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ 4,202 | \$ - | \$ - | \$ - | \$ 13,669 |
| Interfund Payable | - | - | - | - | - |
| <i>Total Liabilities</i> | <u>4,202</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>13,669</u> |
| Deferred Inflows of Resources: | | | | | |
| Property Taxes | - | - | 85,236 | 85,236 | 176,589 |
| Unavailable Revenue - Delinq. Property Taxes | - | - | 32,998 | 32,998 | 69,327 |
| Unavailable Revenue - Other | 160,278 | 12,996 | 3,357 | 3,357 | 8,295 |
| <i>Total Deferred Inflows of Resources</i> | <u>160,278</u> | <u>12,996</u> | <u>121,591</u> | <u>121,591</u> | <u>254,211</u> |
| Fund Balances: | | | | | |
| Restricted | 260,861 | 38,466 | 25,737 | 35,082 | - |
| Committed | - | - | - | - | - |
| Unassigned (Deficit) | - | - | - | - | (13,669) |
| Total Fund Balances (Deficit) | <u>260,861</u> | <u>38,466</u> | <u>25,737</u> | <u>35,082</u> | <u>(13,669)</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 425,341</u> | <u>\$ 51,462</u> | <u>\$ 147,328</u> | <u>\$ 156,673</u> | <u>\$ 254,211</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
 DECEMBER 31, 2018**

| | Building Levy | Fire Pension | Police Pension | Master Plan Grant | BJA Grant |
|---|--------------------------|-------------------------|---------------------------|------------------------------|----------------------|
| ASSETS | | | | | |
| OUTFLOWS OF RESOURCES | | | | | |
| Assets: | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 88,118 | \$ 3,742 | \$ 5,856 | \$ 25,353 | \$ 18,175 |
| Accounts Receivable | - | - | - | - | - |
| Intergovernmental Receivable | 2,829 | 2,489 | 2,489 | - | - |
| Property Taxes Receivable | 83,252 | 80,347 | 80,347 | - | - |
| Total Assets | \$ 174,199 | \$ 86,578 | \$ 88,692 | \$ 25,353 | \$ 18,175 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interfund Payable | - | - | - | - | 148 |
| <i>Total Liabilities</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>148</i> |
| Deferred Inflows of Resources: | | | | | |
| Property Taxes | 59,771 | 57,813 | 57,813 | - | - |
| Unavailable Revenue - Delinq. Property Taxes | 23,481 | 22,534 | 22,534 | - | - |
| Unavailable Revenue - Other | 2,829 | 2,489 | 2,489 | - | - |
| <i>Total Deferred Inflows of Resources</i> | <i>86,081</i> | <i>82,836</i> | <i>82,836</i> | <i>-</i> | <i>-</i> |
| Fund Balances: | | | | | |
| Restricted | 88,118 | 3,742 | 5,856 | 25,353 | 18,027 |
| Committed | - | - | - | - | - |
| Unassigned (Deficit) | - | - | - | - | - |
| Total Fund Balances (Deficit) | 88,118 | 3,742 | 5,856 | 25,353 | 18,027 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 174,199 | \$ 86,578 | \$ 88,692 | \$ 25,353 | \$ 18,175 |

| <u>CDBG Exterior</u> | <u>Law Enforcement Trust</u> | <u>Juvenile Diversion</u> | <u>EMS Computer</u> | <u>COPS Grant</u> | <u>CRA Monitoring</u> | <u>EDSI Grant</u> | <u>Grass Refuse</u> |
|--------------------------|--------------------------------------|-------------------------------|-------------------------|-----------------------|---------------------------|-----------------------|-------------------------|
| \$ 13,065 | \$ 14,925 | \$ 20,020 | \$ 3,000 | \$ 4,818 | \$ 136,275 | \$ 28,150 | \$ 13,637 |
| - | - | - | - | - | - | - | - |
| - | - | 1,350 | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>\$ 13,065</u> | <u>\$ 14,925</u> | <u>\$ 21,370</u> | <u>\$ 3,000</u> | <u>4,818</u> | <u>136,275</u> | <u>28,150</u> | <u>13,637</u> |
| | | | | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 27,919 | - | - | - | 21,566 | - | - | - |
| <u>27,919</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>21,566</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | | | | | | | |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| | | | | | | | |
| - | 14,925 | 21,370 | 3,000 | - | - | - | 13,637 |
| - | - | - | - | - | 136,275 | 28,150 | - |
| (14,854) | - | - | - | (16,748) | - | - | - |
| <u>(14,854)</u> | <u>14,925</u> | <u>21,370</u> | <u>3,000</u> | <u>(16,748)</u> | <u>136,275</u> | <u>28,150</u> | <u>13,637</u> |
| | | | | | | | |
| <u>\$ 13,065</u> | <u>\$ 14,925</u> | <u>\$ 21,370</u> | <u>\$ 3,000</u> | <u>\$ 4,818</u> | <u>\$ 136,275</u> | <u>\$ 28,150</u> | <u>\$ 13,637</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
 DECEMBER 31, 2018**

| | <u>2007 Nature Works</u> | <u>Warrensville Hts. Occupancy Program</u> | <u>Residential Demolition</u> | <u>Community Recycling Grant</u> | <u>CPT Program</u> |
|---|----------------------------------|--|-----------------------------------|--|------------------------|
| ASSETS | | | | | |
| OUTFLOWS OF RESOURCES | | | | | |
| Assets: | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ - | \$ 4,862 | \$ 193,436 | \$ 1,039 | \$ 21,249 |
| Accounts Receivable | - | - | - | - | - |
| Intergovernmental Receivable | - | - | - | - | - |
| Property Taxes Receivable | - | - | - | - | - |
| Total Assets | <u>-</u> | <u>\$ 4,862</u> | <u>\$ 193,436</u> | <u>\$ 1,039</u> | <u>\$ 21,249</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interfund Payable | 19,589 | - | - | - | - |
| <i>Total Liabilities</i> | <u>19,589</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Deferred Inflows of Resources: | | | | | |
| Property Taxes | - | - | - | - | - |
| Unavailable Revenue - Delinq. Property Taxes | - | - | - | - | - |
| Unavailable Revenue - Other | - | - | - | - | - |
| <i>Total Deferred Inflows of Resources</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances: | | | | | |
| Restricted | - | - | 193,436 | 1,039 | 21,249 |
| Committed | - | 4,862 | - | - | - |
| Unassigned (Deficit) | (19,589) | - | - | - | - |
| Total Fund Balances (Deficit) | <u>(19,589)</u> | <u>4,862</u> | <u>193,436</u> | <u>1,039</u> | <u>21,249</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ -</u> | <u>\$ 4,862</u> | <u>\$ 193,436</u> | <u>\$ 1,039</u> | <u>\$ 21,249</u> |

| <u>SIB Loan Repayment</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|-----------------------------------|---|
| \$ 683,728 | \$ 1,565,598 |
| 17,298 | 17,298 |
| - | 275,638 |
| - | 726,330 |
| <u>\$ 701,026</u> | <u>\$ 2,584,864</u> |

| | |
|------|-----------|
| \$ - | \$ 17,871 |
| - | 69,222 |
| - | 87,093 |

| | |
|---|---------|
| - | 522,458 |
| - | 203,872 |
| - | 196,090 |
| - | 922,420 |

| | |
|----------------|------------------|
| 701,026 | 1,470,924 |
| - | 169,287 |
| - | (64,860) |
| <u>701,026</u> | <u>1,575,351</u> |

| | |
|-------------------|---------------------|
| <u>\$ 701,026</u> | <u>\$ 2,584,864</u> |
|-------------------|---------------------|

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Street Maintenance</u> | <u>State Highway</u> | <u>Police Levy</u> | <u>Fire Levy</u> | <u>Street Lighting</u> |
|--|-------------------------------|--------------------------|------------------------|----------------------|----------------------------|
| REVENUES | | | | | |
| Property Taxes | \$ - | \$ - | \$ 97,725 | \$ 96,725 | \$ 189,232 |
| Hotel Taxes | - | - | - | - | - |
| Intergovernmental | 483,204 | 39,403 | 6,715 | 6,715 | 16,590 |
| Fines and Forfeitures | - | - | - | - | - |
| Charges for Services | - | - | - | - | - |
| All Other Revenues | - | - | - | - | - |
| Total Revenues | <u>483,204</u> | <u>39,403</u> | <u>104,440</u> | <u>103,440</u> | <u>205,822</u> |
| EXPENDITURES | | | | | |
| Security of Persons and Property: | | | | | |
| Police and Others | - | - | 127,000 | - | 194,493 |
| Fire | - | - | - | 107,885 | - |
| Community Environment | - | - | - | - | - |
| Transportation | 578,399 | 46,189 | - | - | - |
| General Government | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - |
| Debt Service: | | | | | |
| Principal Retirement | - | - | - | - | - |
| Interest and Fiscal Charges | - | - | - | - | - |
| Total Expenditures | <u>578,399</u> | <u>46,189</u> | <u>127,000</u> | <u>107,885</u> | <u>194,493</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(95,195)</u> | <u>(6,786)</u> | <u>(22,560)</u> | <u>(4,445)</u> | <u>11,329</u> |
| OTHER FINANCING SOURCES | | | | | |
| Transfer In | - | - | - | - | 4,517 |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,517</u> |
| Net Change in Fund Balances | (95,195) | (6,786) | (22,560) | (4,445) | 15,846 |
| Fund Balances (Deficit) - Beginning of Year | 356,056 | 45,252 | 48,297 | 39,527 | (29,515) |
| Fund Balances (Deficit) - End of Year | <u>\$ 260,861</u> | <u>\$ 38,466</u> | <u>\$ 25,737</u> | <u>\$ 35,082</u> | <u>\$ (13,669)</u> |

| Building Levy | Fire Pension | Police Pension | Master Plan Grant | BJA Grant | CDBG Exterior | Law Enforcement Trust |
|--------------------------|-------------------------|---------------------------|------------------------------|----------------------|--------------------------|--------------------------------------|
| \$ 68,717 | \$ 59,733 | \$ 58,733 | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - |
| 5,658 | 4,975 | 4,975 | - | 4,352 | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>74,375</u> | <u>64,708</u> | <u>63,708</u> | <u>-</u> | <u>4,352</u> | <u>-</u> | <u>-</u> |
| - | - | 75,000 | - | - | - | (14,925) |
| - | 85,000 | - | - | - | - | - |
| 20,460 | - | - | - | - | 29,808 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 14,925 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>20,460</u> | <u>85,000</u> | <u>75,000</u> | <u>-</u> | <u>-</u> | <u>29,808</u> | <u>-</u> |
| <u>53,915</u> | <u>(20,292)</u> | <u>(11,292)</u> | <u>-</u> | <u>4,352</u> | <u>(29,808)</u> | <u>-</u> |
| - | - | - | - | - | 30,000 | 6,260 |
| - | - | - | - | - | 30,000 | 6,260 |
| 53,915 | (20,292) | (11,292) | - | 4,352 | 192 | 6,260 |
| 34,203 | 24,034 | 17,148 | 25,353 | 13,675 | (15,046) | 8,665 |
| <u>\$ 88,118</u> | <u>\$ 3,742</u> | <u>\$ 5,856</u> | <u>\$ 25,353</u> | <u>\$ 18,027</u> | <u>\$ (14,854)</u> | <u>\$ 14,925</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Juvenile Diversion</u> | <u>EMS Computer</u> | <u>COPS Grant</u> | <u>CRA Monitoring</u> | <u>EDSI Grant</u> | <u>Grass Refuse</u> |
|--|-------------------------------|-------------------------|-----------------------|---------------------------|-----------------------|-------------------------|
| REVENUES | | | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Hotel Taxes | - | - | - | - | - | - |
| Intergovernmental | 4,950 | - | - | - | - | - |
| Fines and Forfeitures | - | - | - | 26,389 | - | - |
| Charges for Services | - | - | - | - | - | 4,969 |
| All Other Revenues | 1,810 | - | - | - | - | - |
| Total Revenues | <u>6,760</u> | <u>-</u> | <u>-</u> | <u>26,389</u> | <u>-</u> | <u>4,969</u> |
| EXPENDITURES | | | | | | |
| Security of Persons and Property: | | | | | | |
| Police and Others | 2,222 | - | - | - | - | - |
| Fire | - | - | - | - | - | - |
| Community Environment | - | - | - | - | - | 28,606 |
| Transportation | - | - | - | - | - | - |
| General Government | - | - | - | 4,800 | - | - |
| Capital Outlay | - | - | - | - | - | - |
| Debt Service: | | | | | | |
| Principal Retirement | - | - | - | - | - | - |
| Interest and Fiscal Charges | - | - | - | - | - | - |
| Total Expenditures | <u>2,222</u> | <u>-</u> | <u>-</u> | <u>4,800</u> | <u>-</u> | <u>28,606</u> |
| Excess of Revenues Over (Under) Expenditures | <u>4,538</u> | <u>-</u> | <u>-</u> | <u>21,589</u> | <u>-</u> | <u>(23,637)</u> |
| OTHER FINANCING SOURCES | | | | | | |
| Transfer In | - | - | - | - | - | 37,032 |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>37,032</u> |
| Net Change in Fund Balances | 4,538 | - | - | 21,589 | - | 13,395 |
| Fund Balances (Deficit) - Beginning of Year | 16,832 | 3,000 | (16,748) | 114,686 | 28,150 | 242 |
| Fund Balances (Deficit) - End of Year | <u>\$ 21,370</u> | <u>\$ 3,000</u> | <u>\$ (16,748)</u> | <u>\$ 136,275</u> | <u>\$ 28,150</u> | <u>\$ 13,637</u> |

| <u>2007 Nature Works</u> | <u>Warrensville Hts. Occupancy Program</u> | <u>Residential Demolition</u> | <u>Community Recycling Grant</u> | <u>CPT Program</u> | <u>SIB Loan Repayment</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|----------------------------------|--|-----------------------------------|--|------------------------|-----------------------------------|---|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 570,865 |
| - | - | - | - | - | 295,813 | 295,813 |
| - | - | - | 4,888 | - | - | 582,425 |
| - | - | - | - | - | - | 26,389 |
| - | 4,500 | - | - | - | - | 9,469 |
| - | - | - | - | - | - | 1,810 |
| <u>-</u> | <u>4,500</u> | <u>-</u> | <u>4,888</u> | <u>-</u> | <u>295,813</u> | <u>1,486,771</u> |
| - | - | - | - | 971 | - | 384,761 |
| - | - | - | - | - | - | 192,885 |
| - | 158,623 | - | 3,962 | - | - | 241,459 |
| - | - | - | - | - | - | 624,588 |
| - | - | - | - | - | - | 4,800 |
| - | - | - | - | - | - | 14,925 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 141,079 | 141,079 |
| - | - | - | - | - | 37,949 | 37,949 |
| <u>-</u> | <u>158,623</u> | <u>-</u> | <u>3,962</u> | <u>971</u> | <u>179,028</u> | <u>1,642,446</u> |
| <u>-</u> | <u>(154,123)</u> | <u>-</u> | <u>926</u> | <u>(971)</u> | <u>116,785</u> | <u>(155,675)</u> |
| - | 125,550 | 125,840 | 88 | - | - | 329,287 |
| - | 125,550 | 125,840 | 88 | - | - | 329,287 |
| - | (28,573) | 125,840 | 1,014 | (971) | 116,785 | 173,612 |
| <u>(19,589)</u> | <u>33,435</u> | <u>67,596</u> | <u>25</u> | <u>22,220</u> | <u>584,241</u> | <u>1,401,739</u> |
| <u>\$ (19,589)</u> | <u>\$ 4,862</u> | <u>\$ 193,436</u> | <u>\$ 1,039</u> | <u>\$ 21,249</u> | <u>\$ 701,026</u> | <u>\$ 1,575,351</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECT FUNDS
 DECEMBER 31, 2018**

| | Street Improvements | Information Technology System | Land Acquisition |
|---|--------------------------------|--|-----------------------------|
| ASSETS | | | |
| OUTFLOWS OF RESOURCES | | | |
| Assets: | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 337,059 | \$ 305 | \$ 471,564 |
| Total Assets | \$ 337,059 | \$ 305 | \$ 471,564 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts Payable | - | - | 18,834 |
| Interfund Payable | - | - | - |
| Notes Payable | - | - | 639,000 |
| Total Liabilities | - | - | 657,834 |
| Fund Balances: | | | |
| Restricted | 337,059 | 305 | - |
| Unassigned (Deficit) | - | - | (186,270) |
| Total Fund Balances (Deficit) | 337,059 | 305 | (186,270) |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 337,059 | \$ 305 | \$ 471,564 |

| Emery Woods Project | Town Center Project | Total Nonmajor Capital Projects Funds |
|------------------------------------|------------------------------------|--|
| \$ 40,519 | \$ 16,772 | \$ 866,219 |
| <u>\$ 40,519</u> | <u>\$ 16,772</u> | <u>\$ 866,219</u> |
| - | - | 18,834 |
| - | 5,973 | 5,973 |
| - | - | 639,000 |
| <u>-</u> | <u>5,973</u> | <u>663,807</u> |
| 40,519 | 10,799 | 388,682 |
| - | - | (186,270) |
| <u>40,519</u> | <u>10,799</u> | <u>202,412</u> |
| <u>\$ 40,519</u> | <u>\$ 16,772</u> | <u>\$ 866,219</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCES
 NON-MAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Street Improvements | Information Technology System | Land Acquisition |
|---|--------------------------------|--|-----------------------------|
| EXPENDITURES | | | |
| Community Environment | \$ - | \$ - | \$ 726,274 |
| Transportation | 242,653 | - | - |
| Debt Service: | - | - | - |
| Principal Retirement | 143,196 | - | - |
| Interest and Fiscal Charges | 35,832 | - | 10,863 |
| Total Expenditures | 421,681 | - | 737,137 |
| Excess of Revenues (Under) Expenditures | (421,681) | - | (737,137) |
| OTHER FINANCING SOURCES | | | |
| Transfer In | 750,000 | - | 614,511 |
| Total Other Financing Sources | 750,000 | - | 614,511 |
| Net Change in Fund Balances | 328,319 | - | (122,626) |
| Fund Balances (Deficit) - Beginning of Year | 8,740 | 305 | (63,644) |
| Fund Balances (Deficit) - End of Year | \$ 337,059 | \$ 305 | \$ (186,270) |



| Emery Woods Project | Town Center Project | Total Nonmajor Capital Projects Funds |
|------------------------------------|------------------------------------|--|
| \$ - | \$ - | \$ 726,274 |
| 1,647 | - | 244,300 |
| - | - | - |
| - | - | 143,196 |
| - | - | 46,695 |
| <u>1,647</u> | <u>-</u> | <u>1,160,465</u> |
| <u>(1,647)</u> | <u>-</u> | <u>(1,160,465)</u> |
| - | - | 1,364,511 |
| - | - | 1,364,511 |
| <u>(1,647)</u> | <u>-</u> | <u>204,046</u> |
| 42,166 | 10,799 | (1,634) |
| <u>\$ 40,519</u> | <u>\$ 10,799</u> | <u>\$ 202,412</u> |

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

Agency Funds

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations and other governmental units. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of operations.

Developers' Deposits Fund

The Developers Deposits Fund accounts for deposits from contractors, held by the City, to insure compliance with various City ordinances regarding development within the City.

Senior Civic Center Rental Fund

The Senior Civic Center Rental Fund accounts for monies received as security deposit for rental of the civic and senior center.

Payroll Clearing Fund

The Payroll Clearing Fund accounts for payroll deductions collected for other governmental units or entities.

Self-Insurance Fund

The Self-Insurance Fund accounts for payroll deductions collected for health care self-insurance.

Tax Incentive Fund

This fund is used to account for service payments in lieu of property taxes. The service payments are collected to implement the City's Master Plan for urban renewal, prevention and elimination of blight and deteriorations, land and building acquisitions, demolitions, site preparation and relocation expenses

Unclaimed Funds

This fund is used to account for stale dated checks issued by the City for various purposes. These dollars are held in this fund until a legal claim is made.

Flexible Spending Fund

The Tax Incentive Fund accounts for tax incentive activity related to the economic development of the City.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

| | Balance 12/31/2017 | Additions | Deletions | Balance 12/31/2018 |
|--|-----------------------|--------------|--------------|-----------------------|
| Developers' Deposits Fund | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 451,131 | \$ 563,985 | \$ 616,760 | \$ 398,356 |
| Liabilities | | | | |
| Deposits Held and Due to Others | \$ 451,131 | \$ 563,985 | \$ 616,760 | \$ 398,356 |
| Senior Civic Center Rental Fund | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 882 | \$ 12,931 | \$ 10,075 | \$ 3,738 |
| Liabilities | | | | |
| Deposits Held and Due to Others | \$ 882 | \$ 12,931 | \$ 10,075 | \$ 3,738 |
| Payroll Clearing Fund | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 216,818 | \$ 2,016,027 | \$ 2,034,722 | \$ 198,123 |
| Liabilities | | | | |
| Deposits Held and Due to Others | \$ 216,818 | \$ 2,016,027 | \$ 2,034,722 | \$ 198,123 |
| Self-Insurance Fund | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 401,006 | \$ 2,662,475 | \$ 2,685,804 | \$ 377,677 |
| Liabilities | | | | |
| Deposits Held and Due to Others | \$ 401,006 | \$ 2,662,475 | \$ 2,685,804 | \$ 377,677 |
| Tax Incentive Fund | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 4,001 | \$ 861,376 | \$ 478,071 | \$ 387,306 |
| Liabilities | | | | |
| Deposits Held and Due to Others | \$ 4,001 | \$ 861,376 | \$ 478,071 | \$ 387,306 |
| Unclaimed Funds | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 13,672 | \$ - | \$ - | \$ 13,672 |
| Liabilities | | | | |
| Deposits Held and Due to Others | \$ 13,672 | \$ - | \$ - | \$ 13,672 |
| Flexible Spending Fund | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 10,095 | \$ 41,514 | \$ 46,448 | \$ 5,161 |
| Liabilities | | | | |
| Deposits Held and Due to Others | \$ 10,095 | \$ 41,514 | \$ 46,448 | \$ 5,161 |
| Total - All Agency Funds | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 1,097,605 | \$ 6,158,308 | \$ 5,871,880 | \$ 1,384,033 |
| Liabilities | | | | |
| Deposits Held and Due to Others | \$ 1,097,605 | \$ 6,158,308 | \$ 5,871,880 | \$ 1,384,033 |

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

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, 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 | | |
| Revenues: | | | | |
| Property Taxes | \$ 396,161 | \$ 396,161 | \$ 420,512 | \$ 24,351 |
| Income Taxes | 17,438,392 | 17,873,401 | 17,958,559 | 85,158 |
| Intergovernmental | 708,888 | 726,944 | 729,002 | 2,058 |
| Interest | 136,127 | 139,595 | 139,990 | 395 |
| Licenses and Permits | 255,246 | 261,747 | 262,488 | 741 |
| Fines and Forfeitures | 245,658 | 251,915 | 252,628 | 713 |
| Rentals | 165,844 | 170,068 | 170,550 | 482 |
| Charges for Services | 563,572 | 577,926 | 579,563 | 1,637 |
| All Other Revenues | 267,769 | 274,589 | 275,367 | 778 |
| Total Revenues | <u>20,177,657</u> | <u>20,672,346</u> | <u>20,788,659</u> | <u>116,313</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Fire Department | | | | |
| Personal Services | 3,360,679 | 3,361,179 | 3,436,771 | (75,592) |
| Contractual Services | 50,811 | 50,811 | 19,610 | 31,201 |
| Supplies and Materials | 255,320 | 255,320 | 173,254 | 82,066 |
| Other Expenses | 23,000 | 23,000 | 7,083 | 15,917 |
| Total Fire Department | <u>3,689,810</u> | <u>3,690,310</u> | <u>3,636,718</u> | <u>53,592</u> |
| Police Department | | | | |
| Personal Services | 4,886,042 | 4,909,742 | 4,634,783 | 274,959 |
| Contractual Services | 76,214 | 84,214 | 206,905 | (122,691) |
| Supplies and Materials | 402,037 | 423,537 | 105,920 | 317,617 |
| Other Expenses | 66,000 | 66,000 | 47,660 | 18,340 |
| Total Police Department | <u>5,430,293</u> | <u>5,483,493</u> | <u>4,995,268</u> | <u>488,225</u> |
| Traffic Waiver | | | | |
| Personal Services | 58,146 | 58,146 | 56,475 | 1,671 |
| Contractual Services | 140,000 | 140,000 | 115,721 | 24,279 |
| Supplies and Materials | 2,100 | 2,100 | 68 | 2,032 |
| Total Animal Control | <u>200,246</u> | <u>200,246</u> | <u>172,264</u> | <u>27,982</u> |
| Total Security of Persons and Property | <u>9,320,349</u> | <u>9,374,049</u> | <u>8,804,250</u> | <u>569,799</u> |

Continued

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, 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 | | |
| Public Health & Welfare | | | | |
| Public Health | | | | |
| Contractual Services | 54,000 | 59,000 | 58,020 | 980 |
| Total Public Health and Welfare | <u>54,000</u> | <u>59,000</u> | <u>58,020</u> | <u>980</u> |
| Leisure Time Activities | | | | |
| Parks and Recreation | | | | |
| Personal Services | 70,886 | 133,886 | 103,930 | 29,956 |
| Contractual Services | 19,000 | 34,400 | 3,754 | 30,646 |
| Supplies and Materials | 153,450 | 201,136 | 210,314 | (9,178) |
| Total Parks and Recreation | <u>243,336</u> | <u>369,422</u> | <u>317,998</u> | <u>51,424</u> |
| Senior Services | | | | |
| Personal Services | 309,920 | 311,420 | 311,303 | 117 |
| Contractual Services | 5,924 | 20,000 | 11,837 | 8,163 |
| Supplies and Materials | 84,664 | 88,430 | 76,759 | 11,671 |
| Other Expenses | 20,000 | 20,000 | - | 20,000 |
| Total Senior Services | <u>420,508</u> | <u>439,850</u> | <u>399,899</u> | <u>39,951</u> |
| Total Leisure Time Activates | <u>663,844</u> | <u>809,272</u> | <u>717,897</u> | <u>91,375</u> |
| Community Enviroment | | | | |
| Planning Commission | | | | |
| Personal Services | 6,327 | 6,327 | 3,465 | 2,862 |
| Supplies and Materials | 1,800 | 1,800 | 25 | 1,775 |
| Total Planning Commission | <u>8,127</u> | <u>8,127</u> | <u>3,490</u> | <u>4,637</u> |
| Community Development | | | | |
| Personal Services | 143,449 | 143,449 | 126,687 | 16,762 |
| Contractual Services | 6,040 | 9,040 | 4,072 | 4,968 |
| Supplies and Materials | 44,760 | 44,810 | 25,875 | 18,935 |
| Total Community Development | <u>194,249</u> | <u>197,299</u> | <u>156,634</u> | <u>40,665</u> |
| Board of Zoning Appeals | | | | |
| Personal Services | 7,908 | 7,908 | 1,898 | 6,010 |
| Supplies and Materials | 500 | 500 | - | 500 |
| Total Board of Zoning Appeals | <u>8,408</u> | <u>8,408</u> | <u>1,898</u> | <u>6,510</u> |
| Building Department | | | | |
| Personal Services | 437,235 | 438,235 | 379,361 | 58,874 |
| Contractual Services | 35,834 | 48,634 | 45,007 | 3,627 |
| Supplies and Materials | 39,550 | 39,550 | 16,921 | 22,629 |
| Other Expenses | 3,000 | 3,000 | - | 3,000 |
| Total Building Department | <u>515,619</u> | <u>529,419</u> | <u>441,289</u> | <u>88,130</u> |
| Total Community Enviroment | <u>726,403</u> | <u>743,253</u> | <u>603,311</u> | <u>139,942</u> |

Continued

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, 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 |
|---------------------------------|------------------|------------------|------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| Basic Utility Services | | | | |
| Service Building | | | | |
| Personal Services | 1,959,839 | 2,203,039 | 2,528,195 | (325,156) |
| Contractual Services | 592,000 | 812,000 | 551,280 | 260,720 |
| Supplies and Materials | 865,732 | 875,732 | 368,521 | 507,211 |
| Total Basic Utility Services | <u>3,447,571</u> | <u>3,951,471</u> | <u>3,498,484</u> | <u>452,987</u> |
| General Government | | | | |
| City Council | | | | |
| Personal Services | 198,272 | 198,272 | 158,177 | 40,095 |
| Supplies and Materials | 208,652 | 217,652 | 97,428 | 120,224 |
| Total City Council | <u>406,924</u> | <u>415,924</u> | <u>255,605</u> | <u>160,319</u> |
| Clerk of Council | | | | |
| Personal Services | 599,325 | 601,325 | 591,218 | 10,107 |
| Supplies and Materials | 50,148 | 53,748 | 30,348 | 23,400 |
| Total Clerk of Council | <u>649,473</u> | <u>655,073</u> | <u>621,566</u> | <u>33,507</u> |
| Legal | | | | |
| Personal Services | 119,530 | 184,530 | 122,239 | 62,291 |
| Contractual Services | 185,500 | 230,500 | 234,235 | (3,735) |
| Supplies and Materials | 16,377 | 16,627 | 14,531 | 2,096 |
| Total Legal | <u>321,407</u> | <u>431,657</u> | <u>371,005</u> | <u>60,652</u> |
| Civil Service Commission | | | | |
| Personal Services | 9,363 | 9,363 | 8,881 | 482 |
| Supplies and Materials | 800 | 800 | 371 | 429 |
| Total Finance | <u>10,163</u> | <u>10,163</u> | <u>9,252</u> | <u>911</u> |
| Charter Review Commission | | | | |
| Personal Services | 1,139 | 1,139 | - | 1,139 |
| Total Charter Review Commission | <u>1,139</u> | <u>1,139</u> | <u>-</u> | <u>1,139</u> |
| Community Liason | | | | |
| Personal Services | 25,162 | 50,162 | 23,884 | 26,278 |
| Supplies and Materials | 250 | 250 | - | 250 |
| Total Mayor's Office | <u>25,412</u> | <u>50,412</u> | <u>23,884</u> | <u>26,528</u> |
| Human Resources | | | | |
| Personal Services | 154,796 | 174,796 | 140,514 | 34,282 |
| Contractual Services | 46,875 | 46,875 | 16,463 | 30,412 |
| Supplies and Materials | 10,934 | 10,934 | 2,519 | 8,415 |
| Total Human Resources | <u>212,605</u> | <u>232,605</u> | <u>159,496</u> | <u>73,109</u> |
| Information Systems | | | | |
| Contractual Services | 270,715 | 310,725 | 231,102 | 79,623 |
| Other Expenses | 20,000 | 20,000 | 11,755 | 8,245 |
| Total Public Properties | <u>290,715</u> | <u>330,725</u> | <u>242,857</u> | <u>87,868</u> |

Continued

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, 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 | | |
| Finance Department | | | | |
| Personal Services | 445,290 | 481,490 | 447,392 | 34,098 |
| Contractual Services | 14,000 | 21,000 | 12,063 | 8,937 |
| Supplies and Materials | 16,542 | 33,442 | 17,581 | 15,861 |
| Total Finance Department | <u>475,832</u> | <u>535,932</u> | <u>477,036</u> | <u>58,896</u> |
| Tax Department | | | | |
| Personal Services | 55,132 | 76,392 | 72,973 | 3,419 |
| Contractual Services | 300,000 | 300,000 | 284,580 | 15,420 |
| Supplies and Materials | 1,500 | 2,200 | 1,403 | 797 |
| Total Tax Department | <u>356,632</u> | <u>378,592</u> | <u>358,956</u> | <u>19,636</u> |
| Election | | | | |
| Personal Services | 40,000 | 40,000 | 11,139 | 28,861 |
| Total Retirees | <u>40,000</u> | <u>40,000</u> | <u>11,139</u> | <u>28,861</u> |
| Engineering | | | | |
| Travel and Education | 54,164 | 68,164 | 83,557 | (15,393) |
| Total Engineering | <u>54,164</u> | <u>68,164</u> | <u>83,557</u> | <u>(15,393)</u> |
| Other General Government | | | | |
| Personal Services | 95,929 | 96,029 | 81,224 | 14,805 |
| Contractual Services | 920,000 | 1,246,716 | 961,127 | 285,589 |
| Supplies and Materials | 230,606 | 246,606 | 21,468 | 225,138 |
| Other Expenses | 349,650 | 349,650 | - | 349,650 |
| Total Other General Government | <u>1,596,185</u> | <u>1,939,001</u> | <u>1,063,819</u> | <u>875,182</u> |
| Total General Government | <u>5,349,651</u> | <u>6,102,697</u> | <u>4,808,153</u> | <u>1,294,544</u> |
| Total Expenditures | <u>19,561,818</u> | <u>21,039,742</u> | <u>18,490,115</u> | <u>2,549,627</u> |
| Excess of Revenues Over (Under) Expenditures | 615,839 | (367,396) | 2,298,544 | 2,665,940 |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 239,211 | 245,303 | 245,998 | 695 |
| Transfers In | - | - | 8,445 | 8,445 |
| Transfers Out | (1,730,000) | (2,623,809) | (2,755,276) | (131,467) |
| Total Other Financing Sources (Uses) | <u>(1,490,789)</u> | <u>(2,378,506)</u> | <u>(2,500,833)</u> | <u>(122,327)</u> |
| Net Change in Fund Balance | (874,950) | (2,745,902) | (202,289) | 2,543,613 |
| Fund Balance - Beginning of Year | 4,432,157 | 4,432,157 | 4,432,157 | - |
| Prior Year Encumbrances | 491,011 | 491,011 | 491,011 | - |
| Fund Balance - End of Year | <u>\$ 4,048,218</u> | <u>\$ 2,177,266</u> | <u>\$ 4,720,879</u> | <u>\$ 2,543,613</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 OHIO DEPARTMENT OF TRANSPORTATION STATE INFRASTRUCTURE BANK LOAN
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ 450,000 | \$ 267,552 | \$ (182,448) |
| Net Change in Fund Balance | - | 450,000 | 267,552 | (182,448) |
| Fund Balance - Beginning of Year | 163,029 | 163,029 | 163,029 | - |
| Fund Balance - End of Year | <u>\$ 163,029</u> | <u>\$ 613,029</u> | <u>\$ 430,581</u> | <u>\$ (182,448)</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, 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**

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|---------------------|---------------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 372,897 | \$ 372,897 | \$ 391,614 | \$ 18,717 |
| Intergovernmental | 252,505 | 197,878 | 33,179 | (164,699) |
| Special Assessments | 1,541,094 | 1,207,697 | 202,499 | (1,005,198) |
| All Other Revenues | 102,626 | 80,424 | 13,485 | (66,939) |
| Total Revenues | <u>2,269,122</u> | <u>1,858,896</u> | <u>640,777</u> | <u>(1,218,120)</u> |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal | 2,600,000 | 2,680,000 | 2,680,000 | - |
| Interest & Fiscal Charges | 716,000 | 716,000 | 714,018 | 1,982 |
| Bond Issuance Costs | 35,000 | 55,000 | 44,092 | 10,908 |
| Total Debt Service | <u>3,351,000</u> | <u>3,451,000</u> | <u>3,438,110</u> | <u>12,890</u> |
| Total Expenditures | <u>3,351,000</u> | <u>3,451,000</u> | <u>3,438,110</u> | <u>12,890</u> |
| Other Financing Sources | | | | |
| Note Proceeds | 1,761,077 | 1,761,077 | 1,761,077 | - |
| Transfers In | 575,000 | 575,000 | 575,000 | - |
| Total Other Financing Sources | <u>2,336,077</u> | <u>2,336,077</u> | <u>2,336,077</u> | <u>-</u> |
| Net Change in Fund Balance | 1,254,199 | 743,973 | (461,256) | (1,205,230) |
| Fund Balance- Beginning of Year | 523,162 | 523,162 | 523,162 | - |
| Fund Balance - End of Year | <u>\$ 1,777,361</u> | <u>\$ 1,267,135</u> | <u>\$ 83,406</u> | <u>\$ (1,183,730)</u> |

See accompanying notes to the basic financial statements.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 STREET CONSTRUCTION, REPAIR, AND MAINTENANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------|-------------------|---|
| | Final | Actual | |
| Revenues: | | | |
| Intergovernmental | \$ 474,000 | \$ 485,622 | \$ 11,622 |
| Expenditures: | | | |
| Current: | | | |
| Transportation | | | |
| Personal Services | 325,000 | 325,000 | - |
| Supplies and Materials | 270,000 | 257,506 | 12,494 |
| Total Expenditures | 595,000 | 582,506 | 12,494 |
| Net Change in Fund Balance | (121,000) | (96,884) | 24,116 |
| Fund Balance - Beginning of Year | 263,148 | 263,148 | - |
| Prior Year Encumbrances | 25,882 | 25,882 | - |
| Fund Balance - End of Year | \$ 168,030 | \$ 192,146 | \$ 24,116 |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, 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**

| | <u>Budgeted Amounts</u> | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | |
| Intergovernmental | \$ 40,000 | \$ 39,375 | \$ (625) |
| Expenditures: | | | |
| Current: | | | |
| Transportation | | | |
| Personal Services | 46,000 | 46,000 | - |
| Net Change in Fund Balance | (6,000) | (6,625) | (625) |
| Fund Balance - Beginning of Year | 39,208 | 39,208 | - |
| Fund Balance - End of Year | <u>\$ 33,208</u> | <u>\$ 32,583</u> | <u>\$ (625)</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 POLICE LEVY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Budgeted Amounts</u> | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | |
| Property Taxes | \$ 91,602 | \$ 97,725 | \$ 6,123 |
| Intergovernmental | 10,897 | 6,715 | (4,182) |
| Total Revenues | <u>102,499</u> | <u>104,440</u> | <u>1,941</u> |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| Police and Others: | | | |
| Personal Services | <u>107,885</u> | <u>127,000</u> | <u>(19,115)</u> |
| Net Change in Fund Balance | (5,386) | (22,560) | (17,174) |
| Fund Balance - Beginning of Year | 48,297 | 48,297 | - |
| Fund Balance - End of Year | <u>\$ 42,911</u> | <u>\$ 25,737</u> | <u>\$ (17,174)</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 FIRE LEVY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|---|
| | Final | Actual | |
| Revenues: | | | |
| Property Taxes | \$ 91,602 | \$ 96,725 | \$ 5,123 |
| Intergovernmental | 10,398 | 6,715 | (3,683) |
| Total Revenues | <u>102,000</u> | <u>103,440</u> | <u>1,440</u> |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| Fire | | | |
| Personal Services | <u>107,885</u> | <u>107,885</u> | <u>-</u> |
| Net Change in Fund Balance | (5,885) | (4,445) | 1,440 |
| Fund Balance - Beginning of Year | 39,527 | 39,527 | - |
| Fund Balance - End of Year | <u>\$ 33,642</u> | <u>\$ 35,082</u> | <u>\$ 1,440</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 STREET LIGHTING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|----------------|---|
| | Final | Actual | |
| Revenues: | | | |
| Property Taxes | \$ 180,687 | \$ 189,232 | \$ 8,545 |
| Intergovernmental | 26,796 | 16,590 | (10,206) |
| Total Revenues | <u>207,483</u> | <u>205,822</u> | <u>(1,661)</u> |
| Expenditures: | | | |
| Current: | | | |
| Community Development | | | |
| Contractual Services | <u>205,000</u> | <u>219,485</u> | <u>(14,485)</u> |
| Other Financing Sources | | | |
| Transfers In | <u>4,517</u> | <u>4,517</u> | <u>-</u> |
| Net Change in Fund Balance | 7,000 | (9,146) | (16,146) |
| Fund Balance - Beginning of Year | 9,146 | 9,146 | - |
| Fund Balance - End of Year | <u>\$ 16,146</u> | <u>\$ -</u> | <u>\$ (16,146)</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 BUILDING LEVY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Budgeted Amounts</u> | | Variance with |
|-----------------------------------|-------------------------|------------------|--|
| | <u>Final</u> | <u>Actual</u> | Final Budget Positive (Negative) |
| Revenues: | | | |
| Property Taxes | \$ 65,277 | \$ 68,717 | \$ 3,440 |
| Intergovernmental | 5,974 | 5,658 | (316) |
| Total Revenues | <u>71,251</u> | <u>74,375</u> | <u>3,124</u> |
| Expenditures: | | | |
| Current: | | | |
| Community Development | | | |
| Contractual Services | 65,000 | 20,370 | 44,630 |
| Supplies and Materials | 8,000 | 90 | 7,910 |
| Total Expenditures | <u>73,000</u> | <u>20,460</u> | <u>52,540</u> |
| Net Change in Fund Balance | (1,749) | 53,915 | 55,664 |
| Fund Balance - Beginning of Year | 27,074 | 27,074 | - |
| Prior Year Encumbrances | 7,129 | 7,129 | - |
| Fund Balance - End of Year | <u>\$ 32,454</u> | <u>\$ 88,118</u> | <u>\$ 55,664</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 FIRE PENSION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-----------------|---|
| | Final | Actual | |
| Revenues: | | | |
| Property Taxes | \$ 55,934 | \$ 59,733 | \$ 3,799 |
| Intergovernmental | 8,066 | 4,975 | (3,091) |
| Total Revenues | <u>64,000</u> | <u>64,708</u> | <u>708</u> |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| Fire | | | |
| Personal Services | 85,000 | 85,000 | - |
| Net Change in Fund Balance | (21,000) | (20,292) | 708 |
| Fund Balance - Beginning of Year | 24,034 | 24,034 | - |
| Fund Balance - End of Year | <u>\$ 3,034</u> | <u>\$ 3,742</u> | <u>\$ 708</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 POLICE PENSION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-----------------|---|
| | Final | Actual | |
| Revenues: | | | |
| Property Taxes | \$ 55,934 | \$ 58,733 | \$ 2,799 |
| Intergovernmental | 8,066 | 4,975 | (3,091) |
| Total Revenues | <u>64,000</u> | <u>63,708</u> | <u>(292)</u> |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| Police and Others: | | | |
| Personal Services | 75,000 | 75,000 | - |
| Net Change in Fund Balance | (11,000) | (11,292) | (292) |
| Fund Balance - Beginning of Year | 17,148 | 17,148 | - |
| Fund Balance - End of Year | <u>\$ 6,148</u> | <u>\$ 5,856</u> | <u>\$ (292)</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 MASTER PLAN GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Budgeted Amounts</u> | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Net Change in Fund Balance | \$ - | \$ - | \$ - |
| Fund Balance - Beginning of Year | 25,353 | 25,353 | - |
| Fund Balance - End of Year | <u>\$ 25,353</u> | <u>\$ 25,353</u> | <u>\$ -</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 BUREAU OF JUSTICE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Budgeted Amounts</u> | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | |
| Intergovernmental | \$ 5,000 | \$ 4,352 | \$ (648) |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property | | | |
| Police Safety Equipment | | | |
| Personal Services | 5,000 | - | 5,000 |
| Net Change in Fund Balance | - | 4,352 | 4,352 |
| Fund Balance - Beginning of Year | 13,823 | 13,823 | - |
| Fund Balance - End of Year | <u>\$ 13,823</u> | <u>\$ 18,175</u> | <u>\$ 4,352</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 COMMUNITY DEVELOPMENT BLOCK GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Budgeted Amounts</u> | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Expenditures: | | | |
| Current: | | | |
| Community Development | | | |
| Contractual Services | \$ 30,000 | \$ 29,808 | \$ 192 |
| Other Financing Sources | | | |
| Transfers In | 30,000 | 30,000 | - |
| Net Change in Fund Balance | - | 192 | 192 |
| Fund Balance - Beginning of Year | 12,873 | 12,873 | - |
| Fund Balance - End of Year | <u>\$ 12,873</u> | <u>\$ 13,065</u> | <u>\$ 192</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 LAW ENFORCEMENT TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Budgeted Amounts</u> | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|------------------|---|
| | <u>Final</u> | <u>Actual</u> | <u>(Negative)</u> |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property | | | |
| Law enforcement | | | |
| Travel and Education | \$ 15,000 | \$ 14,925 | \$ 75 |
| Other Financing Sources | | | |
| Transfers In | 8,000 | 6,260 | (1,740) |
| Net Change in Fund Balance | (7,000) | (8,665) | (1,665) |
| Fund Balance - Beginning of Year | 8,665 | 8,665 | - |
| Prior Year Encumbrances | 14,925 | 14,925 | - |
| Fund Balance - End of Year | <u>\$ 16,590</u> | <u>\$ 14,925</u> | <u>\$ (1,665)</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 JUVENILE DIVERSION PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Budgeted Amounts</u> | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | |
| Intergovernmental | \$ 3,527 | \$ 3,600 | \$ 73 |
| All Other Revenues | 1,773 | 1,810 | 37 |
| Total Revenues | <u>5,300</u> | <u>5,410</u> | <u>110</u> |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| Mandatory Drug Law | | | |
| Personal Services | 4,800 | 686 | 4,114 |
| Supplies and Materials | 800 | 1,536 | (736) |
| Total Expenditures | <u>5,600</u> | <u>2,222</u> | <u>3,378</u> |
| Net Change in Fund Balance | (300) | 3,188 | 3,488 |
| Fund Balance - Beginning of Year | 16,832 | 16,832 | - |
| Fund Balance - End of Year | <u>\$ 16,532</u> | <u>\$ 20,020</u> | <u>\$ 3,488</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 EMS COMPUTER GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-----------------|---|
| | Final | Actual | |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property | | | |
| Fire | | | |
| Supplies and Materials | \$ 3,000 | \$ - | \$ 3,000 |
| Net Change in Fund Balance | (3,000) | - | 3,000 |
| Fund Balance - Beginning of Year | 3,000 | 3,000 | - |
| Fund Balance - End of Year | \$ - | \$ 3,000 | \$ 3,000 |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 COPS GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Budgeted Amounts</u> | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|-----------------|---|
| | <u>Final</u> | <u>Actual</u> | <u>(Negative)</u> |
| Revenues: | | | |
| All Other Revenues | \$ 200 | \$ - | \$ (200) |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| Police and Others: | | | |
| Supplies and Materials | 5,000 | - | 5,000 |
| Net Change in Fund Balance | (4,800) | - | 4,800 |
| Fund Balance - Beginning of Year | 4,818 | 4,818 | - |
| Fund Balance - End of Year | <u>\$ 18</u> | <u>\$ 4,818</u> | <u>\$ 4,800</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 CRA MONITORING FEE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Budgeted Amounts</u> | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|-------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | |
| Fines, Licenses and Permits | \$ 30,000 | \$ 26,389 | \$ (3,611) |
| Expenditures: | | | |
| Current: | | | |
| General Government | | | |
| Contractual Services | 100,000 | 54,800 | 45,200 |
| Net Change in Fund Balance | (70,000) | (28,411) | 41,589 |
| Fund Balance - Beginning of Year | 164,686 | 164,686 | - |
| Fund Balance - End of Year | <u>\$ 94,686</u> | <u>\$ 136,275</u> | <u>\$ 41,589</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 ECONOMIC DEVELOPMENT STIMULUS GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Budgeted Amounts</u> | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|------------------|---|
| | <u>Final</u> | <u>Actual</u> | <u>(Negative)</u> |
| Expenditures: | | | |
| Current: | | | |
| Community Development | | | |
| Supplies and Materials | \$ 28,150 | \$ - | \$ 28,150 |
| Net Change in Fund Balance | (28,150) | - | 28,150 |
| Fund Balance - Beginning of Year | 28,150 | 28,150 | - |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ 28,150</u> | <u>\$ 28,150</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 GRASS REFUSE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Budgeted Amounts</u> | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | |
| Charges for Services | \$ 4,968 | \$ 4,969 | \$ 1 |
| Expenditures: | | | |
| Current: | | | |
| Community Development | | | |
| Contractual Services | 28,606 | 28,606 | - |
| Other Financing Sources | | | |
| Transfers In | 37,032 | 37,032 | - |
| Net Change in Fund Balance | 13,394 | 13,395 | 1 |
| Fund Balance - Beginning of Year | 242 | 242 | - |
| Fund Balance - End of Year | <u>\$ 13,636</u> | <u>\$ 13,637</u> | <u>\$ 1</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 WARRENSVILLE HEIGHTS OCCUPANCY PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Budgeted Amounts</u> | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|-----------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | |
| Charges for Services | \$ 4,450 | \$ 4,500 | \$ 50 |
| Expenditures: | | | |
| Current: | | | |
| Community Development | | | |
| Contractual Services | 158,623 | 158,623 | - |
| Other Financing Sources | | | |
| Transfers In | 125,550 | 125,550 | - |
| Net Change in Fund Balance | (28,623) | (28,573) | 50 |
| Fund Balance - Beginning of Year | 33,435 | 33,435 | - |
| Fund Balance - End of Year | <u>\$ 4,812</u> | <u>\$ 4,862</u> | <u>\$ 50</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 RESIDENTIAL DEMOLITION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Budgeted Amounts</u> | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|-------------------|---|
| | <u>Final</u> | <u>Actual</u> | <u>(Negative)</u> |
| Expenditures: | | | |
| Community Development | | | |
| Contractual Services | \$ - | \$ 193,435 | \$ (193,435) |
| Other Financing Sources | | | |
| Transfers In | - | 125,840 | 125,840 |
| Net Change in Fund Balance | - | (67,595) | (67,595) |
| Fund Balance - Beginning of Year | 67,596 | 67,596 | - |
| Prior Year Encumbrances | 193,435 | 193,435 | - |
| Fund Balance - End of Year | <u>\$ 261,031</u> | <u>\$ 193,436</u> | <u>\$ (67,595)</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 COMMUNITY RECYCLING GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Budgeted Amounts</u> | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|-----------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | |
| Intergovernmental | \$ 4,912 | \$ 4,888 | \$ (24) |
| Expenditures: | | | |
| Current: | | | |
| Community Development | | | |
| Supplies and Materials | 5,000 | 3,962 | 1,038 |
| Other Financing Sources | | | |
| Transfers In | 88 | 88 | - |
| Net Change in Fund Balance | - | 1,014 | 1,014 |
| Fund Balance - Beginning of Year | (1,310) | (1,310) | - |
| Prior Year Encumbrances | 1,335 | 1,335 | - |
| Fund Balance - End of Year | <u>\$ 25</u> | <u>\$ 1,039</u> | <u>\$ 1,014</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 CONTINUING PROFESSIONAL TRAINING PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|---|
| | Final | Actual | |
| Revenues: | | | |
| Intergovernmental | \$ 25,000 | \$ 11,200 | \$ (13,800) |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property: | | | |
| Police and Others: | | | |
| Personal Services | 12,000 | 971 | 11,029 |
| Net Change in Fund Balance | 13,000 | 10,229 | (2,771) |
| Fund Balance - Beginning of Year | 11,020 | 11,020 | - |
| Fund Balance - End of Year | \$ 24,020 | \$ 21,249 | \$ (2,771) |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 STATE INFRASTRUCTURE BANK LOAN REPAYMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Budgeted Amounts</u> | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|-------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | |
| Intergovernmental | \$ 240,000 | \$ 294,025 | \$ 54,025 |
| Expenditures: | | | |
| Debt Service | | | |
| Principal | 323,742 | 141,066 | 182,676 |
| Interest & Fiscal Charges | 84,024 | 37,962 | 46,062 |
| Total Expenditures | <u>407,766</u> | <u>179,028</u> | <u>228,738</u> |
| Net Change in Fund Balance | (167,766) | 114,997 | 282,763 |
| Fund Balance - Beginning of Year | 568,731 | 568,731 | - |
| Fund Balance - End of Year | <u>\$ 400,965</u> | <u>\$ 683,728</u> | <u>\$ 282,763</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 STREET IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Budgeted Amounts</u> | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|-------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Expenditures: | | | |
| Current: | | | |
| Transportation | | | |
| Contractual Services | \$ 743,500 | \$ 430,933 | \$ 312,567 |
| Supplies and Materials | 6,500 | - | 6,500 |
| Total Transportation | <u>750,000</u> | <u>430,933</u> | <u>319,067</u> |
| Other Financing Sources | | | |
| Transfers In | <u>750,000</u> | <u>750,000</u> | - |
| Net Change in Fund Balance | - | 319,067 | 319,067 |
| Fund Balance - Beginning of Year | 8,740 | 8,740 | - |
| Prior Year Encumbrances | 9,252 | 9,252 | - |
| Fund Balance - End of Year | <u>\$ 17,992</u> | <u>\$ 337,059</u> | <u>\$ 319,067</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 INFORMATION TECHNOLOGY SYSTEM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Budgeted Amounts</u> | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|---------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Net Change in Fund Balance | \$ - | \$ - | \$ - |
| Fund Balance - Beginning of Year | 305 | 305 | - |
| Fund Balance - End of Year | <u>\$ 305</u> | <u>\$ 305</u> | <u>\$ -</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 LAND AQUISITION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Budgeted Amounts</u> | | Variance with Final Budget Positive (Negative) |
|--------------------------------------|-------------------------|-------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Expenditures: | | | |
| Current: | | | |
| Capital Outlay | | | |
| Contractual Services | \$ 875,000 | \$ 743,697 | \$ 131,303 |
| Debt Service | | | |
| Principal | 1,089,000 | 1,089,000 | - |
| Interest & Fiscal Charges | 19,188 | 19,188 | - |
| Total Debt Service | <u>1,108,188</u> | <u>1,108,188</u> | <u>-</u> |
| Total Expenditures | <u>1,983,188</u> | <u>1,851,885</u> | <u>131,303</u> |
| Other Financing Sources | | | |
| Bond Anticipation Notes Issued | 716,101 | 639,000 | (77,101) |
| Transfers In | 688,657 | 614,511 | (74,146) |
| Total Other Financing Sources | <u>1,404,758</u> | <u>1,253,511</u> | <u>(151,247)</u> |
| Net Change in Fund Balance | (578,430) | (598,374) | (19,944) |
| Fund Balance - Beginning of Year | 1,031,167 | 1,031,167 | - |
| Prior Year Encumbrances | 5,588 | 5,588 | - |
| Fund Balance - End of Year | <u>\$ 458,325</u> | <u>\$ 438,381</u> | <u>\$ (19,944)</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 EMERY WOODS PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|--|------------------|---|
| | Final | | | |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | | | | |
| Contractual Services | \$ 40,000 | | \$ 1,647 | \$ 38,353 |
| Net Change in Fund Balance | (40,000) | | (1,647) | 38,353 |
| Fund Balance - Beginning of Year | 42,166 | | 42,166 | - |
| Fund Balance - End of Year | \$ 2,166 | | \$ 40,519 | \$ 38,353 |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET (NON-GAAP BASIS) AND ACTUAL –
 TOWN CENTER PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Budgeted Amounts</u> | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|------------------|---|
| | <u>Final</u> | <u>Actual</u> | <u>(Negative)</u> |
| Expenditures: | | | |
| Current: | | | |
| Capital Outlay | | | |
| Street Paving and Repair | \$ 11,772 | \$ - | \$ 11,772 |
| Other Financing Sources | | | |
| Transfers In | 30,000 | - | (30,000) |
| Net Change in Fund Balance | 18,228 | - | (18,228) |
| Fund Balance - Beginning of Year | 16,772 | 16,772 | - |
| Fund Balance - End of Year | <u>\$ 35,000</u> | <u>\$ 16,772</u> | <u>\$ (18,228)</u> |

STATISTICAL SECTION

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
STATISTICAL SECTION
DECEMBER 31, 2018**

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

| <u>Contents</u> | <u>Page(s)</u> |
|---|----------------|
| Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | S2-S7 |
| Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. | S8-S13 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | S14-S19 |
| Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place. | S20 |
| Operating Information These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | S21-S25 |

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

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NET POSITION BY COMPONENT
ACCRUAL BASIS OF ACCOUNTING
LAST TEN YEARS**

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 (2) | 2016 | 2017 (3) | Table 1 2018 |
|---|-----------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|--------------------|------------------------|------------------------|
| Governmental activities: | | | | | | | | | | |
| Net investment in | | | | | | | | | | |
| Capital assets (1) | \$ (2,121,770) | \$ (1,790,978) | \$ (1,396,664) | \$ 4,741,934 | \$ (2,719,265) | \$ (1,660,356) | \$ (413,445) | \$ 4,413,884 | \$ 1,531,320 | \$ 3,969,735 |
| Restricted for: | | | | | | | | | | |
| Capital projects | 857,341 | 135,117 | 133,539 | 200,257 | 229,630 | 306,185 | 643,180 | 74,795 | 637,366 | 862,412 |
| Streets | 555,791 | 451,898 | 477,528 | 616,951 | 632,092 | 409,723 | 394,833 | 396,076 | 573,835 | 472,601 |
| Police | 96,712 | 123,898 | 130,420 | 100,840 | 122,122 | 39,637 | 41,910 | 89,401 | 153,193 | 129,266 |
| Fire | 76,928 | 89,282 | 147,844 | 129,579 | 166,035 | 33,550 | 42,567 | 53,494 | 128,812 | 103,202 |
| Building Levy | 58,305 | 130,156 | 183,607 | 203,745 | 126,547 | 45,891 | 23,996 | 19,506 | 61,988 | 114,428 |
| Debt Services | 359,660 | 799,916 | 1,553,049 | 1,136,956 | 1,296,384 | 1,675,502 | 4,645,437 | 1,861,294 | 4,128,029 | 1,766,666 |
| Other Purposes | 400,742 | 377,815 | 430,731 | 469,722 | 612,974 | 597,939 | 274,504 | 1,064,971 | 937,486 | 1,195,779 |
| Unrestricted | <u>(1,491,137)</u> | <u>799,973</u> | <u>1,119,275</u> | <u>(2,676,263)</u> | <u>3,661,396</u> | <u>(5,058,960)</u> | <u>(6,447,325)</u> | <u>(7,929,908)</u> | <u>(24,267,918)</u> | <u>(25,865,387)</u> |
| Total net position - governmental activities | <u>\$ (1,207,428)</u> | <u>\$ 1,117,077</u> | <u>\$ 2,779,329</u> | <u>\$ 4,923,721</u> | <u>\$ 4,127,915</u> | <u>\$ (3,610,889)</u> | <u>\$ (794,343)</u> | <u>\$ 43,513</u> | <u>\$ (16,115,889)</u> | <u>\$ (17,251,298)</u> |

(1) – Item reported as Invested in capital assets, net of related debt through December 31, 2017.

(2) – Restated for GASB Statement No. 68 Implementation

(3) – Restated for GASB Statement No. 75 Implementation

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
CHANGES IN NET POSITION
ACCRUAL BASIS OF ACCOUNTING
LAST TEN YEARS**

Table 2

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Program revenues: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Security of persons and property | | | | | | | | | | |
| Police and others | \$ 212,881 | \$ 204,229 | \$ 599,807 | \$ 117,895 | \$ 84,406 | \$ 102,818 | \$ 72,121 | \$ 253,964 | \$ 137,773 | \$ 252,645 |
| Fire | 363,966 | 392,027 | 453,935 | 291,371 | 494,087 | 485,032 | 419,462 | 505,002 | 499,474 | 315,974 |
| Leisure time activities | 28,409 | 21,341 | 18,912 | 16,793 | 55,235 | 58,434 | 63,865 | 67,561 | 71,246 | 77,379 |
| Community development | 19,149 | 138,768 | 18,387 | 20,937 | 25,210 | 21,991 | 19,714 | 574,943 | 589,967 | 425,083 |
| Public works | - | - | 50 | 220 | 520 | 60 | 68 | 62,000 | 9,000 | - |
| Transportation | 4,031 | 780 | 1,518 | - | - | - | - | 2,250 | 12,200 | 480 |
| General government | 285,557 | 228,995 | 373,205 | 749,238 | 420,821 | 818,026 | 750,044 | 36,989 | 42,079 | 74,259 |
| Total charges for services | <u>913,993</u> | <u>986,140</u> | <u>1,465,814</u> | <u>1,196,454</u> | <u>1,080,279</u> | <u>1,486,361</u> | <u>1,325,274</u> | <u>1,502,709</u> | <u>1,361,739</u> | <u>1,145,820</u> |
| Operating grants and contributions | | | | | | | | | | |
| Security of persons and property | | | | | | | | | | |
| Police and others | 17,337 | 323,149 | 204,041 | 24,253 | 19,962 | 12,080 | 17,050 | 6,166 | 6,000 | 20,502 |
| Fire | - | - | 403,087 | 806,566 | 530,135 | - | 40,000 | - | - | - |
| Leisure time activities | - | - | - | - | - | - | - | 409,863 | 90,137 | - |
| Community development | - | 33,917 | 37,833 | 2,790 | 5,643 | 3,680 | 146,180 | 5,607 | 4,185 | 75,394 |
| Transportation | 481,369 | 495,784 | 469,914 | 476,258 | 482,840 | 482,853 | 489,380 | 227,320 | 36,995 | 779,706 |
| General government | 49,740 | - | - | 25,353 | - | - | - | 15,740 | 4,229 | 815 |
| Total operating grants and contributions | <u>548,446</u> | <u>852,850</u> | <u>1,114,875</u> | <u>1,335,220</u> | <u>1,038,580</u> | <u>498,613</u> | <u>692,610</u> | <u>664,696</u> | <u>141,546</u> | <u>876,417</u> |
| Capital grants and contributions | | | | | | | | | | |
| Security of persons and property | | | | | | | | | | |
| Police and others | 100,000 | - | - | - | - | - | - | - | - | - |
| Leisure time activities | 122,409 | - | - | - | - | - | - | - | - | - |
| Community development | 269,416 | 69,100 | 33,766 | - | - | 165,260 | 559 | - | - | - |
| Transportation | - | - | - | - | - | - | - | 363,141 | 131,869 | 31,966 |
| General government | 278,796 | 287,175 | 262,014 | 270,779 | 137,309 | 2,670,483 | 581,364 | - | - | - |
| Total capital grants and contributions | <u>770,621</u> | <u>356,275</u> | <u>295,780</u> | <u>270,779</u> | <u>137,309</u> | <u>2,835,743</u> | <u>581,923</u> | <u>363,141</u> | <u>131,869</u> | <u>31,966</u> |
| Total program revenues | <u>2,233,060</u> | <u>2,195,265</u> | <u>2,876,469</u> | <u>2,802,453</u> | <u>2,256,168</u> | <u>4,820,717</u> | <u>2,599,807</u> | <u>2,530,546</u> | <u>1,635,154</u> | <u>2,054,203</u> |

Continued

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
CHANGES IN NET POSITION
ACCRUAL BASIS OF ACCOUNTING
LAST TEN YEARS**

Table 2 (Continued)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|
| Expenses: | | | | | | | | | | |
| Security of persons and property | | | | | | | | | | |
| Police and others | 5,097,249 | 4,780,991 | 5,372,668 | 4,905,321 | 4,734,068 | 5,163,481 | 5,421,417 | 6,480,372 | 6,764,289 | 6,362,593 |
| Fire | 4,140,298 | 3,471,641 | 3,626,904 | 3,677,433 | 4,062,419 | 3,603,854 | 3,925,081 | 4,250,869 | 4,365,946 | 4,402,676 |
| Public health and welfare | 55,903 | 27,952 | 55,903 | 52,001 | 52,001 | 65,183 | 53,085 | 53,085 | 53,085 | 58,020 |
| Leisure time activities | 302,387 | 227,379 | 266,661 | 291,803 | 664,913 | 697,906 | 495,965 | 1,142,545 | 1,103,575 | 1,032,162 |
| Community development | 953,234 | 1,087,614 | 882,581 | 470,806 | 528,141 | 873,757 | 961,571 | 865,269 | 1,035,567 | 1,675,338 |
| Public works | 1,562,976 | 1,136,196 | 1,024,141 | 1,201,675 | 1,298,203 | 1,173,154 | 1,527,105 | 2,948,804 | 4,042,109 | 3,853,307 |
| Transportation | 1,773,859 | 2,052,226 | 1,697,499 | 1,680,189 | 2,429,523 | 2,637,135 | 2,004,180 | 2,670,273 | 2,004,261 | 1,582,197 |
| General government | 2,907,654 | 3,156,023 | 3,730,870 | 4,745,370 | 4,364,751 | 2,411,281 | 4,164,107 | 3,447,287 | 4,907,339 | 4,497,280 |
| Interest and Fiscal Charges | 565,318 | 543,135 | 849,472 | 534,465 | 1,606,014 | 876,751 | 781,460 | 505,598 | 525,353 | 624,390 |
| Total primary government expenses | <u>17,358,878</u> | <u>16,483,157</u> | <u>17,506,699</u> | <u>17,559,063</u> | <u>19,740,033</u> | <u>17,502,502</u> | <u>19,333,971</u> | <u>22,364,102</u> | <u>24,801,524</u> | <u>24,087,963</u> |
| Net (expense)/revenue | <u>(15,125,818)</u> | <u>(14,287,892)</u> | <u>(14,630,230)</u> | <u>(14,756,610)</u> | <u>(17,483,865)</u> | <u>(12,681,785)</u> | <u>(16,734,164)</u> | <u>(19,833,556)</u> | <u>(23,166,370)</u> | <u>(22,033,760)</u> |
| General revenues | | | | | | | | | | |
| Property and other taxes levied for: | | | | | | | | | | |
| General purposes | 664,309 | 801,710 | 611,674 | 681,322 | 597,335 | 560,635 | 687,313 | 405,700 | 463,538 | 417,337 |
| Debt service | 573,336 | 406,829 | 661,791 | 539,409 | 387,121 | 317,748 | 335,894 | 283,752 | 392,932 | 391,614 |
| Other purposes | 610,702 | 598,037 | 662,777 | 658,505 | 516,621 | 456,484 | 490,916 | 650,621 | 671,723 | 575,572 |
| Municipal income taxes levied for: | | | | | | | | | | |
| General purposes | 10,857,890 | 13,158,561 | 13,185,755 | 14,228,423 | 14,526,593 | 16,169,998 | 16,576,878 | 17,824,264 | 17,607,661 | 17,797,030 |
| Grants and entitlements | | | | | | | | | | |
| not restricted to specific programs | 1,514,445 | 1,478,918 | 1,091,130 | 586,783 | 306,927 | 659,957 | 679,693 | 1,276,788 | 1,729,668 | 534,019 |
| Investment income | 2,137 | 1,742 | 7,054 | 26,502 | 7,879 | 6,872 | 14,054 | 37,654 | 74,099 | 129,037 |
| Gain on the sale of capital assets | - | - | - | - | - | - | - | 128,686 | - | 245,998 |
| All other revenues | 110,512 | 166,600 | 72,301 | 180,058 | 345,583 | 231,000 | 171,522 | 63,947 | 87,904 | 297,239 |
| Total general revenues | <u>14,333,331</u> | <u>16,612,397</u> | <u>16,292,482</u> | <u>16,901,002</u> | <u>16,688,059</u> | <u>18,402,694</u> | <u>18,956,270</u> | <u>20,671,412</u> | <u>21,027,525</u> | <u>20,387,846</u> |
| Change in net position | <u>\$ (792,487)</u> | <u>\$ 2,324,505</u> | <u>\$ 1,662,252</u> | <u>\$ 2,144,392</u> | <u>\$ (795,806)</u> | <u>\$ 5,720,909</u> | <u>\$ 2,222,106</u> | <u>\$ 837,856</u> | <u>\$ (2,138,845)</u> | <u>\$ (1,645,914)</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 FUND BALANCES, GOVERNMENTAL FUNDS -
 MODIFIED ACCRUAL BASIS OF ACCOUNTING
 LAST TEN YEARS**

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|------------------------------------|-----------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General fund: | | | | | | | | | | |
| Nonspendable | \$ - | \$ 395,282 | \$ 373,140 | \$ 346,317 | \$ 224,285 | \$ 240,079 | \$ 372,040 | \$ 944,501 | \$ 857,919 | \$ 1,012,638 |
| Assigned | - | 49,993 | 600,805 | 40,900 | 144,018 | 165,860 | 1,735,968 | 935,889 | 301,710 | 1,543,313 |
| Unassigned | - | 2,222,634 | 2,871,394 | 4,859,616 | 4,926,154 | 6,663,466 | 6,035,565 | 6,741,663 | 6,622,333 | 5,517,741 |
| Reserved | 48,312 | - | - | - | - | - | - | - | - | - |
| Unreserved | 221,247 | - | - | - | - | - | - | - | - | - |
| Total general fund | <u>269,559</u> | <u>2,667,909</u> | <u>3,845,339</u> | <u>5,246,833</u> | <u>5,294,457</u> | <u>7,069,405</u> | <u>8,143,573</u> | <u>8,622,053</u> | <u>7,781,962</u> | <u>8,073,692</u> |
| All other governmental funds: | | | | | | | | | | |
| Restricted | - | 3,159,390 | 4,394,852 | 2,204,901 | 1,253,835 | 925,964 | 1,365,745 | 1,362,755 | 1,368,376 | 1,859,606 |
| Committed | - | 194,003 | 232,940 | 168,120 | 159,588 | 214,296 | 194,996 | 190,361 | 176,271 | 169,287 |
| Unassigned (Deficit) | - | (5,687,816) | (5,650,602) | (88,578) | (3,089,735) | (882,616) | (2,386,056) | (2,543,979) | (2,153,944) | (2,172,492) |
| Reserved | 3,747 | - | - | - | - | - | - | - | - | - |
| Unreserved: | | | | | | | | | | |
| Undesignated, reported in: | | | | | | | | | | |
| Special revenue | 755,159 | - | - | - | - | - | - | - | - | - |
| Debt service | 257,832 | - | - | - | - | - | - | - | - | - |
| Capital project | (5,455,083) | - | - | - | - | - | - | - | - | - |
| Total all other governmental funds | <u>(4,438,345)</u> | <u>(2,334,423)</u> | <u>(1,022,810)</u> | <u>2,284,443</u> | <u>(1,676,312)</u> | <u>257,644</u> | <u>(825,315)</u> | <u>(990,863)</u> | <u>(609,297)</u> | <u>(143,599)</u> |
| Total governmental funds | <u>\$ (4,168,786)</u> | <u>\$ 333,486</u> | <u>\$ 2,822,529</u> | <u>\$ 7,531,276</u> | <u>\$ 3,618,145</u> | <u>\$ 7,327,049</u> | <u>\$ 7,318,258</u> | <u>\$ 7,631,190</u> | <u>\$ 7,172,665</u> | <u>\$ 7,930,093</u> |

Note: In 2011, the City implemented GASB Statement No. 54. As a result, the 2010 fund balances were reclassified to reflect the effects of GASB Statement No. 54.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS -
MODIFIED BASIS OF ACCOUNTING
LAST TEN YEARS**

Table 4

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues: | | | | | | | | | | |
| Property Taxes and Other Local Taxes | \$ 1,799,439 | \$ 1,711,860 | \$ 1,824,328 | \$ 1,669,752 | \$ 1,920,190 | \$ 1,707,323 | \$ 1,595,845 | \$ 1,744,604 | \$ 1,677,400 | \$ 1,893,496 |
| Income Taxes | 11,099,006 | 12,829,743 | 13,326,443 | 14,165,018 | 14,233,365 | 15,872,496 | 16,689,455 | 17,800,538 | 17,829,418 | 17,802,827 |
| Intergovernmental | 2,424,082 | 2,179,335 | 2,261,416 | 2,084,485 | 1,628,155 | 1,266,054 | 1,311,829 | 1,632,792 | 1,543,486 | 1,396,971 |
| Interest | 2,137 | 1,742 | 7,054 | 26,502 | 7,879 | 6,872 | 14,054 | 26,828 | 74,544 | 129,037 |
| Licenses and Permits | 265,502 | 267,270 | 385,966 | 256,690 | 351,843 | 812,181 | 603,691 | 380,903 | 380,380 | 263,303 |
| Fines and Forfeitures | 209,213 | 192,370 | 597,017 | 586,020 | 221,822 | 170,812 | 138,794 | 253,846 | 137,641 | 279,017 |
| Rentals | - | - | - | - | - | - | - | 193,250 | 196,600 | 170,550 |
| Charges for Services | 425,150 | 352,805 | 433,371 | 490,120 | 458,069 | 498,852 | 603,209 | 672,962 | 575,551 | 581,680 |
| Special Assessments | 690,621 | 242,138 | 222,362 | 184,610 | 107,969 | 341,708 | 520,889 | 430,546 | 176,004 | 202,499 |
| All Other Revenues | 126,450 | 280,201 | 210,301 | 55,646 | 352,009 | 233,527 | 149,447 | 66,136 | 87,904 | 297,239 |
| Total Revenues | 17,041,600 | 18,057,464 | 19,268,258 | 19,518,843 | 19,281,301 | 20,909,825 | 21,627,213 | 23,202,405 | 22,678,928 | 23,016,619 |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| Security of persons and property | | | | | | | | | | |
| Police and others | 4,968,400 | 4,762,219 | 5,454,369 | 4,909,799 | 4,652,818 | 5,177,961 | 5,353,511 | 5,867,392 | 6,011,557 | 5,451,431 |
| Fire | 4,049,393 | 3,406,521 | 4,063,276 | 3,726,203 | 4,000,675 | 3,552,650 | 3,774,899 | 3,860,674 | 4,049,991 | 3,721,429 |
| Public health and welfare | 55,903 | 27,952 | 55,903 | 52,001 | 52,001 | 53,085 | 53,085 | 53,085 | 53,085 | 58,020 |
| Leisure time activities | 288,646 | 178,910 | 227,370 | 276,706 | 437,558 | 470,772 | 445,491 | 888,433 | 769,368 | 712,525 |
| Community development | 949,103 | 1,091,745 | 882,581 | 488,755 | 506,859 | 736,622 | 1,002,863 | 850,694 | 928,466 | 1,590,050 |
| Public works | 1,310,451 | 1,025,838 | 995,680 | 1,186,379 | 1,274,543 | 1,186,403 | 1,485,708 | 2,602,683 | 3,654,007 | 3,488,250 |
| Transportation | 1,889,374 | 1,777,858 | 1,739,710 | 2,290,622 | 2,705,284 | 2,809,577 | 2,221,014 | 2,175,556 | 1,943,116 | 1,531,068 |
| General government | 2,779,632 | 2,785,533 | 3,264,306 | 3,470,257 | 3,808,277 | 3,536,088 | 4,194,991 | 3,219,241 | 3,989,601 | 3,811,516 |
| Capital Outlay | 392,590 | 1,218,367 | 7,233,855 | 3,611,711 | 318,538 | 358,256 | 105,879 | 4,031,299 | 478,837 | 185,505 |
| Debt Service: | | | | | | | | | | |
| Principal retirement | 938,478 | 450,000 | 4,030,000 | 20,605,060 | 28,977,060 | 2,625,000 | 2,621,541 | 821,131 | 1,080,547 | 1,118,474 |
| Interest and fiscal charges | 525,906 | 461,207 | 491,367 | 894,883 | 1,161,616 | 934,422 | 827,848 | 757,822 | 755,615 | 805,221 |
| Bond issuance costs | - | - | 86,600 | 44,227 | 584,403 | - | - | 17,686 | 26,760 | 31,700 |
| Total expenditures | 18,147,876 | 17,186,150 | 28,525,017 | 41,556,603 | 48,479,632 | 21,440,836 | 22,086,830 | 25,145,696 | 23,740,950 | 22,505,189 |
| Excess of revenues over (under) expenditures | (1,106,276) | 871,314 | (9,256,759) | (22,037,760) | (29,198,331) | (531,011) | (459,617) | (1,943,291) | (1,062,022) | 511,430 |

Continued

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS -
 MODIFIED BASIS OF ACCOUNTING
 LAST TEN YEARS**

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | Table 4 (Continued) | |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|-------------------|----------------------------|-------------------|
| | | | | | | | | | 2017 | 2018 |
| Other financing sources (uses): | | | | | | | | | | |
| Sale of capital assets | 1,960 | - | - | - | - | - | - | 251,802 | 1,000 | 245,998 |
| Inception of Capital lease | 203,314 | 27,898 | 705,826 | 305,000 | 318,538 | 187,290 | - | 77,025 | - | - |
| Certificates of Participation issued | - | - | 11,200,000 | 11,717,000 | 11,700,000 | 1,800,000 | 1,700,000 | - | - | - |
| Bond anticipation notes issued | - | - | - | 14,550,060 | 2,610,000 | - | - | - | - | - |
| Land acquisition notes issued | - | - | - | - | 100,000 | - | 450,000 | - | - | - |
| SIB Loan Issued | - | - | - | - | - | - | - | 1,927,396 | 602,497 | - |
| Refunding notes issued | 8,892,000 | 12,495,060 | 8,680,060 | - | - | - | - | - | - | - |
| General obligation bonds issued | - | - | - | - | 10,070,000 | 2,095,000 | - | - | - | - |
| Premium on debt issuance | - | - | 94,976 | 174,447 | 486,662 | 157,625 | 16,745 | - | - | - |
| Current refunding | (8,818,000) | (8,892,000) | (8,935,060) | - | - | - | - | - | - | - |
| Transfers in | 173,704 | 533,756 | 1,617,682 | 6,756,346 | 1,385,857 | 1,989,457 | 2,378,807 | 2,066,814 | 2,088,033 | 2,268,798 |
| Transfers out | (173,704) | (533,756) | (1,617,682) | (6,756,346) | (1,385,857) | (1,989,457) | (2,378,807) | (2,066,814) | (2,088,033) | (2,268,798) |
| Total other financing sources (uses) | 277,314 | 3,630,958 | 11,745,802 | 26,746,507 | 25,285,200 | 4,239,915 | 2,166,745 | 2,256,223 | 603,497 | 245,998 |
| Net change in fund balances | <u>\$ (828,962)</u> | <u>\$ 4,502,272</u> | <u>\$ 2,489,043</u> | <u>\$ 4,708,747</u> | <u>\$ (3,913,131)</u> | <u>\$ 3,708,904</u> | <u>\$ 1,707,128</u> | <u>\$ 312,932</u> | <u>\$ (458,525)</u> | <u>\$ 757,428</u> |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 ASSESSED VALUATIONS AND ESTIMATED ACTUAL VALUES OF TAXABLE
 PROPERTY
 LAST TEN YEARS**

Table 5

| Collection Year | Real Property | | | Tangible Personal Property | |
|-----------------|------------------------------|-----------------------------|------------------------|----------------------------|----------------|
| | Assessed Value | | Estimated Actual Value | Public Utility | |
| | Residential/ Agricultural | Commercial Industrial/PU | | | Assessed Value |
| 2009 | 121,729,160 | 136,218,930 | 736,994,543 | 5,346,390 | 6,075,443 |
| 2010 | 115,592,130 | 137,838,050 | 724,086,229 | 5,816,510 | 6,609,670 |
| 2011 | 115,140,720 | 146,856,870 | 748,564,543 | 6,107,320 | 6,940,136 |
| 2012 | 114,113,300 | 148,000,100 | 748,895,429 | 6,363,060 | 7,230,750 |
| 2013 | 80,562,990 | 138,384,370 | 625,563,886 | 6,897,690 | 7,838,284 |
| 2014 | 80,172,290 | 141,778,880 | 634,146,200 | 7,924,770 | 9,005,420 |
| 2015 | 79,884,880 | 134,848,560 | 613,524,114 | 8,154,550 | 9,266,534 |
| 2016 | 73,126,970 | 130,974,830 | 583,148,000 | 8,299,220 | 9,430,932 |
| 2017 | 73,739,210 | 135,432,590 | 597,633,714 | 8,768,870 | 9,964,625 |
| 2018 | 74,993,660 | 131,051,340 | 588,700,000 | 9,303,430 | 10,572,080 |

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

The assessed value of real property (including public utility real property) is 35% of estimated true value. The assessed value of public utility personal property ranges from 25% of true value for railroad property to 88% for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25% for machinery and equipment and 23% for inventories. The general business tangible personal property tax started being phased out beginning in 2006. For collection year 2007, both types of general business tangible personal property were assessed at 12.5%. The percentage will be 6.25% for 2008, and zero for subsequent collection years.

The tangible personal property values associated with each year are 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 the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Cuyahoga County, Ohio; County Fiscal Office

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 ASSESSED VALUATIONS AND ESTIMATED ACTUAL VALUES OF TAXABLE
 PROPERTY
 LAST TEN YEARS**

Table 5 (Continued)

| <u>Tangible Personal Property</u> | | <u>Total</u> | | | |
|-----------------------------------|-------------------------------|-----------------------|-------------------------------|--------------|------------------------------|
| <u>General Business</u> | | | | | |
| <u>Assessed Value</u> | <u>Estimated Actual Value</u> | <u>Assessed Value</u> | <u>Estimated Actual Value</u> | <u>Ratio</u> | <u>Total Direct Tax Rate</u> |
| 12,215,192 | - | 275,509,672 | 743,069,986 | 37.08 | 9.70 |
| - | - | 259,246,690 | 730,695,899 | 35.48 | 9.70 |
| - | - | 268,104,910 | 755,504,679 | 35.49 | 9.70 |
| - | - | 268,476,460 | 756,126,179 | 35.51 | 9.70 |
| - | - | 225,845,050 | 633,402,170 | 35.66 | 9.70 |
| - | - | 229,873,940 | 623,434,276 | 36.87 | 9.70 |
| - | - | 222,887,990 | 622,790,648 | 35.78 | 9.70 |
| - | - | 212,401,020 | 592,578,932 | 35.84 | 9.70 |
| - | - | 217,940,670 | 607,598,339 | 35.87 | 9.70 |
| - | - | 215,348,430 | 599,272,080 | 35.94 | 9.70 |

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 DIRECT AND OVERLAPPING PROPERTY TAX RATES (Per \$1,000 of Assessed Valuation)
 LAST TEN YEARS**

Table 6

| Collection Year | City of Warrensville Heights | | | | Warrensville Heights School District | Orange City School District | Cuyahoga County | Special (2) Taxing Districts | Total Tax Levy |
|-----------------|------------------------------|-------------------|--------------|------------|--------------------------------------|-----------------------------|-----------------|------------------------------|----------------|
| | General Fund | Special Funds (1) | Debt Service | Total Levy | | | | | |
| 2009 | 3.60 | 4.10 | 2.00 | 9.70 | 90.10 | 86.00 | 13.32 | 7.28 | 206.40 |
| 2010 | 3.60 | 4.10 | 2.00 | 9.70 | 89.50 | 86.10 | 13.32 | 7.58 | 206.20 |
| 2011 | 3.40 | 3.60 | 2.70 | 9.70 | 89.00 | 91.10 | 13.22 | 7.58 | 210.60 |
| 2012 | 2.90 | 4.10 | 2.70 | 9.70 | 89.00 | 91.10 | 13.22 | 7.58 | 210.60 |
| 2013 | 3.60 | 4.10 | 2.00 | 9.70 | 89.00 | 91.10 | 13.22 | 7.58 | 210.60 |
| 2014 | 3.60 | 4.10 | 2.00 | 9.70 | 91.80 | 91.10 | 14.05 | 8.48 | 215.13 |
| 2015 | 3.60 | 4.10 | 2.00 | 9.70 | 91.70 | 91.20 | 14.05 | 9.38 | 216.03 |
| 2016 | 3.60 | 4.10 | 2.00 | 9.70 | 92.40 | 91.20 | 14.05 | 9.38 | 216.73 |
| 2017 | 3.60 | 4.10 | 2.00 | 9.70 | 92.40 | 91.20 | 14.05 | 9.38 | 216.73 |
| 2018 | 3.60 | 3.60 | 2.50 | 9.70 | 93.20 | 91.20 | 14.05 | 9.88 | 218.03 |

Source: Cuyahoga County, Ohio; County Fiscal Office

(1) Policy Levy, Fire Levy, Street Lighting, Building Levy, Fire Pension, and Police Pension special revenue funds

(2) Cleveland Metro Parks, Cuyahoga County Library, Cuyahoga Community College and Cleveland-Cuyahoga Port Authority

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

| <u>Year</u> | <u>Current Tax Levy</u> | <u>Current Collections</u> | <u>Percentage of Current Collections To Current Levy</u> | <u>Delinquent Tax Collection</u> | <u>Total Tax Collection</u> | <u>Percentage of Total Collections To Tax Levy</u> | <u>Accumulated Outstanding Delinquent Taxes</u> | Table 7 <u>Percentage of Delinquent Taxes to To Total Tax Levy</u> |
|-------------|-----------------------------|--------------------------------|--|--|-------------------------------------|--|---|--|
| 2009 | 1,709,587 | 1,528,821 | 89.43% | 103,153 | 1,631,974 | 95.46% | 634,288 | 37.10% |
| 2010 | 1,690,295 | 1,487,774 | 88.02% | 111,273 | 1,599,047 | 94.60% | 692,722 | 40.98% |
| 2011 | 1,683,572 | 1,473,818 | 87.54% | 114,013 | 1,587,831 | 94.31% | 840,918 | 49.95% |
| 2012 | 1,671,028 | 1,291,783 | 77.30% | 139,276 | 1,431,059 | 85.64% | 950,335 | 56.87% |
| 2013 | 2,455,753 | 1,220,594 | 49.70% | 395,845 | 1,616,439 | 65.82% | 662,824 | 26.99% |
| 2014 | 2,264,718 | 1,352,331 | 59.71% | 153,636 | 1,505,967 | 66.50% | 447,462 | 19.76% |
| 2015 | 2,061,817 | 1,393,725 | 67.60% | 132,815 | 1,526,540 | 74.04% | 358,650 | 17.39% |
| 2016 | 1,991,939 | 1,436,198 | 72.10% | 104,700 | 1,540,898 | 77.36% | 347,356 | 17.44% |
| 2017 | 1,886,663 | 1,633,483 | 86.58% | 87,209 | 1,720,692 | 91.20% | 500,834 | 26.55% |
| 2018 | 1,897,393 | 1,630,432 | 85.93% | 246,283 | 1,876,715 | 98.91% | 502,367 | 26.48% |

Source: Cuyahoga County, Ohio; County Fiscal Office

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

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
INCOME TAX REVENUE BASE COLLECTIONS
LAST TEN YEARS**

Table 9

| <u>Tax Year (1)</u> | <u>Tax Rate (2)</u> | <u>Total Tax Collected</u> | <u>Taxes from Withholding</u> | <u>Percentage of Taxes from Withholding</u> | <u>Taxes from Net Profits</u> | <u>Percentage of Taxes from Net Profits</u> | <u>Taxes from Individuals</u> | <u>Percentage of Taxes from Individuals</u> |
|---------------------|---------------------|----------------------------|-------------------------------|---|-------------------------------|---|-------------------------------|---|
| 2009 | 2.00 | 10,857,890 | 8,551,674 | 78.76% | 993,497 | 9.15% | 1,312,719 | 12.09% |
| 2010 | 2.60 | 13,158,561 | 10,405,766 | 79.08% | 1,199,094 | 9.11% | 1,553,701 | 11.81% |
| 2011 | 2.60 | 13,185,755 | 11,020,654 | 83.58% | 995,525 | 7.55% | 1,169,576 | 8.87% |
| 2012 | 2.60 | 13,398,636 | 10,805,480 | 80.65% | 1,230,748 | 9.19% | 1,360,394 | 10.15% |
| 2013 | 2.60 | 13,696,569 | 11,364,475 | 82.97% | 1,324,053 | 9.67% | 1,008,041 | 7.36% |
| 2014 | 2.60 | 15,103,264 | 11,854,771 | 78.49% | 1,926,434 | 12.76% | 1,322,058 | 8.75% |
| 2015 | 2.60 | 15,968,752 | 12,401,242 | 77.66% | 2,187,643 | 13.70% | 1,379,866 | 8.64% |
| 2016 | 2.60 | 16,607,036 | 12,223,229 | 73.60% | 2,154,043 | 12.97% | 1,445,887 | 8.71% |
| 2017 | 2.60 | 16,558,002 | 13,341,371 | 80.57% | 1,844,681 | 11.14% | 1,371,950 | 8.29% |
| 2018 | 2.60 | 17,346,368 | 13,839,779 | 79.78% | 2,250,732 | 12.98% | 1,255,856 | 7.24% |

(1) Effective July 1, 2009, the City's Electors voted to increase the City's income tax rate from 2.00% to 2.60%.

(2) The City is statutorily prohibited from presenting individual taxpayers.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 RATIO OF OUTSTANDING DEBT TO TOTAL PERSONAL INCOME AND DEBT PER CAPITA
 LAST TEN YEARS**

Table 10

| Fiscal Year | Governmental Activities | | | | | | Total | Personal Income | Percentage of Personal Income | Per Capita | Per Capita |
|-------------|--------------------------|--------------------------|------------|-----------------|-----------------|----------------|------------|-----------------|-------------------------------|------------|------------|
| | General Obligation Bonds | Special Assessment Bonds | C.O.P.s | Long-term Notes | Long-term Loans | Capital Leases | | | | | |
| 2009 | 1,437,037 | 173,673 | - | 8,892,000 | - | 339,394 | 10,842,104 | 281,193,599 | 3.86% | 15,109 | 718 |
| 2010 | 1,054,608 | 117,533 | - | 12,495,060 | - | 181,011 | 13,848,212 | 263,432,526 | 5.26% | 13,542 | 1,023 |
| 2011 | 658,572 | 55,000 | 11,215,829 | 8,680,060 | - | 720,684 | 21,330,145 | 263,432,526 | 8.10% | 13,542 | 1,575 |
| 2012 | - | - | 11,730,214 | 14,581,781 | - | 877,710 | 27,189,705 | 263,432,526 | 10.32% | 13,542 | 2,008 |
| 2013 | 10,358,021 | - | 11,833,077 | - | - | 992,469 | 23,183,567 | 255,293,784 | 9.08% | 13,542 | 1,712 |
| 2014 | 11,845,623 | - | 11,708,443 | - | - | 879,018 | 24,433,084 | 268,551,402 | 9.10% | 13,542 | 1,804 |
| 2015 | 11,081,062 | - | 11,605,465 | - | 368,459 | 605,607 | 23,660,593 | 275,728,662 | 8.58% | 13,542 | 1,747 |
| 2016 | 10,321,501 | - | 9,885,476 | - | 2,209,828 | 442,830 | 22,859,635 | 280,387,110 | 8.15% | 13,542 | 1,688 |
| 2017 | 9,526,940 | - | 9,881,406 | - | 2,722,395 | 222,213 | 22,352,954 | 282,079,860 | 7.92% | 13,542 | 1,651 |
| 2018 | 8,942,379 | - | 9,777,336 | - | 2,344,005 | 142,129 | 21,205,849 | 285,682,032 | 7.42% | 13,542 | 1,566 |

Note: Population and Personal Income data are presented in Table 15.

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 RATIO OF GENERAL OBLIGATION BONDED DEBT TO ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY AND
 BONDED DEBT PER CAPITA
 LAST TEN YEARS**

| | | | | | | | | Table 11 |
|-------------|-----------------------|---|---|------------------------------------|--|--------------------------------|---|-------------------------------|
| <u>Year</u> | <u>Population (1)</u> | | <u>Estimated Actual Value of Taxable Property (2)</u> | <u>General Obligation Debt (3)</u> | <u>Resources Available for Repayment</u> | <u>Net General Bonded Debt</u> | <u>Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property</u> | <u>Bonded Debt per Capita</u> |
| 2009 | 15,109 | a | 743,069,986 | 1,437,037 | 257,832 | 1,179,205 | 0.16% | 78.05 |
| 2010 | 13,542 | b | 730,695,899 | 1,054,608 | 152,856 | 901,752 | 0.12% | 66.59 |
| 2011 | 13,542 | b | 755,504,679 | 11,874,401 | 812,585 | 11,061,816 | 1.46% | 816.85 |
| 2012 | 13,542 | b | 756,126,179 | 11,730,214 | - | 11,730,214 | 1.55% | 866.21 |
| 2013 | 13,542 | b | 633,402,170 | 22,191,098 | - | 22,191,098 | 3.50% | 1,638.69 |
| 2014 | 13,542 | b | 623,434,276 | 23,554,066 | - | 23,554,066 | 3.78% | 1,739.33 |
| 2015 | 13,542 | b | 622,790,648 | 22,686,527 | - | 22,686,527 | 3.64% | 1,675.27 |
| 2016 | 13,542 | b | 592,578,932 | 20,206,977 | - | 20,206,977 | 3.41% | 1,492.17 |
| 2017 | 13,542 | b | 607,598,339 | 19,408,346 | - | 19,408,346 | 3.19% | 1,433.20 |
| 2018 | 13,542 | b | 599,272,080 | 18,719,715 | - | 18,719,715 | 3.12% | 1,382.34 |

Sources:

- (1) U. S. Bureau of Census, Census of Population
 - (a) 2000 Federal Census
 - (b) 2010 Federal Census
- (2) Cuyahoga County, Ohio; County Fiscal Office
- (3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
LEGAL DEBT MARGIN
LAST TEN YEARS**

Table 12

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Assessed Valuation | \$ 275,509,672 | \$ 259,246,690 | \$ 268,104,910 | \$ 268,476,460 | \$ 225,845,050 | \$ 229,873,940 | \$ 222,887,990 | \$ 212,401,020 | \$ 217,940,670 | \$ 215,348,430 |
| Overall debt limit - 10.5% of assessed value | \$ 28,928,516 | \$ 27,220,902 | \$ 28,151,016 | \$ 28,190,028 | \$ 23,713,730 | \$ 24,136,764 | \$ 23,403,239 | \$ 22,302,107 | \$ 22,883,770 | \$ 22,611,585 |
| Debt Outstanding: | | | | | | | | | | |
| General obligation bonds | 1,437,037 | 1,054,608 | 658,572 | - | 10,358,021 | 11,845,623 | 11,081,062 | 10,321,501 | 9,526,940 | 8,942,379 |
| Special assessment bonds | 173,673 | 117,533 | 55,000 | - | - | - | - | - | - | - |
| Certificate of participation | - | - | 11,215,829 | 11,730,885 | 11,833,077 | 11,708,443 | 11,605,465 | 9,885,476 | 9,881,406 | 9,777,336 |
| Real property acquisition notes | - | - | - | - | 100,000 | 215,000 | - | - | - | - |
| Bond anticipation notes | 14,889,000 | 18,153,560 | 14,387,060 | 14,565,060 | 3,655,000 | 1,560,000 | 1,515,000 | 2,790,389 | 2,659,000 | 2,399,000 |
| Total gross indebtedness | 16,499,710 | 19,325,701 | 26,316,461 | 26,295,945 | 25,946,098 | 25,329,066 | 24,201,527 | 22,997,366 | 22,067,346 | 21,118,715 |
| Less: | | | | | | | | | | |
| Notes issued in anticipation of the levy or collection of municipal income taxes | (9,192,000) | (9,118,560) | (8,935,060) | (9,170,060) | (3,755,000) | (1,775,000) | (1,515,000) | (2,790,389) | (2,659,000) | (2,399,000) |
| Bonds and notes issued in anticipation of the levy or collection of special assessments (excluding city's portion) | (5,870,673) | (5,442,533) | (5,357,000) | (5,241,000) | - | - | - | - | - | - |
| Certificates of participation | - | - | (11,215,829) | (11,730,885) | (11,833,077) | (11,708,443) | (11,605,465) | (9,885,476) | (9,881,406) | (9,777,336) |
| General obligation bond retirement fund balance | (257,832) | (152,856) | (812,585) | - | - | - | - | - | - | - |
| Total net debt applicable to debt limit | 1,179,205 | 4,611,752 | (4,013) | 154,000 | 10,358,021 | 11,845,623 | 11,081,062 | 10,321,501 | 9,526,940 | 8,942,379 |
| Legal Debt Margin within 10 1/2% limitations | \$ 27,749,311 | \$ 22,609,150 | \$ 28,155,029 | \$ 28,036,028 | \$ 13,355,709 | \$ 12,291,141 | \$ 12,322,177 | \$ 11,980,606 | \$ 13,356,830 | \$ 13,669,206 |
| Legal debt margin as a percentage of the debt limit | 95.92% | 83.06% | 100.01% | 99.45% | 56.32% | 50.92% | 52.65% | 53.72% | 58.37% | 60.45% |

(Continued)

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
LEGAL DEBT MARGIN (Continued)
LAST TEN YEARS**

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | Table 12 (Continued) | |
|--|----------------------|---------------------|----------------------|----------------------|---------------------|-------------------|---------------------|---------------------|-----------------------------|---------------------|
| | | | | | | | | | 2017 | 2018 |
| Debt Limit - 5.5% of assessed unvoted value | \$ 15,153,032 | \$ 14,258,568 | \$ 14,745,770 | \$ 14,766,205 | \$ 12,421,478 | \$ 12,643,067 | \$ 12,258,839 | \$ 11,682,056 | \$ 11,986,737 | \$ 11,844,164 |
| Gross indebtedness authorized by council: | 16,499,710 | 19,325,701 | 26,316,461 | 26,295,945 | 25,946,098 | 25,329,066 | 24,201,527 | 22,997,366 | 22,067,346 | 21,118,715 |
| Notes issued in anticipation of the levy or collection of municipal income taxes | (9,192,000) | (9,118,560) | (8,935,060) | (9,170,060) | (3,755,000) | (1,775,000) | (1,515,000) | (2,790,389) | (2,659,000) | (2,399,000) |
| Bonds and notes issued in anticipation of the levy or collection of special assessments (excluding city's portion) | (5,870,673) | (5,442,533) | (5,357,000) | (5,241,000) | - | - | - | - | - | - |
| Certificates of participation | - | - | (11,215,829) | (11,730,885) | (11,833,077) | (11,708,443) | (11,605,465) | (9,885,476) | (9,881,406) | (9,777,336) |
| General obligation bond retirement fund balance | (257,832) | (152,856) | (812,585) | - | - | - | - | - | - | - |
| Net debt within 5.5% limit | <u>1,179,205</u> | <u>4,611,752</u> | <u>(4,013)</u> | <u>154,000</u> | <u>10,358,021</u> | <u>11,845,623</u> | <u>11,081,062</u> | <u>10,321,501</u> | <u>9,526,940</u> | <u>8,942,379</u> |
| Unvoted legal debt margin within 5 1/2% limitations | <u>\$ 13,973,827</u> | <u>\$ 9,646,816</u> | <u>\$ 14,749,783</u> | <u>\$ 14,612,205</u> | <u>\$ 2,063,457</u> | <u>\$ 797,444</u> | <u>\$ 1,177,777</u> | <u>\$ 1,360,555</u> | <u>\$ 2,459,797</u> | <u>\$ 2,901,785</u> |
| Unvoted legal debt margin as a percentage of the unvoted debt limitation | 92.22% | 67.66% | 100.03% | 98.96% | 16.61% | 6.31% | 9.61% | 11.65% | 20.52% | 24.50% |

Source: City Financial Records

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES
 DEBT
 2018**

Table 13

| <u>Jurisdiction</u> | <u>Governmental Activities Debt Outstanding</u> | (1) Percentage Applicable to City of <u>Warrensville Heights</u> | <u>Amount Applicable to City of Warrensville Heights</u> |
|---|---|--|--|
| Direct Debt: | | | |
| City of Warrensville Heights | | | |
| General Obligation Bonds | \$ 9,526,940 | 100.00% | \$ 9,526,940 |
| Certificates of Participation | 9,881,406 | 100.00% | 9,881,406 |
| Capital leases | 222,213 | 100.00% | 222,213 |
| Loans Payable | 2,722,395 | 100.00% | 2,722,395 |
| Total Direct Debt | <u>22,352,954</u> | | <u>22,352,954</u> |
| Overlapping Debt: | | | |
| Warrensville Heights City School District | 10,515,000 | 66.32% | 6,973,659 |
| Cuyahoga County | 188,010,000 | 0.88% | 1,657,753 |
| Cuyahoga Community College | 212,260,000 | 0.88% | 1,871,574 |
| Total overlapping debt | <u>410,785,000</u> | | <u>10,502,986</u> |
| Total | <u>\$ 433,137,954</u> | | <u>\$ 32,855,940</u> |

Source: Cuyahoga County, Ohio; County Fiscal Office

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

**CITY OF WARRENSVILLE HEIGHTS
 CUYAHOGA COUNTY, OHIO
 PRINCIPAL TAXPAYERS
 2018 AND 2009**

Table 14

| <u>Employer</u> | 2018 (1) | |
|---|------------------|----------------------|
| | <u>Employees</u> | <u>Percentage of</u> |
| Cleveland Clinic Foundation | 1,451 | 10.50% |
| University Hospital Health System | 578 | 4.18% |
| Heinen's Inc. | 498 | 3.60% |
| Sherwin-Williams Co. | 458 | 3.32% |
| One Source Employee Management | 428 | 3.10% |
| Warrensville Heights Board of Education | 391 | 2.83% |
| Physical Medical Transport | 300 | 2.17% |
| Henkel Corp | 211 | 1.53% |
| Ameri Serv LLC | 165 | 1.19% |
| Group Management Services | 162 | 1.18% |
| Total | <u>4,642</u> | <u>33.60%</u> |
| Total City Employment | <u>13,815</u> | <u>100.00%</u> |

| <u>Employer</u> | 2009 | |
|---|------------------|----------------------|
| | <u>Employees</u> | <u>Percentage of</u> |
| Cleveland Clinic Foundation | 1,523 | 11.58% |
| Warrensville Heights City School District | 467 | 3.55% |
| Sherwin-Williams Co. | 397 | 3.02% |
| United Health Homecare Services | 348 | 2.65% |
| Heinen's Inc. | 341 | 2.59% |
| Par Aquisition | 313 | 2.38% |
| Little Sisters of the Poor | 178 | 1.35% |
| City of Warrensville Heights | 168 | 1.28% |
| Henkel Corporation | 142 | 1.08% |
| Horizon, Inc. | 135 | 1.03% |
| Total | <u>4,012</u> | <u>30.51%</u> |
| Total City Employment | <u>13,150</u> | <u>100.00%</u> |

Source: (1) City of Cleveland Central Collection Agency

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS**

Table 15

| <u>Year</u> | <u>Population (1)</u> | <u>Total Personal Income (4)</u> | <u>Personal Income Per Capita (1)</u> | <u>Median Household Income (1)</u> | <u>Median Age (1)</u> | <u>Educational Attainment: Bachelor's Degree or Higher</u> | <u>School Enrollment (2)</u> | <u>Cuyahoga County Unemployment Rate (3)</u> | <u>Total Assessed Property Value</u> |
|-------------|-----------------------|--------------------------------------|---|--|---------------------------|--|----------------------------------|--|--|
| 2009 | 15,109 | 281,193,599 | 18,611 | 37,204 | 37.7 | 16.40 | 2,273 | 8.9% | 275,509,672 |
| 2010 | 13,542 | 263,432,526 | 19,453 | 36,461 | 39.2 | 14.40 | 2,145 | 8.9% | 259,246,690 |
| 2011 | 13,542 | 263,432,526 | 19,453 | 36,461 | 39.2 | 14.40 | 1,956 | 8.0% | 268,104,910 |
| 2012 | 13,542 | 263,432,526 | 19,453 | 36,461 | 39.2 | 14.40 | 1,700 | 6.6% | 268,476,460 |
| 2013 | 13,542 | 255,293,784 | 18,852 | 35,926 | 39.2 | 15.50 | 1,657 | 7.0% | 225,845,060 |
| 2014 | 13,542 | 268,551,402 | 19,831 | 35,461 | 39.6 | 15.40 | 1,432 | 6.9% | 229,873,940 |
| 2015 | 13,542 | 275,728,662 | 20,361 | 35,143 | 39.6 | 17.60 | 1,416 | 4.0% | 222,887,990 |
| 2016 | 13,542 | 280,387,110 | 20,705 | 35,181 | 38.3 | 19.40 | 1,531 | 5.3% | 212,401,020 |
| 2017 | 13,542 | 282,079,860 | 20,830 | 35,733 | 37.8 | 17.20 | 1,539 | 5.9% | 217,940,670 |
| 2018 | 13,542 | 285,682,032 | 21,096 | 35,871 | 37.8 | 18.80 | 1,640 | 5.0% | 215,348,430 |

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

(a) 2000 Federal Census

(b) 2010 Federal Census

(2) Ohio Department of Education for Warrensville Heights City School District

(3) U. S. Bureau of Labor Statistics

(4) Total Personal Income is calculated by multiplying Population times Personal Income per Capita

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS**

Table 16

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|
| Function/program: | | | | | | | | | | |
| Security of persons and property: | | | | | | | | | | |
| Police and others: | | | | | | | | | | |
| Total calls for services | 15,918 | 15,312 | 14,012 | 14,470 | 15,514 | 15,842 | 19,245 | 20,691 | 20,715 | 20,068 |
| Number of traffic citations issued | 1,965 | 2,138 | 1,698 | 1,765 | 1,951 | 1,809 | 1,483 | 2,921 | 3,084 | 2,239 |
| Number of parking citations issued | 1,580 | 114 | 820 | 762 | 768 | 811 | 1,919 | 1,716 | 1,457 | 1,535 |
| Number of criminal arrests | 867 | 589 | 639 | 593 | 642 | 670 | 783 | 379 | 896 | 674 |
| Number of accident reports completed | 763 | 731 | 744 | 763 | 725 | 1,018 | 1,154 | 1,225 | 1,367 | 1,251 |
| Part 1 offenses (major offenses) | 633 | 546 | 575 | 554 | 560 | 568 | 7 | 774 | 869 | 783 |
| DUI arrests | 17 | 9 | 12 | 17 | 12 | 24 | 112 | 30 | 39 | 42 |
| Prisoners | 1,000 | 117 | 142 | 76 | 43 | 40 | - | 496 | 619 | 653 |
| Prisoner meal costs | \$ 15,706 | \$ 437 | \$ 149 | \$ - | \$ - | \$ - | \$ - | \$ 10,836 | \$ 12,234 | \$ 8,795 |
| Motor vehicle accidents | 763 | 731 | 744 | 763 | 725 | 1,018 | 1,154 | 1,225 | 1,367 | 1,345 |
| Property damage accident | 665 | 640 | 651 | 684 | 680 | 725 | 630 | 191 | 247 | 327 |
| Fatalities from motor vehicle accident | 1 | 1 | - | - | - | 1 | - | - | - | - |
| Gasoline costs of fleet | \$ 89,170 | \$ 36,539 | \$ 60,000 | \$ 28,211 | \$ 59,474 | \$ 51,591 | \$ - | \$ - | - | - |
| Community diversion program youths | 40 | 23 | 21 | 18 | 16 | 14 | 15 | 20 | 30 | 16 |
| Community diversion program - service hours | 728 | 640 | 470 | 490 | 478 | 385 | 425 | 450 | 467 | 389 |
| Fire: | | | | | | | | | | |
| EMS calls | 1,869 | 1,678 | 1,902 | 1,899 | 1,950 | 2,037 | 2,227 | 2,494 | 2,587 | 2,781 |
| Ambulance billing collections (net) | \$ 378,967 | \$ 380,413 | \$ 353,557 | \$ 353,520 | \$ 411,455 | \$ 385,632 | \$ 403,302 | \$ 441,205 | \$ 430,752 | \$ 461,781 |
| Fire calls | 807 | 94 | 360 | 519 | 509 | 498 | 668 | 635 | 649 | 666 |
| Fires with loss | 46 | 16 | 23 | 41 | 12 | 14 | 3 | 7 | 35 | 41 |
| Fires with losses exceeding \$10k | 9 | 9 | 13 | 12 | 7 | 6 | 1 | 5 | 31 | 17 |
| Fire losses | \$ 590,100 | \$ 613,250 | \$ 514,850 | \$ 580,000 | \$ 672,300 | \$ 687,000 | \$ 96,430 | \$ 148,699 | \$ 1,200,900 | \$ 1,155,000 |
| Fire safety inspections | 257 | 247 | 192 | 49 | 83 | 85 | 211 | 171 | 125 | 212 |
| Number of times mutual aid given to fire and EMS | 44 | 44 | 44 | 4 | 14 | 27 | 19 | 16 | 19 | 23 |
| Number of times mutual aid received for fire and EMS | 12 | 105 | 90 | 19 | 18 | 38 | 56 | 61 | 78 | 107 |

(Continued)

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS**

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | Table 16 (Continued) | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|-----------------------------|------------|
| | | | | | | | | | 2017 | 2018 |
| Basic Utility Services: | | | | | | | | | | |
| Refuse disposal per year (in tons) | 4,450 | 4,209 | 4,708 | 3,987 | 4,051 | 4,070 | 3,051 | 3,010 | 2,718 | 2,921 |
| Refuse disposal costs per year (calendar year) | \$ 169,966 | \$ 163,936 | \$ 164,043 | \$ 147,021 | \$ 189,566 | \$ 153,703 | \$ 161,650 | \$ 419,379 | \$ 554,896 | \$ 523,524 |
| Annual recycling tonnage (excluding leaf and compost items) | 777 | 868 | n/a | 107 | 112 | 88 | 76 | 398 | 534 | 551 |
| Percentage of waste recycled | 15.21% | 23.00% | n/a | 2.61% | 2.75% | 2.13% | 2.16% | 13.23% | 5.20% | 16.00% |
| Transportation: | | | | | | | | | | |
| Street repair (curbs, aprons, berms, asphalt) (hours) | 803 | 824 | 320 | 520 | 2,116 | 1,950 | 877 | 973 | 720 | 630 |
| Guardrail repair (hours) | 144 | 132 | 16 | 60 | 10 | 5 | 2 | 3 | 16 | 3 |
| Paint striping (hours) | 326 | 205 | 40 | 150 | 200 | 150 | 256 | 328 | 1,260 | 480 |
| Street sweeper (hours) | 805 | 726 | 112 | 625 | 400 | 350 | 317 | 784 | 560 | 556 |
| Cold patch (hours) | 872 | 824 | 392 | 725 | 800 | 620 | 344 | 398 | 144 | 640 |
| Snow and ice removal overtime hours | - | - | 2,456 | 2,145 | 1,500 | 1,800 | 3,265 | 1,534 | 1,856 | 1,233 |
| Landscaping stump-chipper service (hours) | 799 | 826 | 32 | 50 | 754 | 800 | 1,789 | 1,238 | 2,064 | 1,054 |
| Holiday lights setup (hours) | 96 | 88 | 80 | 86 | 196 | 200 | 261 | 181 | 144 | 732 |
| Sign department (hours) | 316 | 263 | 40 | 60 | 200 | 220 | 180 | 120 | 1,004 | 552 |
| Number of trees planted per year | 10 | 3 | - | - | 5 | 10 | 5 | 28 | 30 | 10 |
| Tons of snow melting salt purchased (Nov - Mar) | 7,100 | 4,991 | 4,835 | 5,600 | 7,000 | 7,000 | 4,525 | 4,066 | 6,000 | 6,000 |
| Cost of salt purchased | \$ 180,461 | \$ 230,055 | \$ 220,444 | \$ 190,512 | \$ 230,388 | \$ 161,313 | \$ 295,216 | \$ 205,081 | \$ 168,000 | \$ 291,420 |
| General government: | | | | | | | | | | |
| Council and clerk: | | | | | | | | | | |
| Number of ordinances passed | 155 | 114 | 104 | 188 | 134 | 139 | 165 | 179 | 166 | 127 |
| Number of resolutions passed | 51 | 59 | 60 | 50 | 30 | 23 | 66 | 77 | 57 | 49 |

(Continued)

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS**

Table 16 (Continued)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Finance department: | | | | | | | | | | |
| Number of checks/vouchers issued | 3,087 | 2,369 | 2,452 | 2,407 | 2,621 | 2,736 | 2,887 | 2,976 | 2,988 | 3,185 |
| Amount of checks written | \$ 8,867,036 | \$ 6,535,315 | \$11,008,059 | \$10,442,701 | \$ 7,238,615 | \$ 5,348,674 | \$ 7,076,524 | \$10,530,470 | \$ 8,627,601 | \$ 8,714,435 |
| General fund interest earnings for fiscal year (cash basis) | \$ 40,625 | \$ 1,742 | \$ 7,054 | \$ 8,476 | \$ 7,878 | \$ 6,639 | \$ 123,553 | \$ 30,085 | \$ 76,597 | \$ 139,990 |
| Number of receipts issued | 3,267 | 3,466 | 330 | 3,502 | 3,427 | 3,869 | 4,795 | 4,619 | 4,290 | 3,997 |
| Number of budget adjustments issued | 10 | 61 | 16 | 30 | 50 | 6 | 3 | 5 | 83 | 13 |
| Agency rating - Moody's financial services | A-3 | A-1 | A-1 | A-1 | A-1 | A-1 | A-1 | A-1 | A-1 | A-1 |
| Health insurance costs vs. general fund expenditures (cash basis) | 9.74% | 11.70% | 8.61% | 8.56% | 9.40% | 9.10% | 10.09% | 9.88% | 9.47% | 10.78% |
| General Fund receipts (cash basis) | \$15,259,941 | \$15,908,238 | \$15,748,605 | \$15,559,787 | \$16,516,049 | \$17,984,776 | \$19,584,225 | \$19,635,744 | \$20,478,751 | \$20,639,441 |
| General Fund expenditures (cash basis) | \$15,764,972 | \$14,680,884 | \$14,899,241 | \$14,716,911 | \$15,815,121 | \$16,555,825 | \$18,480,253 | \$19,450,905 | \$20,651,242 | \$21,099,041 |
| General Fund cash balances | \$ - | \$ 786,116 | \$ 1,739,885 | \$ 2,911,044 | \$ 3,089,881 | \$ 4,291,087 | \$ 5,396,290 | \$ 4,988,658 | \$ 4,930,484 | \$ 4,621,605 |
| Building department indicators: | | | | | | | | | | |
| Construction permits issued | 631 | 631 | 647 | 609 | 282 | 667 | 932 | 795 | 625 | 589 |
| Estimated value of construction | \$11,450,970 | \$ 8,335,467 | \$14,970,841 | \$ 4,515,733 | \$41,779,964 | \$86,106,191 | \$25,462,710 | \$26,797,000 | \$25,437,749 | \$10,187,805 |
| Number of plumbin and electrical permits issued | 258 | 202 | 193 | 206 | 243 | 126 | 301 | 288 | 211 | 184 |
| Amount of revenue generated from permits | \$ 237,736 | \$ 186,986 | \$ 422,070 | \$ 222,617 | \$ 427,684 | \$ 613,841 | \$ 593,877 | \$ 359,996 | \$ 264,014 | \$ 140,677 |
| Number of contract registrations issued | 354 | 346 | 408 | 249 | 282 | 255 | 259 | 266 | 225 | 280 |
| Number of rental inspections performed | 544 | 833 | 572 | 662 | 718 | 1,206 | 2,018 | 315 | 1,298 | 908 |
| Number of point of sale inspections | 192 | 1,234 | 1,831 | 662 | 717 | 102 | 203 | 177 | 159 | 134 |

Source: Information for operating indicators was obtained from the various departments within the City.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS**

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|-----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Function/program: | | | | | | | | | | |
| Security of persons and property: | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Square footage of building | 4,840 | 4,840 | 4,840 | 4,840 | 4,840 | 4,840 | 4,840 | 4,840 | 4,840 | 4840 |
| Vehicles | 36 | 32 | 29 | 29 | 29 | 29 | 29 | 14 | 18 | 17 |
| Fire: | | | | | | | | | | |
| Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Square footage of building | 13,460 | 13,460 | 13,460 | 13,460 | 13,460 | 13,460 | 13,460 | 13,460 | 13,460 | 13,460 |
| Vehicles | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 8 | 8 | 8 |
| Leisure time activities: | | | | | | | | | | |
| Recreation: | | | | | | | | | | |
| Number of parks | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 7 | 7 | 7 |
| YMCA square footage | - | - | - | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Senior Community Center: | | | | | | | | | | |
| Square footage of building | 13,300 | 13,300 | 13,300 | 13,300 | 13,300 | 13,300 | 13,300 | 13,300 | 13,300 | 13300 |
| Vehicles | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 |
| Transportation: | | | | | | | | | | |
| Public works: | | | | | | | | | | |
| Square footage of building | 41,360 | 41,360 | 41,360 | 41,360 | 41,360 | 41,360 | 41,360 | 41,360 | 41,360 | 41360 |
| Vehicles | 40 | 40 | 37 | 37 | 40 | 40 | 40 | 21 | 39 | 41 |
| Streets (miles) | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 |
| General government: | | | | | | | | | | |
| Square footage occupied | 25,515 | 25,515 | 25,515 | 25,515 | 25,515 | 25,515 | 25,515 | 25,515 | 25,515 | 25515 |
| Administrative vehicles | 1 | 1 | 1 | - | - | - | - | - | - | - |
| Inspection vehicles | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 8 | 4 | 4 |

Source: City's capital asset records

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS**

Table 18

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Function/program: | | | | | | | | | | |
| Security of persons and property: | | | | | | | | | | |
| Police | 36.00 | 33.00 | 33.00 | 33.00 | 33.00 | 29.00 | 31.00 | 32.00 | 30.00 | 31.00 |
| Police - auxiliary/guards | 3.50 | 3.50 | 4.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | - |
| Police - dispatchers/office/other | 11.00 | 10.00 | 9.00 | 9.00 | 8.00 | 8.00 | 8.00 | 8.00 | 9.00 | 9.00 |
| Police - jailers | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 1.50 | 1.50 | 1.50 | 1.00 |
| Police - animal wardens | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Fire | 35.00 | 28.00 | 32.00 | 31.00 | 29.00 | 27.00 | 28.00 | 28.00 | 27.00 | 28.00 |
| Fire - secretary - other | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Leisure time activities: | | | | | | | | | | |
| Senior and civic center | 4.00 | 4.00 | 4.00 | 4.00 | 5.50 | 5.00 | 5.00 | 5.50 | 6.00 | 6.00 |
| Community liason | - | - | - | - | - | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Community Development: | | | | | | | | | | |
| Building | 10.00 | 10.00 | 8.50 | 8.50 | 8.50 | 8.50 | 8.50 | 8.50 | 6.50 | 7.50 |
| Economic Development | 1.00 | 2.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 |
| Transportation: | | | | | | | | | | |
| Service | 38.00 | 30.00 | 27.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 27.00 |
| General government | | | | | | | | | | |
| Council | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 |
| Executive administration | 5.00 | 4.00 | 4.00 | 5.00 | 4.00 | 4.00 | 5.50 | 6.50 | 6.00 | 6.00 |
| Finance | 6.00 | 5.00 | 4.00 | 5.00 | 4.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Municipal income tax | 1.00 | 1.00 | 1.00 | 1.00 | 0.50 | 0.50 | 0.55 | 0.50 | 0.50 | 1.00 |
| Legal | 1.50 | 1.50 | 1.50 | 1.00 | 1.00 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| Human reources | 2.00 | 2.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 |
| Planning | 2.00 | 2.00 | 2.50 | 2.50 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Civil service | 1.50 | 2.00 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| Community activities | - | - | - | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 |
| Totals | <u>168.00</u> | <u>148.50</u> | <u>145.00</u> | <u>146.50</u> | <u>142.00</u> | <u>137.50</u> | <u>143.05</u> | <u>147.50</u> | <u>144.50</u> | <u>143.00</u> |

Source City Payroll Department Payroll Register

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year-end.

This page intentionally left blank

OHIO AUDITOR OF STATE KEITH FABER



CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA 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
AUGUST 29, 2019**