



OHIO AUDITOR OF STATE
KEITH FABER



CITY OF STRONGSVILLE
CUYAHOGA COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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

City of Strongsville
Cuyahoga County
16099 Foltz Industrial Parkway
Strongsville, Ohio 44149

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Strongsville, 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 20, 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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Keith Faber
Auditor of State

Columbus, Ohio

June 20, 2019

CITY OF STRONGSVILLE, OHIO



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

CITY OF STRONGSVILLE, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2018

Issued by The Finance Department

Joseph K. Dubovec, CPA
Director of Finance

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INTRODUCTORY SECTION



City of Strongsville, Ohio
Comprehensive Annual Financial Report
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City of Strongsville

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Mayor's Office Fax: 440-572-3241
www.strongsville.org

June 20, 2019

Members of City Council and
Honorable Citizens of Strongsville, Ohio

We are pleased to submit the Comprehensive Annual Financial Report of the City of Strongsville for the year ended December 31, 2018.

This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires cities to file unaudited general purpose external financial statements with the Auditor of State within 150 days of year end.

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

Keith Faber, Auditor of State, has issued an unmodified (“clean”) opinion on the City of Strongsville’s financial statements for the year ended 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.

Profile of the Government

The City of Strongsville is approximately 25 square miles and is located in Cuyahoga County in northeastern Ohio, approximately 14 miles southwest of the City of Cleveland. Strongsville was founded in 1816, became a township in 1818, a village in 1927, and became a city in 1961 under the laws of the State of Ohio. In 2010 the U.S Census Bureau reported that Strongsville had a population of 44,750, up 2 percent from 43,858 in 2000.

The City of Strongsville operates and is governed by its Charter, first adopted by the voters on November 4, 1958. The Charter has been and may be amended by the voters from time to time. A nine-member Charter Review Commission reviews the Charter every five years, and most recently did so in 2018. The City is also subject to some general laws applicable to all cities. Under the State of Ohio Constitution, the City may exercise all powers of local self-government and police powers to the extent not in conflict with applicable laws. The Charter provides for a mayor-council form of government.

Legislative authority is vested in a seven-member council. Three members are elected at-large, and four members are elected from wards. The Council fixes compensation of City officials and employees, enacts ordinances and resolutions relating to City services, tax levies, appropriations, borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the President of Council, who is elected by Council for a one year term. The Charter establishes certain administrative departments and Council may establish additional departments and divisions within departments.

The City of Strongsville's chief executive and administrative officer is the Mayor, who is elected by the voters for a four-year term. The Mayor appoints, subject to approval of a majority of the members of Council, the Directors of the City's departments. The Mayor also oversees the enforcement of all laws and ordinances, and executes all contracts, conveyances, evidences of indebtedness, and all other instruments to which the municipality is a party.

The City provides its residents with a full range of municipal services. These services include, among other things, police, fire, emergency medical assistance, recreation and senior programs, building code enforcement, sanitary and storm sewer maintenance, street maintenance and repair, street lighting, traffic signalization, snow removal, refuse disposal, cemetery services and the maintenance of all City lands, buildings and equipment.

The City of Strongsville maintains its legal level of budgetary control at the department level, separated into the categories of Personal Service, Other than Personal Service, and Transfers and Advances. The Finance Director is authorized to allocate appropriations for function and object levels within the same department and category as explained above without prior Council approval, as long as the total appropriation for each department and category does not exceed that of the Council-approved appropriation.

Profile of the City

The City of Strongsville is served by diversified transportation facilities, including two State highways, U.S. Highway 42 and 82, and Interstate Highways I-71 and I-80 (the Ohio Turnpike). It is served by CSX Railroad for freight rail services, Amtrak for passenger rail services located in nearby Cleveland, and is served by passenger and freight air services at Cleveland Hopkins International Airport, located within five miles of the City, and Burke Lakefront Airport located in downtown Cleveland. Public mass transit for the area is provided by the Greater Cleveland Regional Transit Authority.

Within a 30-minute drive from the City are the locations of the Rock and Roll Hall of Fame, Progressive Field, Rocket Mortgage FieldHouse, FirstEnergy Stadium, the world-class Cleveland Orchestra, the Cleveland Museum of Art, the Natural History Museum, the Western Reserve Historical Society, the Cleveland Playhouse and Karamu House, a multi-racial performing arts center. These and other facilities in the area offer an extensive variety of cultural and educational programs to the residents of Strongsville, as well as professional sports including baseball, basketball and football.

The City of Strongsville owns four parks offering residents a variety of activities to improve health and fitness. The 57-acre Strongsville Recreation Park has three baseball diamonds and tennis courts. Surrarer Park, on the City's east side, has a baseball diamond, tennis courts and a covered pavilion. Volunteer Park, on the City's west side, has six baseball diamonds, a covered picnic area, bocce ball court and horseshoe pits. The Youth Sports Park also on the City's west side has a regulation football field, three youth baseball fields and a covered picnic area. The Strongsville Business & Technology Park, home of the Strongsville Soccer Organization, offers residents many opportunities for fitness related activities. City residents can also take advantage of the Cleveland Metroparks within minutes of home. Located in the City section of the park system are the popular toboggan chutes, Mill Stream Run and a facility for year-round recreational activities, the Chalet. Gardenview Horticultural Park is a botanical park located on 16 acres near the south end of the City. Visitors can view more than 500 species of trees and plants.

Economic Development

The City of Strongsville is home to a diverse, growing local economy that maintains a solid tax base through established business parks and a thriving commercial sector. Development in the City of Strongsville has closely followed the City's Comprehensive Master Plan, which was first developed in the early 1960s and has been modified regularly to accommodate changes in the economic climate. As part of that plan, four industrial development areas, totaling over 2,362 acres, have been established within the City featuring large setbacks and ample green space, resulting in a "park-like" atmosphere. A summary of each of the four business parks is listed below:

The Strongsville Business & Technology Park

- 1,693 acres; 70% developed
- 3,617,028 SF of build-out with a 5.36% vacancy rate
- Home to over 70 companies that employ over 3,000 employees
- Ranked as the #1 industrial park in Northeast Ohio by Crain's Cleveland Business (9/2018)
- Over 500 acres of undeveloped, greenfield land available for future industrial development
- Major employers in the park: Momentive Performance Material's Quartz Division, Vitamix, Foundation Software, Clark Reliance's Corporate Headquarters, Sparton Medical Devices, CCL Label, and Eberhard Manufacturing

The Dow Circle Research & Development Park

- 258 acres; 95% developed
- 910,112 SF of build-out with a 0% vacancy rate
- Home to over 30 companies that employ over 2,600 employees
- Major employers in the park: Regional Headquarters for Enterprise Rental Car, Lumitex, Akzo Nobel Coatings RD&I Center, and PNC Bank's Technology Center

The Progress Drive Business Park

- 325 acres; 96% developed
- 1,508,326 SF of build-out with a 1.46% vacancy rate
- Home to over 40 companies that employ over 2,000 employees
- Major employers in the park: Corporate Headquarters of Atlantic Tool & Die, PPG Industries, and Insight/Chemical Services

Park 82

- 86 acres; 100% developed
- 1,349,280 SF of build-out with 5.11% vacancy rate
- Home to over 15 companies that employ over 1,000 employees
- Major employers in the park: Darice Inc, (a division of Michael's), Intralot, and Dealer Tire

Overall, Strongsville's business parks are home to 7,384,746 SF of industrial/high tech build-out with an occupancy rate at 96%, as of December 31, 2018.

Job growth and business retention continued to be robust within the business parks in 2018. A highlight of several projects within the business parks include:

Brighton Best

- Company Description:* Supplier of Wholesale Fasteners
- Business Park:* Strongsville Business & Technology Park
- Constructed a new 212,000 SF office and distribution center
- Retained over 50 existing jobs while also consolidating new, out-of-state jobs to Strongsville

The Torsion Group

- Company Description:* Manufacturer & Distributor of Commercial/Residential Garage Door Parts
- Business Park:* Park 82
- Leased 78,000 SF
- Relocated their regional office, manufacturing, and distribution center to Strongsville

Union Home Mortgage

- Company Description:* Mortgage Broker
- Business Park:* Dow Circle Research & Development Park
- Purchased two additional, contiguous office buildings of 21,800 SF and 60,969 SF
- Company continues to aggressively expand their Corporate Headquarters within Strongsville with additional office facility purchases

Foundation Software

- Company Description:* Software Developer & Payroll Specialist for the Construction Industry
- Business Park:* Strongsville Business & Technology Park
- Purchased 120,000 SF office building on Royalton Road for new Corporate Headquarters
- The company will maintain their Foltz Parkway location while expanding corporate office on Royalton Road

Swagelok

- Company Description:* Manufacturer of Precision Machine Parts
- Business Park:* Strongsville Business & Technology Park
- Continued expansion of Strongsville manufacturing facility
- Created over 50 new jobs in Strongsville

Infinium Wall Systems

- Company Description:* Manufacturer of Glass Wall Dividers for Offices
- Business Park:* Strongsville Business & Technology Park
- Leased an additional 23,000 SF within the Mills Business Park Complex

Intralot

- Company Description:* Ohio Lottery IT Contractor
- Business Park:* Park 82
- Leased an additional, contiguous 40,000 SF in Strongsville
- New space will help support Ohio Lottery IT operations

To facilitate the expansion and attraction of economic development projects, the City utilizes four tax incentive programs:

- **Community Reinvestment Area (CRA) Program**
The City has established nineteen (19) Pre-1994 CRAs within and surrounding Strongsville's business parks. Improvements within these CRAs are granted an exemption from real estate property taxes for 100% of the incremental increase in assessed value for a period of up to 15 years.
- **Strongsville Job/Payroll Creation Incentive Grant Program**
The City of Strongsville utilizes an incentive program designed to attract large end-users with significant payroll to the community. Under the Strongsville Job/Payroll Creation Incentive Grant Program, a company that creates and maintains over \$6 million in new annual payroll within the City is eligible for an annual grant payment based on a percentage of the annual payroll withholding taxes generated by the project.
- **Enterprise Zone Program**
The City's Enterprise Zone Program provides tax incentives in a designated Enterprise Zone to businesses that agree to invest in capital improvements and create or retain jobs. Tax incentives under this program are negotiated and can provide tax abatements of up to 75% for a term of up to ten years, subject to City, County and State approval.
- **Foreign Trade Zone (FTZ)**
The City has seven (7) established FTZs within the City's business parks. FTZs allow companies to defer, reduce, or eliminate US Customs' duties.

The City has also created a Community Improvement Corporation, to facilitate future economic development. This non-profit corporation is registered with the State of Ohio and it is separate from the City, with its own code of regulations and directors. This corporation can be used to facilitate private entity borrowing or to hold properties, as approved by the City, for use in enhancing business opportunities.

In addition to the local tax incentive programs, the City of Strongsville utilizes County programs such as the Storefront Renovation Program and Brownfield Redevelopment Funds, as well as State programs for job creation and workforce development.

Long-Term Financial Planning, Initiatives and Accomplishments

The City's entire bond portfolio is rated AAA by Moody's Investors Service. This is the highest rating a city can receive, which attests to the City's prudent fiscal management and strong economic health.

The City of Strongsville's Finance Department was proud to receive its 7th consecutive, Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the Fiscal Year ended December 31, 2017. It was also the 5th year that the Finance Department produced its award winning Popular Annual Financial Report. In addition, the City received its 4th consecutive Ohio Auditor of State Award with Distinction for its annual financial reports in 2017. This award is given to governmental entities that file an annual CAFR and timely financial reports as well as receive a "clean" audit report.

The Mayor, Economic Development Director and Tax Increment Financing (TIF) Specialist, have aggressively pursued the use of TIF Financing as an economic development tool. The City currently has fourteen state approved areas designated as TIF Financing Districts with four pending. Total TIF revenue collected since the inception of the TIF program has now reached \$12,243,593.

In 2018, the City of Strongsville, working closely with The Ohio State University and the Strongsville Economic Development Committee, conducted a residential survey that was mailed to 14,675 Strongsville households. The purpose of the survey was to determine the value Strongsville residents place on available amenities and services, as well as their overall assessment of the community's quality of life. Over 24% of the households surveyed responded. Results of the survey indicated that 92% of the respondents rated the "Quality of Life" in Strongsville as good to excellent and 88% of respondents indicated that they would recommend Strongsville to others as a place to live. In addition, the City's Safety Forces received extremely high marks with 87% of respondents rating the Police Department as good/excellent and 86% of respondents rating the Fire Department & Paramedic Service as good/excellent. Copies of the survey results are available to the public at www.strongsville.org.

The City administration prepared and through City Council, adopted the 2019 annual budget prior to December 31, 2018. This affords City Departments the opportunity to bid projects beginning in January and take advantage of lower bids and save on construction projects.

The Earned Benefits, Health Insurance Reserve and Workers Compensation Reserve funds are all used to accumulate funds that can be used during times of higher expenditures or lower revenues. They are designed to smooth cash inflows and outflows in other operating funds. On generally accepted accounting principles (GAAP) basis, the Earned Benefits fund was presented in the general fund and the Hospitalization Reserve fund and the Workers' Compensation Reserve fund were allocated back into the funds which contributed to it.

Although the City has not adopted a formal minimum fund balance policy, we have always strived 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.

The City's Engineering Department has developed a proactive 10-phase Sanitary Sewer Capital Improvement Plan designed to eliminate 663 of the 850 septic systems in place throughout the City. The first five phases of this plan have been completed at a total construction cost of \$6,447,284. These projects were partially financed with a grants from the Ohio Public Works Commission and Northeast Ohio Regional Sewer District totaling \$2,030,307 and loans from the Ohio Water Development Authority totaling \$2,449,184. These loans were obtained to initially pay the residents' share of the construction costs, which will be repaid from the proceeds of special assessments levied against the property owners who benefitted from these projects.

Construction on Phase VI and the elimination of 31 systems is scheduled to be completed in 2019 at an estimated cost of \$1,040,000. Planning for Phase VII and the elimination of 35 septic systems, is scheduled to be completed in 2019 with construction on this project scheduled to begin sometime in 2020.

The City's Recreation Department received a \$167,768 energy efficiency infrastructure grant from the Northeast Ohio Public Energy Council (NOPEC). The grant was used to increase the insulation R-value to meet the new energy code requirements in the roof that was being replaced at the Recreation Center.

The City's Senior Center received a \$110,000 grant from Cuyahoga County Division of Senior & Adult Services through its Community Social Services Program, to assist in senior adult development programs and transportation services.

The City's Engineering Department was awarded a \$450,000 grant from the Northeast Ohio Regional Sewer District through its Regional Storm Water Management program for the Howe Road South Sanitary Sewer Project. This project includes the construction of an 8" sanitary sewer and appurtenances to eliminate existing septic systems.

The City's Fire Department received a \$15,000 grant from the Ohio Bureau of Workers' Compensation. This grant was used to purchase personal protective equipment, including hoods with barrier protection and washable gloves.

The City has continued its commitment to improve infrastructure throughout the City, and to also upgrade its vehicle fleet and equipment. Approximately \$5.9 million was spent on roadway projects, concrete replacement and asphalt reconstruction and replacement, while a combined \$1.7 million was spent on the replacement of an ambulance, senior van, nine police vehicles, a used rubbish truck, three trailers, lawn mower, eight snow and ice control equipment packages and four leaf box attachments.

In 2018 the City hosted the ninth annual Strongsville Community Business Expo, a community-friendly event designed to support the local business community by increasing exposure of the goods and services they provide to the public. This event, which is marketed with radio spots and ads in area newspapers, attracted 100 business vendors that provide product demonstrations, samples and promotional literature to thousands of area residents.

For more than nineteen years, Strongsville has offered its residents curbside recycling. In 2018, a \$5,000 grant was received to design and distribute the City's Recycling newsletter, "Keeping Strongsville Green". Over 18,000 households now receive this newsletter that promotes the City's recycling program.

The City received its 23rd – Tree City USA Award, sponsored by the National Arbor Day Foundation in cooperation with the U.S. Forest Service, the U.S. Conference of Mayors, the National Association of State Foresters, and the National League of Cities.

Awards and Acknowledgments

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 Strongsville for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized comprehensive annual financial report that satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

A certificate is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements, and are submitting it to GFOA to determine its eligibility for another certificate.

The successful completion of a report of this scope depends upon the dedicated contributions of many employees. The sincere appreciation of those primarily responsible for the completion of this CAFR is extended to all contributors, but especially those employees in the Department of Finance who have spent their time and energy on various parts of the report, and to the staff from James G. Zupka, Certified Public Accountants, Incorporated, for their assistance in compiling the Comprehensive Annual Financial Report.

In addition, we would like to thank the members of Strongsville City Council, for their support in striving for excellence in financial reporting and disclosure.

Respectfully submitted,



Thomas P. Perciak
Mayor



Joseph K. Dubovec, CPA
Director of Finance

City of Strongsville, Ohio
Elected Officials
December 31, 2018

Official	Term	Term Expiration
Mayor:		
Thomas P. Perciak	4 years	December 31, 2019
Council Members:		
<u>At-Large:</u>		
Joseph C. DeMio - President	4 years	December 31, 2021
James E. Carbone - President Pro Tem	4 years	December 31, 2021
Matthew A. Schonhut	4 years	December 31, 2021
<u>Wards:</u>		
Mathew P. Patten (Ward 1)	4 years	December 31, 2019
Annamarie P. Roff (Ward 2)	4 years	December 31, 2019
Kelly A. Kosek (Ward 3)	4 years	December 31, 2019
Gordon C. Short (Ward 4)	4 years	December 31, 2019

City of Strongsville, Ohio

Appointed Officials

December 31, 2018

Law Director:
Neal M. Jamsion

Communication & Technology Director:
David E. Sems

Assistant Law Director:
Daniel J. Kolick

Human Resources Director:
Stephen F. Kilo

Finance Director:
Joseph K. Dubovec, CPA

Recreation, Parks & Senior Services Director:
Bryan V. Bogre

Service Director:
Joseph M. Walker

Chief of Police:
Mark Fender

Economic Development Director:
Brent T. Painter

Chief of Fire:
John D. Draves

City Engineer:
Kenneth P. Mikula

Magistrate:
Kenneth A. Kraus

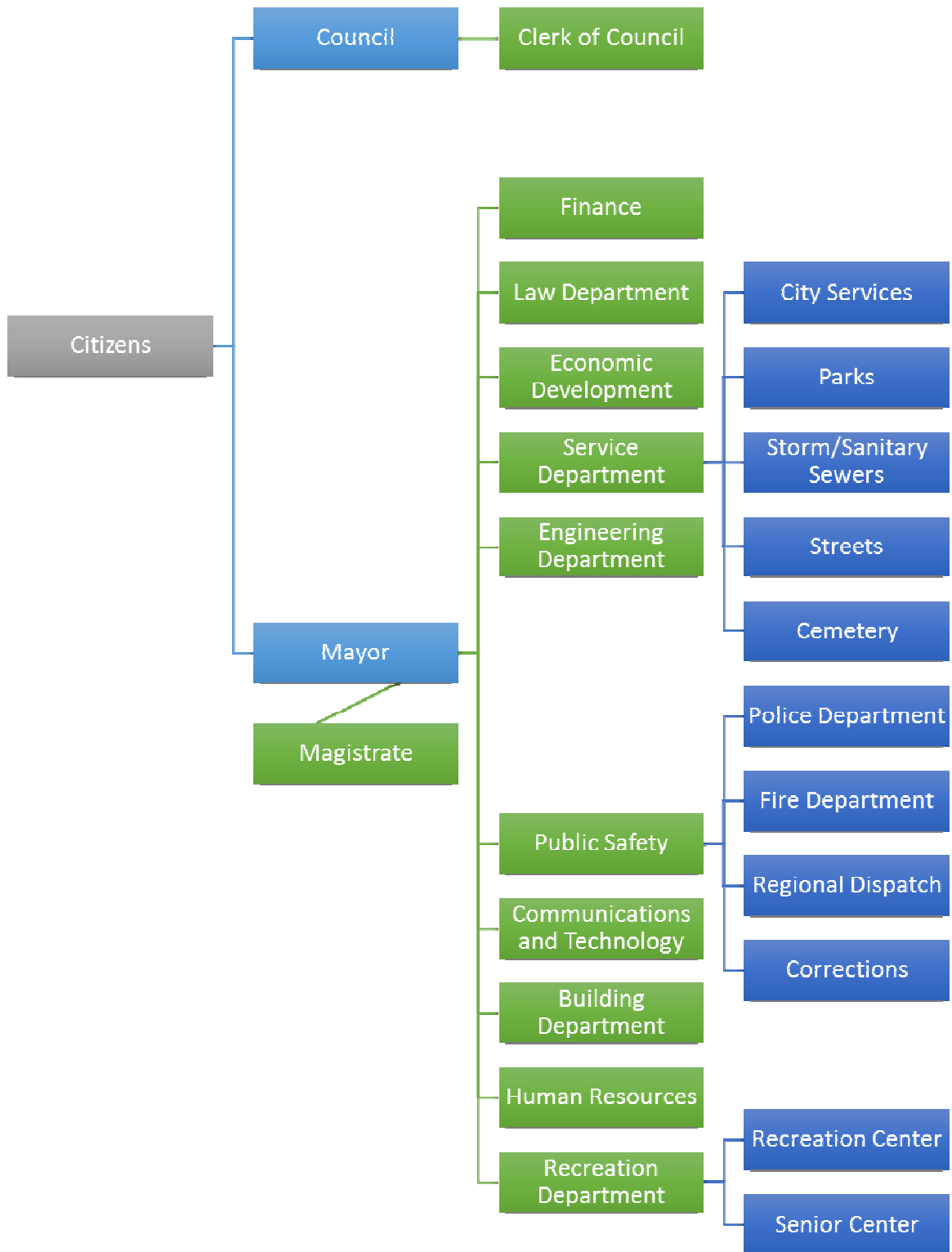
Building Commissioner:
Anthony J. Biondillo

City Prosecutor:
John Castele

Clerk of Council (Appointed by Council):
Aimee K. Pientka

Public Safety Director:
Charles W. Goss

City of Strongsville, Ohio
Organizational Chart
December 31, 2018





Government Finance Officers Association

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

Presented to

**City of Strongsville
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION



OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT

City of Strongsville
Cuyahoga County
16099 Foltz Industrial Parkway
Strongsville, Ohio 44149

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Strongsville, 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 preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Strongsville, Cuyahoga County, Ohio, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Street Construction, Maintenance and Repair Fund, and Fire Levy Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the 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*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2019, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Keith Faber
Auditor of State

Columbus, Ohio

June 20, 2019



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

As management of the City of Strongsville (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with the additional information contained in the financial statements and the notes thereof.

Financial Highlights

- The City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the close of 2018 by \$172,156,059.
- The City's total net position increased \$3,178,419 or 1.88 percent in 2018. Net position of the governmental activities increased \$1,892,828, which represents a 1.67 percent increase from 2017. Net position of the business-type activities increased \$1,285,591 or 2.30 percent from 2017.
- During 2018, the City implemented GASB Statement No. 75, which had the effect of restating Governmental Activities net position at December 31, 2017, from \$147,753,067 to \$113,027,363 and Business Type Activities net position at December 31, 2017, from \$56,578,602 to \$55,950,277.
- The General Fund reported a fund balance of \$17,488,340 at the end of the current fiscal year. The unassigned fund balance for the General Fund was \$13,328,083 or 35.53 percent of the total General Fund expenditures (including transfers out). The General Fund experienced an increase of \$469,393 in its fund balance for the year ended December 31, 2018.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statement of net position and statement of activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in one column.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the residual being reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, security of persons and property, public health services, transportation, community environment, basic utility services, leisure time activities, and interest and fiscal charges. The business-type activities include sanitary sewer services and improvements.

The government-wide financial statements can be found starting on page 19 of this report.

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

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

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

The City maintains 31 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Construction, Maintenance and Repair Fund, Fire Levy Fund, General Bond Retirement Fund, and General Capital Improvement Fund, all of which are considered to be major funds. Data from the other 26 governmental funds are combined into a single aggregated presentation.

The basic governmental fund financial statements can be found on pages 22-28 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its sanitary sewer operations. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally to the City's various functions. The City has two Internal Service Funds to account for workers' compensation coverage and health insurance.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sanitary sewer operations, as it is considered a major fund and the internal service funds.

The basic proprietary fund financial statements can be found on pages 29-32 of this report.

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

The basic fiduciary fund financial statement can be found on page 33 of this report.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and can be found on pages 35-88.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the financial statements, the required supplementary information and notes to the required supplementary information related to the net pension liability and net OPEB liability, the combining statements referred to earlier in connection with non-major governmental and proprietary funds are presented, as well as individual detailed budgetary comparisons for non-major funds. This information can be found on pages 89-162 of the report.

Government-wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2018?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector. The accrual basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position (Assets and Deferred Outflows of Resources minus Liabilities and Deferred Inflows of Resources)

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

- Resources)
 - Program Expenses and Revenues
 - General Revenues
 - Net Position Beginning and End of Year

The City of Strongsville as a Whole

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017 *	2018	2017 *	2018	2017 *
ASSETS						
Current and other assets	\$ 64,274,250	\$ 59,507,193	\$ 15,931,199	\$ 14,909,924	\$ 80,205,449	\$ 74,417,117
Capital assets, net	198,250,699	193,183,563	46,574,994	45,381,413	244,825,693	238,564,976
Net Pension Asset	72,967	38,822	5,492	2,922	78,459	41,744
Total Assets	262,597,916	252,729,578	62,511,685	60,294,259	325,109,601	313,023,837
DEFERRED OUTFLOWS OF RESOURCES						
Deferral on Refunding	2,290,079	2,548,973	-	-	2,290,079	2,548,973
Pension	8,433,983	13,920,848	261,029	590,118	8,695,012	14,510,966
OPEB	4,249,736	184,725	65,362	9,269	4,315,098	193,994
Total Deferred Outflows of Resources	14,973,798	16,654,546	326,391	599,387	15,300,189	17,253,933
LIABILITIES						
Current and other liabilities	7,600,495	4,082,425	530,127	508,774	8,130,622	4,591,199
Long-term liabilities:						
Due within one year	6,281,335	6,047,391	443,355	401,505	6,724,690	6,448,896
Due in more than one year:						
Net Pension Liability	48,136,642	54,894,697	1,026,619	1,476,403	49,163,261	56,371,100
Net OPEB Liability	41,239,044	34,910,429	706,961	637,594	41,946,005	35,548,023
Other Amounts	41,740,979	44,337,483	2,598,997	1,908,412	44,339,976	46,245,895
Total Liabilities	144,998,495	144,272,425	5,306,059	4,932,688	150,304,554	149,205,113
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	9,549,447	9,382,055	-	-	9,549,447	9,382,055
Payments in Lieu of Taxes	1,823,873	1,576,551	-	-	1,823,873	1,576,551
Pension	5,209,783	1,125,730	243,485	10,681	5,453,268	1,136,411
OPEB	1,069,925	-	52,664	-	1,122,589	-
Total Deferred Inflows of Resources	17,653,028	12,084,336	296,149	10,681	17,949,177	12,095,017
NET POSITION						
Net Investment in Capital Assets	157,042,285	152,345,560	43,847,136	43,365,906	200,889,421	195,711,466
Restricted	22,449,428	19,433,349	-	-	22,449,428	19,433,349
Unrestricted	(64,571,522)	(58,751,546)	13,388,732	12,584,371	(51,182,790)	(46,167,175)
Total Net Position	\$ 114,920,191	\$ 113,027,363	\$ 57,235,868	\$ 55,950,277	\$ 172,156,059	\$ 168,977,640

* Restated

City of Strongsville, 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 Strongsville, 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 Governmental Activities net position at December 31, 2017, from \$147,753,067 to \$113,027,363 and Business Type Activities net position at December 31, 2017, from \$56,578,602 to \$55,950,277.

Net position may serve over time as useful indicator of a government's financial position. The City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the close of 2018 by \$172,156,059. Due to the implementation of GASB 68 and GASB 75 and the addition of the City's net pension liability of \$49,163,261 and net OPEB liability of \$41,946,005, the City's unrestricted net position was a negative \$51,182,790 and the governmental activities unrestricted net position was a negative \$64,571,522, respectively. The unrestricted net position of the City's business-type activities was \$13,388,732, with net investment in capital assets accounting for \$43,847,136 or 76.61 percent of the total business-type activities' net position. It is important to note that the unrestricted net position of the City's business-type activities, \$13,388,732, may not be used to fund governmental activities.

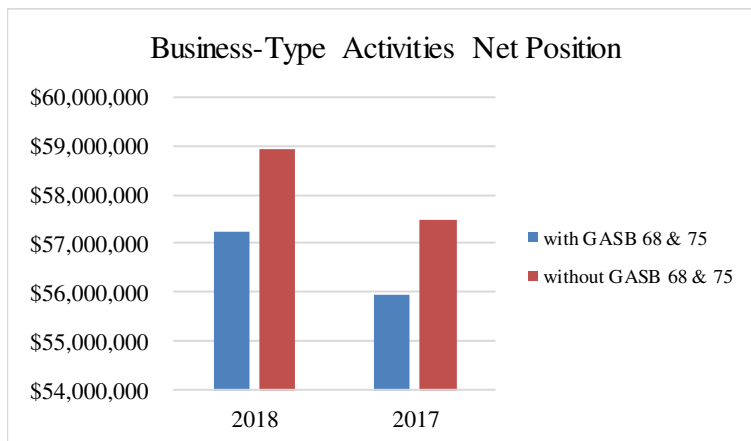
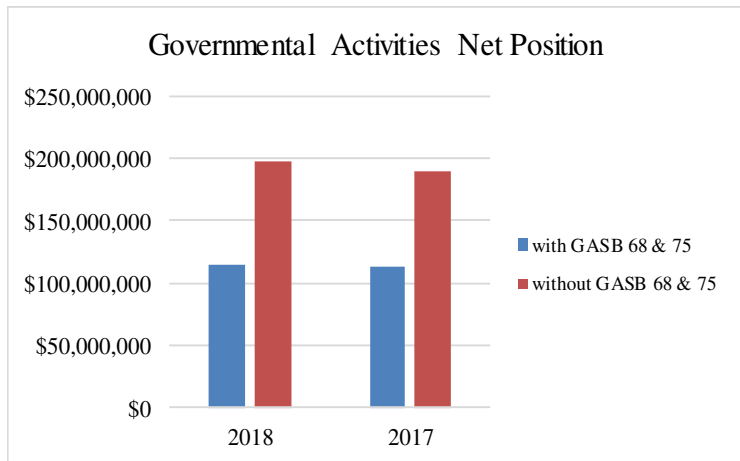
The largest portion of the City's total net position reflects its investments in capital assets (e.g., land, construction in progress, buildings, land improvements, machinery and equipment, furniture and fixtures, vehicles, and infrastructure), less any related debt used to acquire those assets that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

Total assets increased from 2017 to 2018 in the amount of \$12,085,764, while the City's total liabilities increased by \$1,099,441. The increase in assets was due to an increase in equity in pooled cash and cash equivalents due to the accumulation of resources for 2019 capital projects coupled with unspent resources for 2018 construction projects currently in progress along with an increase in depreciable capital assets from infrastructure donated by developers. Liabilities increased due to the net increase in notes payable of \$3,517,715, which is offset by the decrease in long-term liabilities of \$2,439,982.

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

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 Strongsville. These calculations are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Total Net Position at December 31, 2018 (with GASB 68 and 75)	\$ 114,920,191	\$ 57,235,868
GASB 68/75 Calculations:		
Add:		
Deferred Inflows related to Pension	5,209,783	243,485
Deferred Inflows related to OPEB	1,069,925	52,664
Net Pension Liability	48,136,642	1,026,619
Net OPEB Liability	41,239,044	706,961
Less:		
Net Pension Asset	(72,967)	(5,492)
Deferred Outflows related to Pension	(8,433,983)	(261,029)
Deferred Outflows related to OPEB	(4,249,736)	(65,362)
Total Net Position (without GASB 68 and 75)	<u>\$ 197,818,899</u>	<u>\$ 58,933,714</u>



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

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for the current year.

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
REVENUES						
Program Revenues:						
Charges for services	\$ 7,993,148	\$ 7,878,240	\$ 7,639,666	\$ 7,472,431	\$ 15,632,814	\$ 15,350,671
Operating grants and contributions	2,416,764	2,623,782	-	-	2,416,764	2,623,782
Capital grants and contributions	4,416,614	525,000	1,622,890	1,257,838	6,039,504	1,782,838
Total Program Revenues	14,826,526	11,027,022	9,262,556	8,730,269	24,089,082	19,757,291
General Revenues:						
Property taxes	9,324,478	9,393,011	-	-	9,324,478	9,393,011
Municipal income taxes	35,702,476	34,574,566	-	-	35,702,476	34,574,566
Other taxes	1,303,597	1,299,080	-	-	1,303,597	1,299,080
Payments in lieu of taxes	1,588,960	1,518,655	-	-	1,588,960	1,518,655
Grants and entitlements	1,757,839	1,743,465	-	-	1,757,839	1,743,465
Investment income	907,713	400,429	278,014	143,083	1,185,727	543,512
All other revenues	168,100	380,548	9,475	1,600	177,575	382,148
Total General Revenues	50,753,163	49,309,754	287,489	144,683	51,040,652	49,454,437
Total Revenues	65,579,689	60,336,776	9,550,045	8,874,952	75,129,734	69,211,728
EXPENSES						
Program Expenses:						
Security of persons and property	30,786,587	27,833,463	-	-	30,786,587	27,833,463
Public health services	694,657	686,022	-	-	694,657	686,022
Leisure time activities	6,362,268	6,341,351	-	-	6,362,268	6,341,351
Community environment	1,936,789	1,891,588	-	-	1,936,789	1,891,588
Basic utility services	2,470,103	2,493,836	-	-	2,470,103	2,493,836
Transportation	17,026,618	16,939,123	-	-	17,026,618	16,939,123
General government	4,747,998	4,610,210	-	-	4,747,998	4,610,210
Interest and fiscal charges	1,249,396	1,273,441	70,161	79,406	1,319,557	1,352,847
Sanitary sewer	-	-	6,606,738	6,182,011	6,606,738	6,182,011
Total Expenses	65,274,416	62,069,034	6,676,899	6,261,417	71,951,315	68,330,451
Change in Net Position before Transfers	305,273	(1,732,258)	2,873,146	2,613,535	3,178,419	881,277
Transfers	1,587,555	-	(1,587,555)	-	-	-
Change in Net Position	1,892,828	(1,732,258)	1,285,591	2,613,535	3,178,419	881,277
Net Position - Beginning of Year, Restated	113,027,363	N/A	55,950,277	N/A	168,977,640	N/A
Net Position - End of Year	\$ 114,920,191	\$ 113,027,363	\$ 57,235,868	\$ 55,950,277	\$ 172,156,059	\$ 168,977,640

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 \$193,994 computed under GASB 45. GASB 45 required recognizing OPEB 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 \$3,469,645. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
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	Governmental Activities	Business-Type Activities	Total
Total 2018 program expenses under GASB 75	\$ 65,274,416	\$ 6,676,899	\$ 71,951,315
OPEB expense under GASB 75	(3,403,210)	(66,435)	(3,469,645)
2018 contractually required OPEB contribution	69,681	497	70,178
Adjusted 2018 program expenses	61,940,887	6,610,961	68,551,848
Total 2017 program expenses under GASB 45	62,069,034	6,261,417	68,330,451
Decrease in program expenses not related to OPEB	<u>\$ (128,147)</u>	<u>\$ 349,544</u>	<u>\$ 221,397</u>

Governmental Activities

Governmental activities increased the City's net position by \$1,892,828. This increase can be attributed to the completion of two capital projects donated by the Sanitary Sewer fund. In 2017, pension expense (including contractually required contributions) for Governmental funds was \$4,469,235, for 2018 pension expense (including contractually required contributions) was \$2,778,718 and OPEB expense (including contractually required contributions) was \$3,333,529 or an additional \$1,643,012

Several types of revenues fund the City's governmental activities with the City's income tax being the biggest contributor. The income tax rate was 2.00 percent for 2018, the same as the prior year. Both residents of the City and non-residents who work in the City are subject to the income tax. However, if residents work in a locality that has a municipal income tax, the City has provided a 75.00 percent credit up to 2.00 percent for those who pay income tax to another City. City Council could by Ordinance, choose to reduce that income tax credit and create additional revenues for the City. The municipal income tax revenue for 2018 was \$35,702,476. Of the \$65,579,689 in total program and general revenues, municipal income tax accounts for 54.44 percent of that total.

Property taxes of \$9,324,478 account for 14.22 percent of total revenues; charges for services account for 12.19 percent of total revenues; operating and capital grants and contributions, and general revenues from grants and entitlements account for 13.10 percent of total governmental revenues; and investment earnings, other taxes, payments in lieu of taxes, and all other revenues make up the remaining 6.05 percent. Capital grants and contributions increased in 2018 because the City received infrastructure donations in 2018 and the City did not receive any infrastructure donations in 2017.

General revenues from grants and entitlements, such as local government funds, estate tax, and the CAT tax have been eliminated or reduced substantially by the State of Ohio the last few years. With the reduced support from the State, the City must rely more heavily on economic development, as well as, increasing revenues from other sources. The City monitors its sources of revenues very closely for fluctuations. Investment income increased in 2018 due to a higher interest rate environment coupled with more cash available to invest due to delays in 2018 construction projects.

In total, the City's governmental activities experienced a 5.16 percent increase in 2018 program expenses when compared to 2017 expenses. The largest program function for the City is security of persons and property. During 2018, 47.16 percent of all program expenses relate to security of persons and property, which includes Police and Fire protection. The expenses of this program experienced a 10.61 percent increase from 2017 to 2018. This increase was due to the expansion of the City's Regional Dispatch Center and the addition of eight dispatchers and two police officers, one to serve as the Middle School Resource Officer.

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The second largest program function of the City is transportation and the expenses of this program increased 0.52 percent. During 2018, 26.08 percent of program expenses relate to transportation, which includes road repairs and snow removal. The annual depreciation expense that is included in the total transportation expense is \$6,755,535.

Business-Type Activities

The business-type activities of the City, which pertain to the City's sanitary sewer operations, increased the City's total net position by \$1,285,591. This increase in net position was mainly due to a subdivision donation from a developer coupled with a significant increase in interest income due from higher interest rates.

Financial Analysis of Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2018, the City's governmental funds reported an ending combined fund balance of \$36,626,385, an increase of \$654,577 in comparison with the prior year. \$13,293,268 of the ending combined fund balance for 2018 constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is *nonspendable, restricted, or committed* to indicate that it is not available for new spending because it is not in spendable form or it has already been restricted or committed by external or internal constraints.

All governmental funds had total revenues of \$61,782,490 and expenditures of \$61,213,620 (not including other financing sources and uses) with revenues exceeding expenditures by \$568,870. Total revenues were essentially flat in 2018 increasing less than one half of one percent while expenditures increased 2.85 percent in 2018. The expenditure increase was caused by increased staffing levels in Security Persons and Property and an increased investment in capital outlays for roadways, drainage structure upgrades and sewer replacements.

General Fund Analysis

The General Fund is the chief operating fund of the City. At the beginning of the current year, total fund balance for the General Fund was \$17,018,947. General Fund expenditures (including transfers out) for the current year were \$37,510,900, with revenues and other financing sources of \$37,980,293, leaving a fund balance of \$17,488,340, and an unassigned balance of \$13,328,083 in the General Fund.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (including transfers out). The General Fund's unassigned fund balance represents 35.53 percent of total General Fund expenditures (including transfers out) while total fund balance represents 46.62 percent of that same amount. In 2018, the fund balance of the City's General Fund

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increased by \$469,393 when compared to 2017. Revenues continued to outpace expenditures and transfers out.

Other Major Governmental Funds Analysis

The City's Street Construction, Maintenance and Repair Fund experienced an increase of \$149,530 in its 2018 fund balance when compared to 2017 primarily due to an increase in materials and supplies inventory caused by significant increases in the cost of roadway salt.

The City's Fire Levy Fund experienced a slight increase of \$15,582 in its 2018 fund balance when compared to 2017. Revenues and expenditures were both slightly lower than 2017 and the Fire Levy fund balance remains stable.

The City's General Bond Retirement Fund experienced an increase of \$181,996 in its 2018 fund balance when compared to 2017. The primary reason for this increase is due to an increase in transfers in to offset the elimination of the State of Ohio's CAT tax.

The City's General Capital Improvement Fund experienced a decrease of \$820,978 in its 2018 fund balance when compared to 2017. The primary contributor to this decrease was completion of several 2018 capital projects with resources provided in previous years.

General Fund Budgetary Highlights

The City's budget is prepared according to Ohio law and is based on accounting for transactions on a cash basis. The most significant budgeted fund is the General Fund. During the course of 2018, the City amended its General Fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund. The General Fund supports many of the City's major activities such as the Police Department, Fire Department, Service Department, and Recreation Department, as well as most legislative and executive activities. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the General Fund, original budgeted revenues (including other financing sources) were \$37,310,253. The final budgeted revenue amount (including other financing sources) was \$38,695,092. This increase was due to an increase in the estimates for income taxes, interest income, grants and a one time real estate tax settlement. The actual revenues (including other financing sources) were lower than the final budgeted amounts by \$158,258.

Original General Fund budgeted expenditures (including other financing uses) were \$38,016,000 and the final amended budgeted expenditures (including other financing uses) were \$40,478,500. The main contributor to this increase was an increase to transfers out to provide resources for future capital projects. Actual General Fund expenditures (including other financing uses) were \$38,500,172 or 4.89 percent less than the final budgeted amounts. This was most notable in security of persons and property due to unfilled budgeted positions and due to operating expenditures being less than originally estimated.

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Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2018, amounts to \$244,825,693 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, land improvements, machinery and equipment, furniture and fixtures, vehicles, streets, sidewalks, bridges, traffic signalization, and storm and sanitary sewers.

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 11,584,462	\$ 11,584,462	\$ 1,508,079	\$ 1,508,079	\$ 13,092,541	\$ 13,092,541
Construction in progress	1,556,430	2,704,570	1,893,939	1,442,869	3,450,369	4,147,439
Total Non-Depreciable	13,140,892	14,289,032	3,402,018	2,950,948	16,542,910	17,239,980
Buildings	40,274,863	39,704,480	3,866,562	4,054,296	44,141,425	43,758,776
Land improvements	1,857,413	1,809,599	266,396	272,076	2,123,809	2,081,675
Machinery and equipment	1,309,888	1,234,274	1,682,329	1,812,040	2,992,217	3,046,314
Furniture and fixtures	140,896	145,951	986	986	141,882	146,937
Vehicles	5,391,566	5,035,242	821,868	1,014,149	6,213,434	6,049,391
Infrastructure:						
Streets	68,957,000	66,707,977	-	-	68,957,000	66,707,977
Bridges	148,960	156,674	-	-	148,960	156,674
Storm sewers	61,267,967	57,978,811	-	-	61,267,967	57,978,811
Sidewalks	2,526,857	2,641,433	-	-	2,526,857	2,641,433
Traffic signalization	3,234,397	3,480,090	-	-	3,234,397	3,480,090
Sanitary sewers	-	-	36,534,835	35,276,918	36,534,835	35,276,918
Total Depreciable,						
 Net of Depreciation	185,109,807	178,894,531	43,172,976	42,430,465	228,282,783	221,324,996
Total Capital Assets,						
 Net of Depreciation	\$ 198,250,699	\$ 193,183,563	\$ 46,574,994	\$ 45,381,413	\$ 244,825,693	\$ 238,564,976

Major capital asset events during 2018 included the following:

- Total capital assets, net of accumulated depreciation, increased by \$6,260,717;
- Governmental activity capital assets increased by \$5,067,136 (net of accumulated depreciation). This increase was due to a subdivision donation from a developer coupled with investments in new vehicles and equipment.
- Business-type activity capital assets increased by \$1,193,581 (net of accumulated depreciation). This increase is mainly due to a subdivision donation from a developer.

Refer to Note 10 of the basic financial statements for more detail on capital asset activity.

Debt - The General Bond Retirement Debt Service Fund is funded primarily with 2.3 mills of the City's inside property tax millage and related intergovernmental revenues, special assessments, and General Fund transfers. At December 31, 2018, the City had \$39,419,680 of long-term bonds and loans outstanding, with \$36,691,822 in governmental activities and \$2,727,858 in business-type activities and is included herein.

City of Strongsville, Ohio
Management's Discussion and Analysis
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	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ 34,845,000	\$ 37,525,000	\$ -	\$ -	\$ 34,845,000	\$ 37,525,000
Special Assessment Bonds	-	25,000	-	-	-	25,000
OPWC Loan	1,846,822	1,955,458	962,778	-	2,809,600	1,955,458
OWDA Loans	-	-	1,765,080	2,015,507	1,765,080	2,015,507
Total Outstanding Debt	<u>\$ 36,691,822</u>	<u>\$ 39,505,458</u>	<u>\$ 2,727,858</u>	<u>\$ 2,015,507</u>	<u>\$ 39,419,680</u>	<u>\$ 41,520,965</u>

In a continuing effort to be conscientious about how taxpayer dollars are spent, the City has received a Aaa rating from Moody's Investors Service. This rating was recently reaffirmed by Moody's in conjunction with its most recent annual review of the City's financial statements. Strongsville remains one of the few cities in Ohio to have been awarded this rating.

The City is within all of its legal debt limitations. The Ohio Revised Code provides that the net debt (as defined in the Ohio Revised Code) of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5 percent of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5 percent of the total taxation value of property. The statutory limitations on debt are measured by the ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2018, the City's overall legal debt margin was at \$116,244,799 and the unvoted legal debt margin was at \$41,662,356. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt is limited to ten mills. This millage is measured against the property values in each overlapping district.

Refer to Notes 14 and 15 of the basic financial statements for more detail on short-term and long-term debt activity.

Economic Factors

The City's elected and appointed officials consider many factors when setting the budget parameters for each year. Budget priorities for the past several years continue to include; public safety, regionalism, job creation and retention, maintaining infrastructure, and prudent fund balances to protect the City's Aaa bond rating. The City keeps these objectives in mind while diligently monitoring revenues and expenditures on a daily basis. The City continues to practice measures of cost containment. The City also strives to maintain adequate reserves to meet matching grant requirements enabling the City to pursue any grants or donations to fund operations and specific capital projects.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show accountability for the money it receives, spends, or invests. If you have any questions about this report or need financial information contact Director of Finance, Joseph K. Dubovec, CPA, City of Strongsville, 16099 Foltz Parkway, Strongsville, Ohio 44149, telephone 440-580-3100.

Basic Financial Statements

City of Strongsville, Ohio
Statement of Net Position
December 31, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 39,225,818	\$ 12,987,978	\$ 52,213,796
Materials and Supplies Inventory	492,810	-	492,810
Accounts Receivable	849,708	1,540,548	2,390,256
Accrued Interest Receivable	218,623	59,303	277,926
Intergovernmental Receivable	3,910,754	-	3,910,754
Hotel Taxes Receivable	7,554	-	7,554
Franchise Taxes Receivable	188,640	-	188,640
Permissive Motor Vehicle Taxes Receivable	27,832	-	27,832
Prepaid Items	285,473	131,516	416,989
Municipal Income Taxes Receivable	9,292,264	-	9,292,264
Property Taxes Receivable	9,765,658	-	9,765,658
Special Assessments Receivable	9,116	1,211,854	1,220,970
Nondepreciable Capital Assets	13,140,892	3,402,018	16,542,910
Depreciable Capital Assets	185,109,807	43,172,976	228,282,783
Net Pension Asset	72,967	5,492	78,459
Total Assets	262,597,916	62,511,685	325,109,601
DEFERRED OUTFLOWS OF RESOURCES			
Deferral on Refunding	2,290,079	-	2,290,079
Pension	8,433,983	261,029	8,695,012
OPEB	4,249,736	65,362	4,315,098
Total Deferred Outflows of Resources	14,973,798	326,391	15,300,189
LIABILITIES			
Accounts Payable	569,095	85,103	654,198
Contracts Payable	21,386	259,770	281,156
Accrued Wages and Benefits	841,335	29,182	870,517
Intergovernmental Payable	175,559	4,443	180,002
Matured Compensated Absences Payable	53,656	-	53,656
Accrued Interest Payable	165,260	-	165,260
Retainage Payable	140,760	151,629	292,389
Notes Payable	5,633,444	-	5,633,444
Long-term Liabilities:			
Due within one year	6,281,335	443,355	6,724,690
Due in more than one year:			
Net Pension Liability	48,136,642	1,026,619	49,163,261
Net OPEB Liability	41,239,044	706,961	41,946,005
Other Amounts Due in more than one year	41,740,979	2,598,997	44,339,976
Total Liabilities	144,998,495	5,306,059	150,304,554
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	9,549,447	-	9,549,447
Payments in Lieu of Taxes	1,823,873	-	1,823,873
Pension	5,209,783	243,485	5,453,268
OPEB	1,069,925	52,664	1,122,589
Total Deferred Inflows of Resources	17,653,028	296,149	17,949,177
NET POSITION			
Net Investment in Capital Assets	157,042,285	43,847,136	200,889,421
Restricted for:			
Debt Service	3,848,778	-	3,848,778
Capital Projects	6,904,046	-	6,904,046
Police and Fire	3,679,462	-	3,679,462
Streets and Highways	6,649,467	-	6,649,467
Recreation Center	54,280	-	54,280
Drainage Levy	1,085,168	-	1,085,168
Tree Maintenance	58,758	-	58,758
Other Purposes	169,469	-	169,469
Unrestricted	(64,571,522)	13,388,732	(51,182,790)
Total Net Position	\$ 114,920,191	\$ 57,235,868	\$ 172,156,059

See accompanying notes to the basic financial statements

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

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental activities:				
Security of Persons and Property	\$ 30,786,587	\$ 3,328,321	\$ 109,344	\$ -
Public Health Services	694,657	52,075	-	-
Leisure Time Activities	6,362,268	3,058,928	110,662	257,768
Community Environment	1,936,789	1,188,216	22,924	-
Basic Utility Services	2,470,103	52,640	-	-
Transportation	17,026,618	21,680	2,173,834	4,158,846
General Government	4,747,998	291,288	-	-
Interest and Fiscal Charges	1,249,396	-	-	-
Total Governmental activities	<u>65,274,416</u>	<u>7,993,148</u>	<u>2,416,764</u>	<u>4,416,614</u>
Business-type activities:				
Sanitary Sewer	6,676,899	7,639,666	-	1,622,890
Total Business-type activities	<u>6,676,899</u>	<u>7,639,666</u>	<u>-</u>	<u>1,622,890</u>
Total Primary Government	<u>\$ 71,951,315</u>	<u>\$ 15,632,814</u>	<u>\$ 2,416,764</u>	<u>\$ 6,039,504</u>

General Revenues:

Property Taxes levied for:
 General Purposes
 Debt Service Purpose
 Other Purposes
Municipal Income Taxes levied for:
 General Purposes
 Other Purposes
Hotel Taxes
Permissive Motor Vehicle Taxes
Franchise Taxes
Payments in Lieu of Taxes
Grants and Entitlements not Restricted to Specific Programs
Investment Income
Gain on Sale of Capital Assets
All Other Revenues
Transfers
 Total General Revenues
Change in Net Position
Net Position - Beginning of Year, Restated
Net Position - End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental	Business-type	
Activities	Activities	Total
\$ (27,348,922)	\$ -	\$ (27,348,922)
(642,582)	-	(642,582)
(2,934,910)	-	(2,934,910)
(725,649)	-	(725,649)
(2,417,463)	-	(2,417,463)
(10,672,258)	-	(10,672,258)
(4,456,710)	-	(4,456,710)
(1,249,396)	-	(1,249,396)
<u>(50,447,890)</u>	<u>-</u>	<u>(50,447,890)</u>
-	2,585,657	2,585,657
<u>-</u>	<u>2,585,657</u>	<u>2,585,657</u>
<u>(50,447,890)</u>	<u>2,585,657</u>	<u>(47,862,233)</u>
645,521	-	645,521
2,881,976	-	2,881,976
5,796,981	-	5,796,981
31,852,287	-	31,852,287
3,850,189	-	3,850,189
171,499	-	171,499
368,801	-	368,801
763,297	-	763,297
1,588,960	-	1,588,960
1,757,839	-	1,757,839
907,713	278,014	1,185,727
42,671	9,475	52,146
125,429	-	125,429
1,587,555	(1,587,555)	-
<u>52,340,718</u>	<u>(1,300,066)</u>	<u>51,040,652</u>
1,892,828	1,285,591	3,178,419
113,027,363	55,950,277	168,977,640
<u>\$ 114,920,191</u>	<u>\$ 57,235,868</u>	<u>\$ 172,156,059</u>

City of Strongsville, Ohio
Balance Sheet
Governmental Funds
December 31, 2018

	General Fund	Street Construction, Maintenance & Repair	Fire Levy	General Bond Retirement	General Capital Improvement
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 12,010,499	\$ 4,332,163	\$ 2,274,116	\$ 2,339,223	\$ 7,637,947
Materials and Supplies Inventory	36,672	456,138	-	-	-
Accrued Interest Receivable	181,074	23,559	-	-	-
Accounts Receivable	629,670	10,196	-	-	-
Interfund Receivable	106,000	-	-	-	-
Intergovernmental Receivable	322,413	973,135	270,360	200,541	-
Prepaid Items	84,881	58,895	47,621	-	-
Municipal Income Taxes Receivable	8,289,945	1,002,319	-	-	-
Property Taxes Receivable	469,328	-	4,381,137	3,249,727	-
Special Assessments Receivable	-	-	-	-	9,116
Hotel Taxes Receivable	7,554	-	-	-	-
Franchise Taxes Receivable	-	-	-	-	188,640
Permissive Motor Vehicle Taxes Receivable	-	-	-	-	-
Total Assets	\$ 22,138,036	\$ 6,856,405	\$ 6,973,234	\$ 5,789,491	\$ 7,835,703
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 350,641	\$ 46,839	\$ 17,293	\$ -	\$ 4,708
Accrued Wages and Benefits	429,449	110,972	252,007	-	-
Contracts Payable	-	-	-	-	-
Intergovernmental Payable	28,672	14,672	3,629	-	-
Matured Compensated Absences Payable	53,656	-	-	-	-
Accrued Interest Payable	-	12,158	-	-	61,149
Retainage Payable	-	-	-	-	140,760
Interfund Payable	-	-	-	-	-
Notes Payable	-	1,600,000	-	33,444	4,000,000
Total Liabilities	862,418	1,784,641	272,929	33,444	4,206,617
Deferred Inflows of Resources:					
Property Taxes and Payments in Lieu of Taxes	458,937	-	4,284,139	3,177,779	-
Unavailable Revenue - Delinquent Property Taxes	10,391	-	96,998	71,948	-
Unavailable Revenue - Income Taxes	3,053,562	369,390	-	-	-
Unavailable Revenue - Other	264,388	686,041	270,360	200,541	82,302
Total Deferred Inflows of Resources	3,787,278	1,055,431	4,651,497	3,450,268	82,302
Fund Balances:					
Nonspendable	121,553	515,033	47,621	-	-
Restricted	-	3,501,300	2,001,187	2,305,779	3,546,784
Committed	4,038,704	-	-	-	-
Unassigned	13,328,083	-	-	-	-
Total Fund Balances	17,488,340	4,016,333	2,048,808	2,305,779	3,546,784
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 22,138,036	\$ 6,856,405	\$ 6,973,234	\$ 5,789,491	\$ 7,835,703

See accompanying notes to the basic financial statements

Other Governmental Funds	Total Governmental Funds	<i>Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities December 31, 2018</i>	
\$ 7,381,056	\$ 35,975,004	Total Governmental Funds Balance	\$ 36,626,385
-	492,810	<i>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</i>	
13,990	218,623	Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.	198,250,699
209,842	849,708	Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds:	
-	106,000	Delinquent property taxes	\$ 216,211
2,072,899	3,839,348	Municipal income taxes	3,422,952
94,076	285,473	Special assessments	9,116
-	9,292,264	Intergovernmental	1,544,738
1,665,466	9,765,658	Franchise Taxes	73,186
-	9,116	Charges for services	205,661
-	7,554	Total	5,471,864
-	188,640	In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due.	(91,953)
27,832	27,832	Internal Service funds are used by management to charge costs of certain activities, such as insurance to individual funds. The assets and liabilities of the Internal Service funds are included in Governmental Activities in the Statement of Net Position.	992,814
<u>\$ 11,465,161</u>	<u>\$ 61,058,030</u>	The net pension liability and net OPEB liability are not due and payable in the current period, and the net pension asset is not available for spending in the current period; therefore the asset, liability, and related deferred inflows/ outflows are not reported in governmental funds:	
\$ 145,415	\$ 564,896	Deferred Outflows - Pension	8,433,983
48,907	841,335	Deferred Inflows - Pension	(5,209,783)
21,386	21,386	Net Pension Asset	72,967
104,704	151,677	Net Pension Liability	(48,136,642)
-	53,656	Deferred Outflows - OPEB	4,249,736
-	73,307	Deferred Inflows - OPEB	(1,069,925)
-	140,760	Net OPEB Liability	(41,239,044)
106,000	106,000	Total	(82,898,708)
-	5,633,444	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
<u>426,412</u>	<u>7,586,461</u>	General obligation bonds	(34,845,000)
3,452,465	11,373,320	OPWC loan	(1,846,822)
36,874	216,211	Unamortized bond premiums	(2,205,667)
-	3,422,952	Capital Leases	(18,906)
329,069	1,832,701	Deferral on refunding	2,290,079
<u>3,818,408</u>	<u>16,845,184</u>	Compensated absences	(6,804,594)
94,076	778,283	Total	(43,430,910)
4,167,751	15,522,801	Net Position of Governmental Activities	\$ 114,920,191
2,993,329	7,032,033		
(34,815)	13,293,268		
<u>7,220,341</u>	<u>36,626,385</u>		
<u>\$ 11,465,161</u>	<u>\$ 61,058,030</u>		

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

	General Fund	Street Construction, Maintenance & Repair	Fire Levy	General Bond Retirement	General Capital Improvement
REVENUES					
Property Taxes	\$ 649,007	\$ -	\$ 4,281,362	\$ 2,897,453	\$ -
Municipal Income Taxes	32,045,383	3,876,650	-	-	-
Hotel Taxes	171,499	-	-	-	-
Permissive Motor Vehicle Taxes	-	-	-	-	-
Franchise Taxes	-	-	-	-	821,338
Payments in Lieu of Taxes	-	-	-	-	-
Intergovernmental	692,737	2,135,156	572,303	375,972	-
Interest	745,523	96,344	-	788	8,096
Fees, Licenses, and Permits	1,021,279	-	1,460	-	-
Fines and Forfeitures	793,005	-	-	-	-
Charges for Services	1,552,741	20,280	231	-	1,400
Contributions and Donations	-	-	5,266	-	-
Special Assessments	-	-	-	25,000	10,255
All Other Revenues	300,519	17,216	-	-	-
Total Revenues	37,971,693	6,145,646	4,860,622	3,299,213	841,089
EXPENDITURES					
Security of Persons and Property	14,370,194	-	7,845,040	-	-
Public Health Services	332,772	-	-	-	-
Leisure Time Activities	299,825	-	-	-	-
Community Environment	1,500,983	-	-	-	-
Basic Utility Services	2,418,651	-	-	-	-
Transportation	4,401	9,251,492	-	-	49,950
General Government	4,196,475	-	-	-	-
Capital Outlay	175,599	1,017,773	-	-	4,350,968
Debt Service:					
Principal Retirement	-	18,446	-	2,428,636	-
Interest and Fiscal Charges	-	47,796	-	933,260	61,149
Debt Issuance Costs	-	-	-	55,321	-
Total Expenditures	23,298,900	10,335,507	7,845,040	3,417,217	4,462,067
Excess of Revenues Over (Under) Expenditures	14,672,793	(4,189,861)	(2,984,418)	(118,004)	(3,620,978)
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	8,600	39,391	-	-	-
Transfers In	-	4,300,000	3,000,000	300,000	2,800,000
Transfers Out	(14,212,000)	-	-	-	-
Total Other Financing Sources (Uses)	(14,203,400)	4,339,391	3,000,000	300,000	2,800,000
Net Change in Fund Balances	469,393	149,530	15,582	181,996	(820,978)
Fund Balances - Beginning of Year	17,018,947	3,866,803	2,033,226	2,123,783	4,367,762
Fund Balances - End of Year	\$ 17,488,340	\$ 4,016,333	\$ 2,048,808	\$ 2,305,779	\$ 3,546,784

See accompanying notes to the basic financial statements

Other Governmental Funds	Total Governmental Funds
\$ 1,557,837	\$ 9,385,659
-	35,922,033
-	171,499
368,801	368,801
-	821,338
1,588,960	1,588,960
701,786	4,477,954
56,962	907,713
80,381	1,103,120
29,427	822,432
4,171,198	5,745,850
662	5,928
-	35,255
108,213	425,948
<u>8,664,227</u>	<u>61,782,490</u>
2,920,674	25,135,908
339,380	672,152
4,806,503	5,106,328
210,041	1,711,024
51,452	2,470,103
204,581	9,510,424
30,497	4,226,972
2,719,505	8,263,845
385,000	2,832,082
187,256	1,229,461
-	55,321
<u>11,854,889</u>	<u>61,213,620</u>
<u>(3,190,662)</u>	<u>568,870</u>
37,716	85,707
3,812,000	14,212,000
-	(14,212,000)
<u>3,849,716</u>	<u>85,707</u>
659,054	654,577
6,561,287	35,971,808
<u>\$ 7,220,341</u>	<u>\$ 36,626,385</u>

*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 \$ 654,577

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 capital outlays and donations exceeded depreciation in the current period.

Capital outlay	\$ 8,263,845	
Infrastructure donations	5,746,784	
Depreciation	<u>(8,900,457)</u>	
Total		5,110,172

In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (43,036)

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

Delinquent property taxes	(61,181)	
Municipal income taxes	(219,557)	
Special assessments	(35,638)	
Intergovernmental	(51,512)	
Franchise Taxes	(58,041)	
Charges for services	<u>21,228</u>	
Total		(404,701)

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

Pension	4,353,755
OPEB	69,681

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability and net pension asset are reported as pension/OPEB expense in the statement of activities

Pension	(7,132,473)
OPEB	(3,403,210)

Repayment of bond principal and the refunding of debt are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 2,832,082

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental funds.

Compensated absences	(349,219)	
Accrued interest on bonds	4,990	
Amortization of bond premiums	289,290	
Amortization of deferral on refunding	<u>(258,894)</u>	
Total		(313,833)

Internal Service Funds are used by management to charge costs to certain activities, such as insurance to individual funds. The net revenue (expense) of Internal Service funds are reported in the Governmental Activities. 169,814

Change in Net Position of Governmental Activities \$ 1,892,828

City of Strongsville, 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 Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 31,400,000	\$ 32,230,000	\$ 32,081,364	\$ (148,636)
Property Taxes	482,242	649,007	649,007	-
Hotel Taxes	170,000	180,000	175,358	(4,642)
Intergovernmental Revenues	593,327	713,083	696,921	(16,162)
Charges for Services	1,733,184	1,567,702	1,556,786	(10,916)
Fees, Licenses, and Permits	1,073,500	1,002,500	1,021,279	18,779
Fines and Forfeitures	710,500	800,500	795,404	(5,096)
Interest Income	385,000	635,000	645,398	10,398
Contributions and Donations	1,000	1,000	-	(1,000)
Miscellaneous	761,500	828,000	828,417	417
<i>Total Revenues</i>	<u>37,310,253</u>	<u>38,606,792</u>	<u>38,449,934</u>	<u>(156,858)</u>
Expenditures:				
Current:				
Security of Persons and Property	15,276,700	15,214,100	14,379,556	834,544
Public Health Services	370,700	384,600	333,639	50,961
Leisure Time Activities	453,300	396,800	363,915	32,885
Community Environment	1,735,000	1,793,600	1,520,853	272,747
Basic Utility Services	2,500,500	2,500,500	2,421,475	79,025
General Government	5,467,800	5,476,900	4,768,734	708,166
<i>Total Expenditures</i>	<u>25,804,000</u>	<u>25,766,500</u>	<u>23,788,172</u>	<u>1,978,328</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	11,506,253	12,840,292	14,661,762	1,821,470
Other Financing Sources (Uses)				
Sale of Capital Assets	-	10,000	8,600	(1,400)
Advances In	-	78,300	78,300	-
Transfers Out	(12,212,000)	(14,712,000)	(14,712,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(12,212,000)</u>	<u>(14,623,700)</u>	<u>(14,625,100)</u>	<u>(1,400)</u>
<i>Net Change in Fund Balance</i>	(705,747)	(1,783,408)	36,662	1,820,070
<i>Fund Balance - Beginning of Year</i>	8,089,827	8,089,827	8,089,827	-
<i>Fund Balance - End of Year</i>	<u>\$ 7,384,080</u>	<u>\$ 6,306,419</u>	<u>\$ 8,126,489</u>	<u>\$ 1,820,070</u>

See accompanying notes to the basic financial statements

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 3,800,000	\$ 3,970,000	\$ 3,885,899	\$ (84,101)
Intergovernmental Revenues	1,972,100	2,140,000	2,133,946	(6,054)
Charges for Services	-	10,100	10,084	(16)
Interest Income	55,000	89,000	82,611	(6,389)
Miscellaneous	-	27,000	25,881	(1,119)
<i>Total Revenues</i>	<u>5,827,100</u>	<u>6,236,100</u>	<u>6,138,421</u>	<u>(97,679)</u>
Expenditures:				
Current:				
Transportation	11,120,700	11,175,000	10,453,155	721,845
Debt Service	2,141,900	2,144,900	2,144,625	275
Total Expenditures	<u>13,262,600</u>	<u>13,319,900</u>	<u>12,597,780</u>	<u>722,120</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(7,435,500)	(7,083,800)	(6,459,359)	624,441
Other Financing Sources				
Sale of Capital Assets	-	45,000	40,991	(4,009)
Bond Anticipation Notes Issued	1,700,000	1,600,000	1,600,000	-
Transfers In	4,300,000	4,300,000	4,300,000	-
<i>Total Other Financing Sources</i>	<u>6,000,000</u>	<u>5,945,000</u>	<u>5,940,991</u>	<u>(4,009)</u>
<i>Net Change in Fund Balance</i>	(1,435,500)	(1,138,800)	(518,368)	620,432
<i>Fund Balance - Beginning of Year</i>	4,870,657	4,870,657	4,870,657	-
<i>Fund Balance - End of Year</i>	<u>\$ 3,435,157</u>	<u>\$ 3,731,857</u>	<u>\$ 4,352,289</u>	<u>\$ 620,432</u>

See accompanying notes to the basic financial statements

City of Strongsville, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Fire Levy Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 4,361,109	\$ 4,281,362	\$ 4,281,362	\$ -
Intergovernmental Revenues	554,863	573,391	572,303	(1,088)
Charges for Services	600	600	231	(369)
Fees, Licenses, and Permits	2,800	2,800	1,460	(1,340)
Contributions and Donations	2,000	6,000	5,266	(734)
<i>Total Revenues</i>	<u>4,921,372</u>	<u>4,864,153</u>	<u>4,860,622</u>	<u>(3,531)</u>
Expenditures:				
Current:				
Security of Persons and Property	<u>8,329,900</u>	<u>8,440,800</u>	<u>7,843,035</u>	<u>597,765</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,408,528)	(3,576,647)	(2,982,413)	594,234
Other Financing Sources				
Transfers In	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(408,528)	(576,647)	17,587	594,234
<i>Fund Balance - Beginning of Year</i>	<u>2,256,529</u>	<u>2,256,529</u>	<u>2,256,529</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 1,848,001</u>	<u>\$ 1,679,882</u>	<u>\$ 2,274,116</u>	<u>\$ 594,234</u>

See accompanying notes to the basic financial statements

City of Strongsville, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2018

	Business-Type Activities	Governmental Activities
	Sanitary Sewer Fund	Internal Service Funds
ASSETS		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 12,987,978	\$ 3,250,814
Accrued Interest Receivable	59,303	-
Accounts Receivable	1,540,548	-
Intergovernmental Receivable	-	71,406
Prepaid Items	131,516	-
Special Assessments Receivable	1,211,854	-
<i>Total Current Assets</i>	<u>15,931,199</u>	<u>3,322,220</u>
Noncurrent Assets:		
Capital Assets:		
Land	1,508,079	-
Construction in Progress	1,893,939	-
Depreciable Assets, Net of Depreciation	43,172,976	-
Net Pension Asset	5,492	-
<i>Total Noncurrent Assets</i>	<u>46,580,486</u>	<u>-</u>
Total Assets	<u>62,511,685</u>	<u>3,322,220</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	261,029	-
OPEB	65,362	-
Total Deferred Outflows of Resources	<u>326,391</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	85,103	4,199
Accrued Wages and Benefits	29,182	-
Contracts Payable	259,770	-
Retainage Payable	151,629	-
Intergovernmental Payable	4,443	23,882
Compensated Absences Payable	132,937	-
Claims Payable	-	522,479
OWDA Loans Payable	261,045	-
OPWC Loans Payable	49,373	-
<i>Total Current Liabilities</i>	<u>973,482</u>	<u>550,560</u>
Noncurrent Liabilities:		
Compensated Absences Payable	181,557	-
Claims Payable	-	1,778,846
OWDA Loans Payable	1,504,035	-
OPWC Loans Payable	913,405	-
Net Pension Liability	1,026,619	-
Net OPEB Liability	706,961	-
<i>Total Noncurrent Liabilities</i>	<u>4,332,577</u>	<u>1,778,846</u>
Total Liabilities	<u>5,306,059</u>	<u>2,329,406</u>
DEFERRED INFLOWS OF RESOURCES		
Pension	243,485	-
OPEB	52,664	-
Total Deferred Inflows of Resources	<u>296,149</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	43,847,136	-
Unrestricted	13,388,732	992,814
Total Net Position	<u>\$ 57,235,868</u>	<u>\$ 992,814</u>

See accompanying notes to the basic financial statements

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

	Business-Type Activities	Governmental Activities
	Sanitary Sewer Fund	Internal Service Funds
OPERATING REVENUES		
Charges for Services	\$ 7,479,981	\$ 5,802,734
Miscellaneous	-	338,429
Other Services	159,685	-
Total Operating Revenues	7,639,666	6,141,163
OPERATING EXPENSES		
Salaries	1,088,092	-
Fringe Benefits	575,921	-
Materials and Supplies	96,071	-
Contractual Services	2,850,301	1,665,113
Depreciation	1,987,550	-
Claims	-	4,306,236
Other	8,803	-
Total Operating Expense	6,606,738	5,971,349
Operating Income	1,032,928	169,814
NONOPERATING REVENUES (EXPENSES)		
Gain on Sale of Capital Assets	9,475	-
Interest	278,014	-
Interest and Fiscal Charges	(70,161)	-
Total Nonoperating Revenues (Expenses)	217,328	-
Capital Contributions from Special Assessments	116,481	-
Capital Contributions from Grants	354,869	-
Capital Contributions from Developers	993,022	-
Transfers Out	(1,587,555)	-
Capital Contributions from Tap In Fees	158,518	-
Change in Net Position	1,285,591	169,814
Net Position - Beginning of Year, Restated	55,950,277	823,000
Net Position - End of Year	\$ 57,235,868	\$ 992,814

See accompanying notes to the basic financial statements

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

	Business-Type Activities	Governmental Activities
	Sanitary Sewer Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Charges for Services	\$ 7,667,374	\$ 489,425
Cash Received from Interfund Services Provided	-	5,313,309
Other Cash Receipts	-	333,305
Cash Payments to Employees for Services	(1,062,729)	-
Cash Payments for Employee Benefits	(399,633)	-
Cash Payments for Goods and Services	(2,949,629)	(1,248,723)
Cash Payments for Claims	-	(3,896,643)
Other Cash Payments	(8,803)	-
Net Cash Provided by Operating Activities	3,246,580	990,673
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Grants Received	1,223,522	-
Capital Contributions from Tap In Fees	158,518	-
Capital Contributions from Special Assessments	138,628	-
Proceeds from Sale of Capital Assets	15,391	-
Principal Paid on Debt	(275,114)	-
Interest Paid on Debt	(70,161)	-
Payments for Capital Acquisitions	(3,809,403)	-
Debt Proceeds	987,465	-
Net Cash Used for Capital and Related Financing Activities	(1,631,154)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	213,333	-
Net Cash Provided by Investing Activities	213,333	-
Net Increase in Cash and Cash Equivalents	1,828,759	990,673
Cash and Cash Equivalents - Beginning of Year	11,159,219	2,260,141
Cash and Cash Equivalents - End of Year	\$ 12,987,978	\$ 3,250,814

(Continued)

See accompanying notes to the basic financial statements

City of Strongsville, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2018

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Sanitary Sewer Fund</u>	<u>Internal Service Funds</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 1,032,928	\$ 169,814
Adjustments:		
Depreciation	1,987,550	-
(Increase) Decrease in Assets:		
Accounts Receivable	27,708	-
Intergovernmental Receivable	-	(5,124)
Prepaid Items	(46,343)	445,064
Net Pension Asset	(2,570)	-
(Increase) in Deferred Outflows of Resources - Pension	329,089	-
(Increase) in Deferred Outflows of Resources - OPEB	(56,093)	-
Increase (Decrease) in Liabilities::		
Accounts Payable	43,086	(39,190)
Accrued Wages	5,279	-
Intergovernmental Payable	811	10,516
Claims Payable	-	409,593
Compensated Absences Payable	20,084	-
Net Pension Liability	(449,784)	-
Net OPEB Liability	69,367	-
(Decrease) in Deferred Inflow of Resources - Pension	232,804	-
(Decrease) in Deferred Inflow of Resources - OPEB	52,664	-
Net Cash Provided by Operating Activities	<u>\$ 3,246,580</u>	<u>\$ 990,673</u>

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

During 2018, the Sanitary Sewer Fund received infrastructure donations from a developer in the amount of \$993,022. The net impact of accruals in the Sanitary Sewer fund related to capital assets are in the amount of (\$27,823).

See accompanying notes to the basic financial statements

City of Strongsville, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2018

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 528,080
Cash and Cash Equivalents:	
in Segregated Accounts	<u>67,461</u>
Total Assets	<u><u>\$ 595,541</u></u>
Liabilities	
Deposits Held and Due to Others	\$ 595,541
Total Liabilities	<u><u>\$ 595,541</u></u>

See accompanying notes to the basic financial statements

Notes to the Basic Financial Statements

City of Strongsville, 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 Strongsville, Cuyahoga County, Ohio (City) was incorporated under the laws of the State of Ohio in 1958. The City operates under and is governed by a Mayor/Council form of government in accordance with the general laws of the State of Ohio. In addition, the City may exercise all powers of local self-government under the Ohio Constitution, to the extent not in conflict with the applicable general laws of Ohio.

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. This definition of reporting entity is found in GASB Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and 34*.

The City's primary government consists of all funds, departments, boards, and agencies that are not legally separate from the City. The City provides the following services as authorized by its Charter: police and fire protection, road maintenance and repair, snow removal, traffic signalization, street lighting, storm and sanitary sewers, waste collection and general administrative services. None of these services are provided by legally separate organizations; therefore, these operations are included in the primary government. The operation of each of these activities is directly controlled by 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; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The reporting entity of the City does not include any component units.

The City's financial statements include all organizations, activities, and functions for which the City is financially accountable.

Also, the City is associated with five jointly governed organizations, one related organization, and one insurance pool that are further described in Notes 19, 20 and 21.

Note 2 - Summary of Significant Accounting Policies

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(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. As a general rule, the activities of the internal service fund are eliminated to avoid "doubling up" revenues and expenses. An exception to this general rule is that interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

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

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and proprietary 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. There are three categories of funds: governmental, proprietary, and fiduciary.

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

General Fund – This fund is used to account for all financial resources, except for those required to be accounted for in another fund. Major revenue sources of this fund include: municipal income taxes, charges for services, local government assistance funds; and to a lesser degree, various fees, licenses and permits, property taxes, and fines and forfeitures. This fund is the primary operating fund of the City.

Street Construction, Maintenance and Repair (SCMR) Fund - This fund is required by the Ohio Revised Code to account for revenue from the state gasoline tax and motor vehicle registration fees. The Ohio Revised Code requires that 92.50 percent of these revenues be used for the maintenance and repair of streets within the City. As provided in the Codified Ordinance Section 880.34, this fund is credited with one-sixth of the proceeds realized from the first 1.50 percent (referred to as the Base Tax) of the 2.00 percent municipal income tax. Operating deficiencies are subsidized by an operating transfer from the General Fund.

Fire Levy Fund - This fund is used to account for the proceeds of two voted property tax levies (gross and effective millage are 3.50 and 3.402, respectively, for tax year 2017/collection year 2018) approved for the purpose of providing and maintaining a full-time Fire Department. Transfers from the General Fund are necessary to cover the operating costs in excess of operating revenues.

General Bond Retirement Fund – This fund accounts for the proceeds of a 2.30 mill inside property tax levy, and the proceeds of various special assessments levied against the benefitting property owners to accumulate resources for the payment of principal, interest and fiscal charges on general obligation and special assessment debt.

General Capital Improvement Fund – This fund accounts for the Cable TV Franchise fees and other resources that are used to construct, equip and furnish the capital assets used by the various departments of the city, as well as for various infrastructure projects.

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

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

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City's only enterprise fund is the Sanitary Sewer Fund which accounts for sewer construction projects and sanitary sewer services provided to the residential and commercial users in the City.

Internal Service Funds - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds are the Workers' Compensation Reserve Fund and the Health Insurance Reserve Fund. Both funds account for the accumulation of resources, primarily interfund chargebacks, to pay workers' compensation claims, health care claims, administrative fees and stop loss insurance premiums.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: *pension trust funds*, *investment trust funds*, *private-purpose trust funds*, and *agency funds*. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for the activities of the Mayor's court and for deposits received from contractors and developers which will be refunded upon successful completion of the projects.

C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the 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 (e.g., revenues) and decreases (e.g., expenses) in total net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources along with 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.

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

D. Basis of Accounting

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license tax), fines and forfeitures, interest, grants and entitlements, fees, 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, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for a deferral on refunding and for pension and OPEB plans. A deferral on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, OPEB and unavailable revenues. Property taxes and payments in lieu of 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 deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes (\$216,211), income taxes (\$3,422,952), intergovernmental grants (\$1,544,738), cable TV franchise fees (\$73,186), special assessments (\$9,116), and charges for services (\$205,661). These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13).

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

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, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments are reported at fair value which is based on quoted market prices. Non-participating contracts such as non-negotiable certificates of deposits are reported at cost.

During 2018, the City's investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio), negotiable and non-negotiable certificates of deposits, United States Agency debt securities, Commercial Paper and money market mutual funds. The City's investment in State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The city measures their investment in STAR Ohio as 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 limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

The City's policy is to hold investments until maturity or until market values equal or exceed cost.

Following Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2018 amounted to \$745,523, which includes \$568,657 assigned from other City funds.

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

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

F. Receivables

Receivables at December 31, 2018, consist of municipal income taxes, property taxes, other local taxes, amounts due from other governments, accounts (billings for user charged services), and special assessments. All are deemed collectible in full.

G. Inventory

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

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental funds when consumed. Inventories of the proprietary funds are expensed when used. Inventory consists of expendable supplies held for consumption.

H. 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 and reflecting the expenditure/expense in the year in which services are consumed.

I. 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 government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of roads, bridges, sanitary sewers, storm sewers, sidewalks, and traffic signals. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	15-20 years	15-20 years
Buildings	50 years	50 years
Furniture and Fixtures	7-10 years	7-10 years
Machinery and Equipment	5-20 years	5-20 years
Vehicles	3-6 years	3-6 years
Infrastructure	25-50 years	50 years

J. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “Interfund receivables/payables.” Interfund balance amounts are eliminated in the Statement of Net Position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Leave time that has been earned but is unavailable for use as paid time off, or as some other form of compensation, because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that conditions for compensation will be met in the future.

The criteria for determining vested vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn vacation and sick leave at different rates depending upon length of service and type of employment. Vacation leave is recognized when earned. All full-time City employees earn vacation at varying rates based upon length of service. An employee’s vacation leave balance will carry over into the next fiscal year if it is not used. Upon retirement, termination, lay-off or death, employees or their estate are paid accumulated vacation leave. Full-time employees earn sick leave at a rate of 4.60 hours per 80 hours of service up to a maximum of 120 hours per year. Staff firefighters earn sick leave at a rate of 12 hours per month up to a maximum of 144 hours per year. Unused sick leave shall accumulate without limit. Upon retirement, employees can be paid varying amounts of their unused sick leave balance based on criteria contained in union agreements and the City’s codified ordinances. Beginning in 2013, some employees having 25 or more years of service with the City may annually elect to convert to cash up to one-half of the value of their accumulated sick leave balance that exceeds 1,000 hours.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account “matured compensated absences payable” in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

L. 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.

M. Accrued Liabilities and Long-term Obligations

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

N. Fund Balance

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

Nonspendable – The nonspendable fund balance 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, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the City's Council. Those committed amounts cannot be used for any other purpose unless the City's Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

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.

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.

O. Net Position

Net Position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position 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. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The government-wide statement of net position reports \$22,449,428 of the restricted component of net position, none of which is restricted by enabling legislation. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted components of net position are available.

P. Grants and Intergovernmental Revenues

Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. Federal reimbursement-type grants are recorded as intergovernmental receivables and revenues in the period when all applicable eligibility requirements have been met and the resources are available.

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for sewer services and the interfund charges of the workers' compensation program. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

R. Contributions of Capital

Contributions of capital in governmental and proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

S. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditure/expenses to the funds that initially paid for them are not presented on the financial statements.

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2018.

U. Estimates

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

V. 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 Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the personal service and other expenditure level for all funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2018.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Encumbrances - Encumbrances outstanding at year end represent the estimated amount of expenditures that will ultimately result if unperformed contracts in process (for example, purchase orders and contracted services) are completed. Encumbrances outstanding at year end are reported as part of restricted, committed, or assigned fund balance for subsequent year expenditures in the governmental funds. The City had no outstanding encumbrances at December 31, 2018.

Lapsing of Appropriations - At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by 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 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:

	Governmental Activities	Business Type Activities
Net Position December 31, 2017	\$ 147,753,067	\$ 56,578,602
Adjustments:		
Net OPEB liability	(34,910,429)	(637,594)
Deferred Outflow - Payments Subsequent to Measurement Date	184,725	9,269
Restated Net Position January 1, 2018	\$ 113,027,363	\$ 55,950,277

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.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 4 – Accountability

Fund balances at December 31, 2018 included the following individual fund deficit:

	Deficit
Nonmajor Governmental Funds:	
Westwood Commons TIF	\$ 34,815

The General Fund is liable for any deficits in this fund and provides transfers when cash is required not when accruals occur. The deficit fund balance resulted from adjustments for accrued liabilities in accordance with generally accepted accounting principles (GAAP).

Note 5 – Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law is based upon accounting for transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented for the General Fund and the major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are:

- Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

	General	Street Construction, Maintenance and Repair	Fire Levy
Net Change in Fund Balance - GAAP Basis	\$ 469,393	\$ 149,530	\$ 15,582
Net Adjustment			
Revenue Accruals	556,541	1,594,375	-
Expenditure Accruals	(489,272)	(2,262,273)	2,005
Funds with Separate Legally Adopted Budgets	(500,000)	-	-
Net Change in Fund Balance - Budgetary Basis	\$ 36,662	\$ (518,368)	\$ 17,587

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 6 – Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of 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:

Fund Balances	General	Street Construction, Maintenance & Repair	Fire Levy	General Bond Retirement	General Capital Improvement	Other Governmental Funds	Total Governmental Funds
<i>Nonspendable</i>							
Prepaid Items	\$ 84,881	\$ 58,895	\$ 47,621	\$ -	\$ -	\$ 94,076	\$ 285,473
Inventories	36,672	456,138	-	-	-	-	492,810
<i>Total Nonspendable</i>	<u>121,553</u>	<u>515,033</u>	<u>47,621</u>	<u>-</u>	<u>-</u>	<u>94,076</u>	<u>778,283</u>
<i>Restricted for</i>							
Police Pension	-	-	-	-	-	167,908	167,908
Fire Pension	-	-	-	-	-	189,760	189,760
Fire Services	-	-	2,001,187	-	-	-	2,001,187
Other Law Enforcement	-	-	-	-	-	97,341	97,341
Streets and Highways	-	3,501,300	-	-	-	1,070,546	4,571,846
Clerk of Court Computerization	-	-	-	-	-	143,234	143,234
Drainage Levy	-	-	-	-	-	1,042,838	1,042,838
General Bond Retirement	-	-	-	2,305,779	-	-	2,305,779
Pearl Road TIF	-	-	-	-	-	699,541	699,541
Royalton Road TIF	-	-	-	-	-	193,716	193,716
Pearl Road TIF #2	-	-	-	-	-	131,626	131,626
Pearl Road TIF #3	-	-	-	-	-	156,789	156,789
Giant Eagle TIF	-	-	-	-	-	119,178	119,178
Get Go TIF	-	-	-	-	-	61,613	61,613
TIF Capital Improvements	-	-	-	-	-	93,661	93,661
Capital Improvements	-	-	-	-	3,546,784	-	3,546,784
<i>Total Restricted</i>	<u>-</u>	<u>3,501,300</u>	<u>2,001,187</u>	<u>2,305,779</u>	<u>3,546,784</u>	<u>4,167,751</u>	<u>15,522,801</u>
<i>Committed to</i>							
Termination Benefits	4,038,704	-	-	-	-	-	4,038,704
Emergency Vehicles	-	-	-	-	-	2,258,334	2,258,334
Multi-Purpose Complex	-	-	-	-	-	477,036	477,036
Tree Maintenance	-	-	-	-	-	58,758	58,758
Recreation Capital Impr.	-	-	-	-	-	199,201	199,201
<i>Total Committed</i>	<u>4,038,704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,993,329</u>	<u>7,032,033</u>
<i>Unassigned (Deficit)</i>	<u>13,328,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,815)</u>	<u>13,293,268</u>
Total Fund Balances	<u><u>\$ 17,488,340</u></u>	<u><u>\$ 4,016,333</u></u>	<u><u>\$ 2,048,808</u></u>	<u><u>\$ 2,305,779</u></u>	<u><u>\$ 3,546,784</u></u>	<u><u>\$ 7,220,341</u></u>	<u><u>\$ 36,626,385</u></u>

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 7 - Deposits and Investments

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts. Interim monies may be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any Federal government agency or instrumentality including but not limited to, 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 provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed 30 days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) and (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasury Asset Reserve of Ohio (STAR Ohio).

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

The City may also invest any monies not required to be used for a period of 6 months or more in the following:

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within 5 years from the date of purchase, unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payments for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Cash on Hand

At December 31, 2018, the City had \$6,544 in undeposited cash on hand, which is included on the balance sheet of the City as part of "Equity in Pooled Cash and Cash Equivalents."

Deposits

At December 31, 2018, the carrying amount of the City's deposits was \$1,138,042 (including \$67,461 in cash in segregated accounts of the court). Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2018, \$619,329 of the City's bank balance of \$2,420,076 was covered by Federal Depository Insurance and \$1,324,837 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name, and \$475,910 was uninsured and uncollateralized. The City's financial institutions were approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System, resulting in the uninsured and uncollateralized balance.

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. Protection of the City's cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC), as well as qualified securities pledged by the institution holding the assets. Ohio law requires that deposits either be 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 fair value at all times shall be at least 105 percent of the deposits being secured; or

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

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 institutions. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. All of the City's financial institutions had enrolled in OPCS as of December 31, 2018.

Investments

The City has a formal investment policy and utilizes a pooled investment concept for all its funds to maximize its investment program. STAR Ohio is measured at net asset value per share while all other investments are measured at fair value. Fair value is determined by quoted market prices and other acceptable pricing methodologies. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The table on the next page identifies the City's recurring fair value measurement and level inputs as of December 31, 2018. As previously discussed, Star Ohio is reported at its net asset value. All other investments of the City are valued using quoted market prices. As of December 31, 2018, fair value was \$237,436 below the City's net cost for investments.

Interest Rate Risk

As a means of limiting its exposure to fair value of losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase, and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt obligations. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk

The City has no investment policy that would further limit its investment choices other than the limitations imposed by the Ohio Revised Code. See the table below for the credit ratings of the City's investments provided by Standard and Poor's/Moody's.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City 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. The City's investment in negotiable certificates of deposit were fully insured by Federal depository insurance.

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer.
As of December 31, 2018, the City had the following investments and investment maturities:

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Investment Type	Measurement Value	Credit Rating (*)	Level Input	Investment Maturities (in Years)		
				<1	1-3	3-5
Star Ohio	\$ 5,015,850	AAAm	N/A	\$ 5,015,850	\$ -	\$ -
U.S. Agencies Debt Securities	20,842,519	AA+/Aaa	2	3,823,989	9,796,082	7,222,448
Money Market Mutual Fund	405,255	AAAm/Aaa-mf	N/A	405,255	-	-
Negotiable Certificate of Deposits	4,854,919	N/A	2	245,876	3,163,189	1,445,854
Commercial Paper	4,943,120	A1+/P1	2	4,943,120	-	-
Commercial Paper	15,603,088	A1/P1	2	15,603,088	-	-
Total Investments	\$51,664,751			\$30,037,178	\$ 12,959,271	\$8,668,302

Reconciliation of Cash and Investments per the Note to the Statements

The following is a reconciliation of cash and investments as reported in the note above to cash and investments reported on the statement of net position and statement of fiduciary assets and liabilities as of December 31, 2018.

Cash and Investments per Note

Investments	\$51,664,751
Carrying Amount of Deposits	1,138,042
Cash on Hand	<u>6,544</u>
Total Cash and Investments per Note	<u>\$52,809,337</u>

Cash and Investments per Statements

Governmental Activities	\$39,225,818
Business-Type Activities	12,987,978
Agency Funds	<u>595,541</u>
Total Cash and Investments per Statements	<u>\$52,809,337</u>

Note 8 - Receivables

Receivables at December 31, 2018, consisted primarily of municipal income taxes, property and other local taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, and accounts (billing for utility services). No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

Property Taxes

Property taxes include amounts levied against all real and public utility property, and tangible personal (used in business) property located in the City. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values for real property are established by State law at 35 percent of appraised market value. All property is required to be reevaluated every six years. The latest update was completed in 2018 with the next reappraisal being scheduled in 2021. Public utility real and tangible personal property tax collected in one calendar year is levied in the preceding calendar year on assessed values determined as of December 31 of the year preceding the tax collection year, the lien date.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Public utility tangible personal property currently is assessed by varying percentages of true value; public utility real property taxes are assessed at 35 percent of true value. 2018 public utility property taxes which became a lien at December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

The 2017 assessed value upon which the 2018 tax receipts were based on was \$1,491,648,870. The full tax rate for all City operations applied to taxable property for the year ended December 31, 2018, was \$9.3 per \$1,000 of assessed valuation.

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.

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

Municipal Income Taxes

The City's municipal income tax of 2.0 percent is levied on gross salaries, wages and other personal service compensation earned by residents both in and out of the City and on the earnings of nonresidents (except certain transients) earned in the City. This tax also applies to net income of business organizations within the City. Residents of the City are granted a 75 percent credit up to 2.0 percent of the income taxes paid to another municipality.

The City utilizes the Regional Income Tax Agency (RITA) to collect and administer its local income tax. Employers within the City are required to withhold income tax on employee earnings and remit the tax to RITA at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. The tax is collected by RITA and remitted to the City on the 1st and 10th business days of each month.

Municipal income taxes are allocated by City ordinance as follows: 16.67 percent of the first 1.50 percent of the total of 2.00 percent of the City income tax is credited to the Street Construction, Maintenance and Repair Fund with the remainder credited to the General Fund.

Special Assessments

Special assessments include assessments for debt obligations, which are levied against specific property owners who primarily benefitted from the project.

Special assessments are payable by the timetable and in the manner stipulated in the assessing ordinance and are a lien from the date of the passage of the ordinance.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

The City's assessments include sidewalk repair, sewer maintenance, sewer rehabilitation, paving and curbing, and water main tap-ins which are billed and collected by the County Fiscal Officer.

The County Fiscal Officer periodically remits these collections to the City. Special assessments collected in one calendar year are levied and certified in the preceding calendar year. Since all assessment collections are remitted to the City outside of the available period, the entire amount has been deferred on the fund financial statements.

At December 31, 2018, governmental and business-type activities reported special assessments receivable in the amounts of \$9,116 and \$1,211,854, respectively. Of these amounts reported, delinquent special assessments for governmental and business-type activities are \$90 and \$17,419, respectively.

Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities:	
Local Government	\$ 236,150
Homestead and Rollback	602,640
Gasoline Tax	798,748
Auto Registration	193,074
Payment in Lieu of Taxes	1,823,873
Cuyahoga County Grant - Roads	55,700
Cuyahoga County Grant - Rec Center Improvements	50,000
ODNR Grant - Rec Center Locker Rooms	19,027
Other Grants	12,121
Strongsville Mayor's Court and Berea Municipal Court Fines	48,015
Bureau of Workers Compensation rebate/refund	71,406
<i>Total Governmental Activities Intergovernmental Receivables</i>	\$ 3,910,754

Payments in Lieu of Taxes

In accordance with State law, the City has established fourteen tax incremental financing districts (TIF's) within the City. For thirteen of these TIF's, the City has granted property tax exemptions and agreed to construct certain infrastructure improvements, as described in the authorizing ordinances. The property owners have agreed to make payments to the City to help pay the costs of the infrastructure improvements. The amount of those payments would generally reflect all or a portion of the property taxes which the property owners would have paid if the property had not been declared exempt. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the cost of the improvement has been paid or the agreement expires, whichever comes first. The remaining TIF agreement stipulates that the City will reimburse the Developer for the public infrastructure improvements that directly benefit the City, its residents and the property.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 9 – Interfund Balances and Transfers

As of the year ended December 31, 2018, interfund balances are as follows:

	Receivable	Payable
<i>Governmental Activities</i>		
Major Funds:		
General	\$ 106,000	\$ -
NonMajor Funds:		
TIF Capital Improvements	-	106,000
Total	\$ 106,000	\$ 106,000

The amount payable to the General Fund relates to a working capital loan made to the TIF Capital Improvements Fund. This loan will be repaid in 2019.

Transfers made during the year ended December 31, 2018 were as follows:

TRANSFERS IN	TRANSFERS OUT		
	Governmental Activities	Business-Type Activities	
	Major Fund	Major Fund	
	General	Sewer	Total
Governmental Activities			
<u>Major Funds:</u>			
Street Construction, Maintenance and Repair	\$ 4,300,000	\$ -	\$ 4,300,000
Fire Levy	3,000,000	-	3,000,000
General Bond Retirement	300,000	-	300,000
General Capital Improvement	2,800,000	-	2,800,000
<u>Nonmajor Funds:</u>			
Police Pension	840,000	-	840,000
Fire Pension	972,000	-	972,000
Drainage Levy	200,000	-	200,000
Multi-Purpose Complex	1,600,000	-	1,600,000
Recreation Capital Improvement	200,000	-	200,000
Total Governmental Activities	14,212,000	-	14,212,000
Entity Wide	-	1,587,555	1,587,555
Total	\$ 14,212,000	\$ 1,587,555	\$ 15,799,555

Transfers made from the General Fund to various other funds provided additional resources for current operations. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16. Transfers between governmental funds are eliminated on the governmental activities' statement of activities.

During 2018, transfers were made from the Sewer Fund to the governmental capital assets in the amounts of \$1,423,381 for construction related to the Drake, Bowman, Fetzer Sanitary Sewer project and \$164,174 for the Priem Road Sanitary Sewer project.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 10 - Capital Assets

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

	Balance 1/1/2018	Additions	Deletions	Balance 12/31/2018
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 11,584,462	\$ -	\$ -	\$ 11,584,462
Construction in Progress	2,704,570	2,369,897	(3,518,037)	1,556,430
<i>Total Capital Assets Not Being Depreciated</i>	<u>14,289,032</u>	<u>2,369,897</u>	<u>(3,518,037)</u>	<u>13,140,892</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	53,991,021	1,622,146	-	55,613,167
Land Improvements	3,701,714	195,446	-	3,897,160
Machinery and Equipment	4,293,295	344,215	-	4,637,510
Furniture and Fixtures	971,559	22,935	-	994,494
Vehicles	16,145,689	1,633,197	(860,685)	16,918,201
Infrastructure:				
Streets	180,868,718	6,220,586	-	187,089,304
Bridges	203,000	-	-	203,000
Storm Sewers	103,077,935	5,067,720	-	108,145,655
Sidewalks	8,970,884	52,524	-	9,023,408
Traffic Signalization	6,465,583	-	-	6,465,583
<i>Total Capital Assets Being Depreciated</i>	<u>378,689,398</u>	<u>15,158,769</u>	<u>(860,685)</u>	<u>392,987,482</u>
<i>Total Capital Assets at Cost</i>	<u>392,978,430</u>	<u>17,528,666</u>	<u>(4,378,722)</u>	<u>406,128,374</u>
Less: Accumulated Depreciation:				
Buildings	(14,286,541)	(1,051,763)	-	(15,338,304)
Land Improvements	(1,892,115)	(147,632)	-	(2,039,747)
Machinery and Equipment	(3,059,021)	(268,601)	-	(3,327,622)
Furniture and Fixtures	(825,608)	(27,990)	-	(853,598)
Vehicles	(11,110,447)	(1,233,837)	817,649	(11,526,635)
Infrastructure:				
Streets	(114,160,741)	(3,971,563)	-	(118,132,304)
Bridges	(46,326)	(7,714)	-	(54,040)
Storm Sewers	(45,099,124)	(1,778,564)	-	(46,877,688)
Sidewalks	(6,329,451)	(167,100)	-	(6,496,551)
Traffic Signalization	(2,985,493)	(245,693)	-	(3,231,186)
Total Accumulated Depreciation	<u>(199,794,867)</u>	<u>(8,900,457)</u> *	<u>817,649</u>	<u>(207,877,675)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>178,894,531</u>	<u>6,258,312</u>	<u>(43,036)</u>	<u>185,109,807</u>
Total Governmental Activities Capital Asset, Net	<u>\$ 193,183,563</u>	<u>\$ 8,628,209</u>	<u>\$ (3,561,073)</u>	<u>\$ 198,250,699</u>

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

* Depreciation expense was charged to governmental functions as follows:

Security of Persons and Property	\$ 1,233,132
Leisure Time Activities	770,426
Transportation	6,755,535
General Government	112,675
Community Environment	28,689
Total Depreciation Expense	<u>\$ 8,900,457</u>

	Balance 1/1/2018	Additions	Deletions	Balance 12/31/2018
<u>Business-Type Activities</u>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 1,508,079	\$ -	\$ -	\$ 1,508,079
Construction in Progress	1,442,869	3,495,266	(3,044,196)	1,893,939
<i>Total Capital Assets Not Being Depreciated</i>	<u>2,950,948</u>	<u>3,495,266</u>	<u>(3,044,196)</u>	<u>3,402,018</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	10,252,481	-	-	10,252,481
Land Improvements	3,909,917	-	-	3,909,917
Machinery and Equipment	10,517,617	53,212	-	10,570,829
Furniture and Fixtures	19,748	-	-	19,748
Vehicles	2,569,982	34,798	(118,336)	2,486,444
Infrastructure:				
Sanitary Sewer	102,480,132	2,647,967	-	105,128,099
<i>Total Capital Assets Being Depreciated</i>	<u>129,749,877</u>	<u>2,735,977</u>	<u>(118,336)</u>	<u>132,367,518</u>
<i>Total Capital Assets at Cost</i>	<u>132,700,825</u>	<u>6,231,243</u>	<u>(3,162,532)</u>	<u>135,769,536</u>
Less: Accumulated Depreciation:				
Buildings	(6,198,185)	(187,734)	-	(6,385,919)
Land Improvements	(3,637,841)	(5,680)	-	(3,643,521)
Machinery and Equipment	(8,705,577)	(182,923)	-	(8,888,500)
Furniture and Fixtures	(18,762)	-	-	(18,762)
Vehicles	(1,555,833)	(221,163)	112,420	(1,664,576)
Infrastructure:				
Sanitary Sewers	(67,203,214)	(1,390,050)	-	(68,593,264)
Total Accumulated Depreciation	<u>(87,319,412)</u>	<u>(1,987,550)</u>	<u>112,420</u>	<u>(89,194,542)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>42,430,465</u>	<u>748,427</u>	<u>(5,916)</u>	<u>43,172,976</u>
Total Business-Type Activities				
Capital Asset, Net	<u>\$ 45,381,413</u>	<u>\$ 4,243,693</u>	<u>\$ (3,050,112)</u>	<u>\$ 46,574,994</u>

City of Strongsville, Ohio
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For the Year Ended December 31, 2018
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Note 11 – Risk Management

Commercial Insurance

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, vehicles, and general liability risks including public officials' 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 The Fedeli Group to manage its insurance coverage through Travelers Insurance Companies as follows:

Type of Coverage	Coverage Limits		Deductible
	Per Occurrence	Aggregate	
Commercial and Personal Property Coverage (Includes Boiler and Machinery Coverage)	\$139,101,608		\$5,000
Ancillary Equipment (Rented)	\$150,000		\$1,000
Earthquake Damage	\$1,000,000		\$50,000
Flood Damage	\$1,000,000		\$50,000/\$100,000
Inland Marine	\$6,105,864		\$1,000
Crime Coverage			
Theft, Disappearance and Destruction	\$25,000		\$2,500
Employee Dishonesty	\$500,000		\$2,500
Forgery and Alteration	\$25,000		\$1,000
Computer Fraud	\$100,000		\$1,000
Comprehensive General Liability	\$1,000,000	\$2,000,000	\$0
Employee Benefits Liability	\$1,000,000	\$3,000,000	\$1,000
Stop Gap	\$1,000,000		\$0
Public Officials Liability	\$1,000,000	\$1,000,000	\$25,000
Police Professional Liability	\$1,000,000	\$1,000,000	\$25,000
Employment Practices Liability	\$1,000,000	\$1,000,000	\$25,000
Property Liability	\$1,000,000	\$2,000,000	\$0
Pesticide/Herbicide Liability	\$1,000,000	\$2,000,000	\$0
Cemetery Professional Liability	\$1,000,000	\$2,000,000	\$0
EMT/Paramedic Malpractice Liability	\$1,000,000	\$2,000,000	\$0
Sewer Liability	\$1,000,000	\$2,000,000	\$0
Certified Acts of Terrorism	Included		\$0
Automobile Liability and Physical Damage Coverage	\$1,000,000		\$0
Auto Liability Comprehensive			
Fire Vehicles	Agreed Value		\$1,000/\$2,000
Other Vehicles	Actual Cash Value		\$1,000/\$2,000
Auto Liability Collision			
Fire Vehicles	Agreed Value		\$1,000/\$2,000
Other Vehicles	Actual Cash Value		\$1,000/\$2,000
Hired Vehicle Rentals	Actual Cash Value		\$250
Miscellaneous			
Umbrella Coverage	\$10,000,000		\$10,000
Cyber Liability	\$1,000,000		\$10,000
Flood - Additional Coverage: 16099 Foltz Industrial Parkway	\$100,000		\$1,000
Flood - Additional Coverage: 22000 Albion Road	\$100,000		\$1,000

City of Strongsville, Ohio
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The City also carries flood insurance through the National Flood Insurance Plan (NFIP). A portion of the City has been mapped and designated an "A" area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency, and thus the City is eligible to purchase coverage of \$500,000 for both Building and Contents with a \$1,250 deductible. Additional flood policies have been purchased through NFIP for 16099 Foltz Industrial Parkway (City Hall building and the equipment storage building) and 22000 Albion Road (Fire Station No. 3) with \$100,000 limit and \$1,000 deductible.

The City continues to carry commercial insurance for other risks of loss, including employee health and life insurance. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverage limits in any of the past five fiscal years.

Workers' Compensation

The City has established a formal self-insurance program for liabilities arising from the City's participation in the Ohio Bureau of Workers' Compensation (Ohio BWC) Individual Retrospective Rating Plan that covers workers' compensation claims occurring between January 1, 2006 to December 31, 2014. In 2015, the City chose to be a state funded risk, paid a premium, and transferred all risk to the Ohio Bureau of Workers' Compensation for calendar year 2015. Starting in calendar year 2016, the City has participated in the Ohio Association of Public Treasurer's (OAPT) Group Retrospective Rating Program, which is administered by a Third Party Administrator, CompManagement. OAPT offers Group Retrospective Rating as an alternative rating program to assist members in reducing their workers' compensation premium. Through the program, cities are grouped together to achieve premium refunds based on the performance of the group. Cities continue to pay their own individual merit-rated premium to the Ohio BWC and depending on the performance, the participating cities can either receive a retrospective premium refund or assessment (maximum assessment selected per group). Retrospective refunds are achieved when the standard premium of the group exceeds developed claim costs. For that reason, there is an increased emphasis on safety and claims management for Group Retrospective Rating participants.

The claims liability of \$1,842,825 reported in the fund at December 31, 2018, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claim, be reported. The estimate was not affected by incremental claims adjustment expense and does not include other allocated or unallocated claims adjustment expense. Changes in the fund's claims liability amount in 2016, 2017 and 2018 were as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2016	\$ 1,351,251	\$ 193,871	\$ 128,980	\$ 1,416,142
2017	\$ 1,416,142	\$ 304,049	\$ 34,457	\$ 1,685,734
2018	\$ 1,685,734	\$ 227,420	\$ 70,329	\$ 1,842,825

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Employee Health Benefits

The City manages employee prescriptions and health benefits on a self-insured basis. The employee health benefit plan provides basic health coverage through Medical Mutual, the third-party administrator of the program, which reviews and pays the claims. A specific excess loss coverage insurance (stop-loss) policy with Medical Mutual covers claims in excess of \$100,000 per person per year.

The claims liability of \$458,500, reported in the self-insurance fund at December 31, 2018, is estimated by the third-party administrator and is based on the requirements of Governmental Accounting 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 claims adjustments expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount for 2017 and 2018 were as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2017	\$ -	\$ 3,446,373	\$ 3,240,375	\$ 205,998
2018	\$ 205,998	\$ 4,078,816	\$ 3,826,314	\$ 458,500

Note 12 – Defined Benefit Pension Plans

Net Pension Asset/Liability

The net pension asset/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 asset/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 asset/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.

The 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. All contributions

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(Continued)

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 asset/liability. Resulting adjustments to the net pension asset/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 asset/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.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a 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.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members 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 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 60 months 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

City of Strongsville, Ohio
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For the Year Ended December 31, 2018
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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. 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 authority 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 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions was \$1,817,679 for 2018.

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

Plan Description - City full-time police and firefighters participate in the 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.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension.

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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:

	Police	Firefighters
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	19.50 %	24.00 %
 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 \$2,663,314 for 2018.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

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	OPERS Combined Pension Plan	OP&F Police	OP&F Fire	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.092880%	0.075003%	0.2659770%	0.2910200%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.093485%	0.057634%	0.2672358%	0.2948424%	
Change in Proportionate Share	<u>0.000605%</u>	<u>-0.01737%</u>	<u>0.001259%</u>	<u>0.003822%</u>	
Proportionate Share of the Net Pension Liability/(Asset)	\$ 14,665,984	\$ (78,459)	\$ 16,401,468	\$ 18,095,809	\$ 49,084,802
Pension Expense	\$ 3,369,575	\$ 12,922	\$ 1,882,258	\$ 2,104,495	\$ 7,369,250

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	\$ 14,977	\$ 248,903	\$ 274,616	\$ 538,496
Changes of assumptions	1,759,530	714,698	788,530	3,262,758
Changes in proportion and differences between City contributions and proportionate share of contributions	136,813	58,182	217,770	412,765
City contributions subsequent to the measurement date	<u>1,817,679</u>	<u>1,272,700</u>	<u>1,390,614</u>	<u>4,480,993</u>
Total Deferred Outflows of Resources	<u>\$3,728,999</u>	<u>\$2,294,483</u>	<u>\$2,671,530</u>	<u>\$8,695,012</u>
Deferred Inflows of Resources				
Net difference between projected and actual earnings on pension plan investments	\$ 3,160,970	\$ 567,365	\$ 625,977	\$ 4,354,312
Differences between expected and actual experience	312,390	29,671	32,736	374,797
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>4,965</u>	<u>314,964</u>	<u>404,230</u>	<u>724,159</u>
Total Deferred Inflows of Resources	<u>\$3,478,325</u>	<u>\$912,000</u>	<u>\$1,062,943</u>	<u>\$5,453,268</u>

City of Strongsville, Ohio
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\$4,480,993 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 or addition of net pension asset 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	\$1,405,683	\$338,984	\$401,792	\$2,146,459
2020	(274,469)	189,818	237,220	\$152,569
2021	(1,393,262)	(397,838)	(411,143)	(\$2,202,243)
2022	(1,300,304)	(257,277)	(295,515)	(\$1,853,096)
2023	(2,152)	189,477	228,449	415,774
Thereafter	(2,501)	46,619	57,170	101,288
Total	<u>(\$1,567,005)</u>	<u>\$109,783</u>	<u>\$217,973</u>	<u>(\$1,239,249)</u>

Actuarial Assumptions - OPERS

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

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

The total pension asset in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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Wage Inflation	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 8.25 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

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 observation 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 2017 and the long-term expected real rates of return:

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<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>

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:

<u>City's proportionate share of the net pension liability/(asset)</u>	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Traditional Pension Plan	\$ 26,043,051	\$ 14,665,984	\$ 5,180,939
Combined Plan	\$ (42,649)	\$ (78,459)	\$ (103,165)

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 Strongsville, Ohio
Notes to the Basic Financial Statements
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(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 average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 year Expected Real Rate of Return **</u>	<u>30 year Expected Real Rate of Return **</u>
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	7.93
Private Credit	5.00	6.93	7.26
Real Assets	<u>8.00</u>	6.88	7.24
Total	<u>120.00 %</u>		

Note: Assumptions are geometric

* levered 2x

** numbers are net of expected inflation

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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 (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 47,822,272	\$ 34,497,277	\$ 23,629,525

Note 13 – Defined Benefit OPEB Plans

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. 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.

City of Strongsville, Ohio
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(Continued)

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 who 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.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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. Beginning in 2018, health care is not being funded.

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(Continued)

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, the City contributed at a rate of 14.0 percent of earnable salary. 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 2017 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 \$7,098 for 2018.

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.

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

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

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

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

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

The City's contractually required contribution to OP&F was \$63,080 for 2018.

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	0.090180%	0.557000%	
Proportion of the Net OPEB Liability			
Current Measurement Date	<u>0.093003%</u>	<u>0.562078%</u>	
Change in Proportionate Share	<u>-0.0028230%</u>	<u>-0.0050782%</u>	
Proportionate Share of the Net			
OPEB Liability	\$ 10,099,441	\$31,846,564	\$41,946,005
OPEB Expense	\$ 949,054	\$2,520,591	\$3,469,645

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For the Year Ended December 31, 2018
(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			
Changes of assumptions	\$735,346	\$3,107,547	\$3,842,893
Differences between expected and actual experience	7,868	-	7,868
Changes in proportion and differences between City contributions and proportionate share of contributions	183,436	210,723	394,159
City contributions subsequent to the measurement date	<u>7,098</u>	<u>63,080</u>	<u>70,178</u>
Total Deferred Outflows of Resources	<u><u>\$933,748</u></u>	<u><u>\$3,381,350</u></u>	<u><u>\$4,315,098</u></u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$752,341	\$209,628	\$961,969
Differences between expected and actual experience	<u>-</u>	<u>160,620</u>	<u>160,620</u>
Total Deferred Inflows of Resources	<u><u>\$752,341</u></u>	<u><u>\$370,248</u></u>	<u><u>\$1,122,589</u></u>

\$70,178 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 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>
Fiscal Year Ending December 31:			
2019	\$254,949	\$409,238	\$664,187
2020	254,949	409,238	664,187
2021	(147,503)	409,238	261,735
2022	(188,086)	409,238	221,152
2023	-	461,645	461,645
Thereafter	<u>-</u>	<u>849,425</u>	<u>849,425</u>
Total	<u><u>\$174,309</u></u>	<u><u>\$2,948,022</u></u>	<u><u>\$3,122,331</u></u>

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For the Year Ended December 31, 2018
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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.

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(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:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
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	100.00 %	4.98 %

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.

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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	\$13,417,543	\$10,099,441	\$7,415,129

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	\$9,663,012	\$10,099,441	\$10,550,260

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.

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(Continued)

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. Rates for surviving beneficiaries are adjusted by 120 percent.

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

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

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

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

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(Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 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	<u>120.00 %</u>	

Note: Assumptions are geometric.

* levered 2x

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

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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	\$39,808,588	\$31,846,564	\$25,720,135

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

Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

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

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

	1% Decrease	Current Rates	1% Increase
City's proportionate share of the net OPEB liability	\$24,738,983	\$31,846,564	\$41,425,176

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.

City of Strongsville, Ohio
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Note 14 – Short-Term Notes Payable

The City’s note activity, including the amount outstanding and the interest rate, is as follows:

	Balance 1/1/2018	Additions	Deletions	Balance 12/31/2018
Governmental Activities:				
2017 Vehicle Acquisition - 2.125%, 10/11/2017 - New	\$ 2,100,000	\$ -	\$ (2,100,000)	\$ -
<i>Various Purpose Improvement Notes, Series 2018</i>				
2018 Vehicle Acquisition - 3.375%, 10/10/2018	-	1,600,000	-	1,600,000
2018 Street Improvement - 3.00%, 06/28/2018 - New	-	4,000,000	-	4,000,000
Unamortized Premiums on Notes	15,729	60,512	(42,797)	33,444
Total Governmental Activities	<u>\$ 2,115,729</u>	<u>\$ 5,660,512</u>	<u>\$ (2,142,797)</u>	<u>\$ 5,633,444</u>

In 2018, the City issued \$1,600,000 in Vehicle Acquisition Notes Series 2018. This note is dated October 10, 2018 and will mature on June 27, 2019 and bear a 3.375 percent rate of interest. The proceeds from the 2018 Note were used for public service vehicles and equipment.

In 2018, the City issued \$4,000,000 in Street Improvement Notes Series 2018. This note is dated June 28, 2018 and will mature on June 27, 2019 and bear a 3.00 percent rate of interest. The proceeds from the 2018 Note will be used for phase II of the road program. As of December 31, 2018, the City has unspent proceeds of \$1,017,902.

The notes are backed by the full faith and credit of the City and mature in one year. The note liabilities are reflected in the fund which received the proceeds. The premium and issuance costs are recorded in the General Bond Retirement Fund.

Note 15 – Long-Term Obligations

The original issuance date, maturity date, interest rate, and original issuance amounts for the City’s long-term obligations were as follows:

	Issuance Date	Maturity Date	Interest Rate	Issuance Amount
Governmental Activities:				
<u>General Obligation Bonds</u>				
<i>Various Purpose Improvements, Series 2009-01:</i>				
Police Station, Jail, and Mayor's Court	5/13/2009	12/1/2034	2.250 - 5.000%	\$ 13,000,000
Intersection of Drake & Howe Roads	5/13/2009	12/1/2029	2.250 - 5.000%	1,550,000
Recreation Land Acquisition (Lunn Road)	5/13/2009	12/1/2029	2.250 - 5.000%	1,455,000
Intersection of Royalton Road and W. 130th	5/13/2009	12/1/2029	2.250 - 5.000%	445,000
<i>Total Various Purpose Improvements, Series 2009-01</i>				<u>16,450,000</u>
<i>Various Purpose Improvements, Series 2009-02:</i>				
Street Improvements (Pearl Road Widening)	12/8/2009	12/1/2029	1.500 - 5.000%	7,000,000
<i>Various Purpose Refundings, Series 2011:</i>				
Multi-Purpose Complex	9/6/2011	12/1/2021	2.000 - 4.000%	8,300,000
Service Center Complex Renovations	9/6/2011	12/1/2021	2.000 - 4.000%	365,000
Fire Station #3	9/6/2011	12/1/2021	2.000 - 4.000%	1,585,000
<i>Total Various Purpose Refundings, Series 2011</i>				<u>10,250,000</u>

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

	Original Issuance Date	Maturity Date	Interest Rate	Original Issuance Amount
Governmental Activities:				
<u>General Obligation Bonds (Continued)</u>				
<i>Various Purpose Refundings, Series 2014:</i>				
Foltz Industrial Parkway Extension (refunded series 2005)	4/1/2014	12/1/2025	1.500 - 3.000%	\$ 1,095,000
Royalton Road Improvements (refunded series 2005)	4/1/2014	12/1/2025	1.500 - 3.000%	2,150,000
Police/City Hall (refunded series 2006)	4/1/2014	12/1/2026	1.500 - 3.000%	305,000
Municipal Service Center (refunded series 2006)	4/1/2014	12/1/2026	1.500 - 3.000%	545,000
New Fire Station Ward 4 (refunded series 2006)	4/1/2014	12/1/2026	1.500 - 3.000%	5,390,000
<i>Total Various Purpose Refundings, Series 2014</i>				9,485,000
<i>Various Purpose Improvement Refundings, Series 2015:</i>				
Police/City Hall (refunded series 2006)	10/22/2015	12/1/2023	1.500 - 2.125%	80,000
Municipal Service Center (refunded series 2006)	10/22/2015	12/1/2023	1.500 - 2.125%	165,000
New Fire Station Ward 4 (refunded series 2006)	10/22/2015	12/1/2023	1.500 - 2.125%	2,250,000
Police Station, Jail, and Mayor's Court (refunded series 2009)	10/22/2015	12/1/2026	1.500 - 3.000%	3,705,000
Intersection of Drake & Howe Roads (refunded series 2009)	10/22/2015	12/1/2026	1.500 - 3.000%	605,000
Recreation Land Acquisition (Lunn Road) (refunded series 2009)	10/22/2015	12/1/2026	1.500 - 3.000%	660,000
Intersection of Royalton Road and W. 130th (refunded series 2009)	10/22/2015	12/1/2026	1.500 - 3.000%	170,000
<i>Total Various Purpose Refundings, Series 2015</i>				7,635,000
<i>Various Purpose Improvement Refundings, Series 2016-01:</i>				
Police Station, Jail, and Mayor's Court (refunded series 2009)	7/21/2016	12/1/2034	1.500 - 4.000%	9,270,000
Intersection of Drake & Howe Roads (refunded series 2009)	7/21/2016	12/1/2029	1.500 - 4.000%	750,000
Recreation Land Acquisition (Lunn Road) (refunded series 2009)	7/21/2016	12/1/2029	1.500 - 4.000%	730,000
Intersection of Royalton Road and W. 130th (refunded series 2009)	7/21/2016	12/1/2029	1.500 - 4.000%	220,000
<i>Total Various Purpose Refundings, Series 2016-01</i>				10,970,000
<i>Various Purpose Improvement, Series 2016-02:</i>				
Street Improvements (Pearl Road Widening)	7/21/2016	12/1/2029	1.500 - 4.000%	5,510,000
<u>Ohio Public Works Commission (OPWC) Loans</u>				
Pearl Road Widening - Phase II	7/1/2013	1/1/2036	0%	2,172,730
Business-Type Activities:				
<u>Ohio Water Development Authority (OWDA) Loans</u>				
Westwood Park Sanitary Sewer	6/27/2002	7/1/2022	4.700%	948,523
Force Main, Pump Station and Sanitary Sewers	1/30/2003	7/1/2023	4.400%	2,259,707
Sewer Construction	5/27/2010	7/1/2030	3.390%	544,038
Drake Road East Sanitary Extension	12/9/2010	7/1/2032	2.870%	655,678
				4,407,946
<u>Ohio Public Works Commission (OPWC) Loans</u>				
Drake, Bowman & Fetzer Sanitary Sewers	7/1/2017	7/1/2038	0%	987,465

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Changes in the long-term obligations of the City during 2018 were as follows:

	Restated Balance 1/1/2018	Additions	Deletions	Balance 12/31/2018	Amounts Due in One Year
Governmental Activities:					
<i>Various Purpose Improvements, Series 2009-01:</i>					
Police Station, Jail, and Mayor's Court	\$ 75,000	\$ -	\$ (75,000)	\$ -	\$ -
Intersection of Drake & Howe Roads	55,000	-	(55,000)	-	-
Recreation Land Acquisition (Lunn Road)	30,000	-	(30,000)	-	-
Intersection of Royalton Road and W. 130th	15,000	-	(15,000)	-	-
<i>Total Various Purpose Improvements, Series 2009-01</i>	175,000	-	(175,000)	-	-
<i>Various Purpose Improvements, Series 2009-02:</i>					
Street Improvements (Pearl Road Widening)	715,000	-	(350,000)	365,000	365,000
<i>Various Purpose Refundings, Series 2011:</i>					
Multi-Purpose Complex Refunding, Series 2001	3,850,000	-	(920,000)	2,930,000	935,000
Service Center Complex Renovations	120,000	-	(35,000)	85,000	35,000
Fire Station #3	880,000	-	(220,000)	660,000	200,000
<i>Total Various Purpose Refunding, Series 2011</i>	4,850,000	-	(1,175,000)	3,675,000	1,170,000
<i>Various Purpose Refundings, Series 2014:</i>					
Foltz Industrial Parkway Extension	875,000	-	(90,000)	785,000	85,000
Royalton Road Improvements	1,730,000	-	(175,000)	1,555,000	180,000
Police/City Hall	285,000	-	(40,000)	245,000	40,000
Municipal Service Center	510,000	-	(75,000)	435,000	70,000
New Fire Station Ward 4	5,075,000	-	(490,000)	4,585,000	535,000
<i>Total Various Purpose Refunding, Series 2014</i>	8,475,000	-	(870,000)	7,605,000	910,000
<i>Various Purpose Refundings, Series 2015:</i>					
Police/City Hall	50,000	-	-	50,000	-
Municipal Service Center	100,000	-	-	100,000	-
New Fire Station Ward 4	1,785,000	-	(5,000)	1,780,000	5,000
Police Station, Jail, and Mayor's Court	3,585,000	-	(30,000)	3,555,000	30,000
Intersection of Drake & Howe Roads	580,000	-	(5,000)	575,000	5,000
Recreation Land Acquisition (Lunn Road)	635,000	-	(5,000)	630,000	5,000
Intersection of Royalton Road and W. 130th	155,000	-	(5,000)	150,000	5,000
<i>Total Various Purpose Refunding, Series 2015</i>	6,890,000	-	(50,000)	6,840,000	50,000
<i>Various Purpose Refundings, Series 2016-01:</i>					
Police Station, Jail, and Mayor's Court	9,260,000	-	(10,000)	9,250,000	105,000
Intersection of Drake & Howe Roads	745,000	-	(5,000)	740,000	60,000
Recreation Land Acquisition (Lunn Road)	725,000	-	(5,000)	720,000	40,000
Intersection of Royalton Road and W. 130th	215,000	-	(5,000)	210,000	15,000
<i>Total Various Purpose Refunding, Series 2016-01</i>	10,945,000	-	(25,000)	10,920,000	220,000
<i>Various Purpose Improvements, Series 2016-02:</i>					
Street Improvements (Pearl Road Widening)	5,475,000	-	(35,000)	5,440,000	40,000
<i>Total General Obligation Bonds</i>	37,525,000	-	(2,680,000)	34,845,000	2,755,000
Special Assessment Bond					
<i>Street Improvements, Series 1998:</i>					
Foltz Parkway	25,000	-	(25,000)	-	-
<i>Total Special Assessment Bond</i>	25,000	-	(25,000)	-	-
Ohio Public Works Commission (OPWC) Loan					
Pearl Road Widening - Phase II	1,955,458	-	(108,636)	1,846,822	108,636
Net Pension Liability					
OPERS	19,615,066	-	(5,975,701)	13,639,365	-
OP&F	35,279,631	-	(782,354)	34,497,277	-
<i>Total Net Pension Liability</i>	54,894,697	-	(6,758,055)	48,136,642	-

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

	Restated Balance 1/1/2018	Additions	Deletions	Balance 12/31/2018	Amounts Due in One Year
Governmental Activities (Continued):					
<u>Net OPEB Liability</u>					
OPERS	\$ 8,470,892	\$ 921,588	\$ -	\$ 9,392,480	\$ -
OP&F	26,439,537	5,407,027	-	31,846,564	-
<i>Total Net OPEB Liability</i>	<u>34,910,429</u>	<u>6,328,615</u>	<u>-</u>	<u>41,239,044</u>	<u>-</u>
<u>Other Long-Term Obligations</u>					
Unamortized Bond Premiums	2,494,957	-	(289,290)	2,205,667	-
Capital Lease	37,352	-	(18,446)	18,906	18,906
Claims Payable	1,891,732	4,306,236	(3,896,643)	2,301,325	522,479
Compensated Absences	6,455,375	3,092,909	(2,743,690)	6,804,594	2,876,314
<i>Total Other Long-Term Obligations</i>	<u>10,879,416</u>	<u>7,399,145</u>	<u>(6,948,069)</u>	<u>11,330,492</u>	<u>3,417,699</u>
Total Governmental Activities Long-Term Obligations	<u>\$ 140,190,000</u>	<u>\$ 13,727,760</u>	<u>\$ (16,519,760)</u>	<u>\$ 137,398,000</u>	<u>\$ 6,281,335</u>
Business-Type Activities:					
<u>Ohio Water Development Authority (OWDA) Loans</u>					
Westwood Park Sanitary Sewer	\$ 295,714	\$ -	\$ (60,478)	\$ 235,236	\$ 63,354
Force Main, Pump Station and Sanitary Sewers	827,625	-	(136,126)	691,499	142,181
Sewer Construction	381,327	-	(24,962)	356,365	25,815
Drake Road East Sanitary Sewer Extension	510,841	-	(28,861)	481,980	29,695
<i>Total OWDA Loans</i>	<u>2,015,507</u>	<u>-</u>	<u>(250,427)</u>	<u>1,765,080</u>	<u>261,045</u>
<u>Ohio Public Works Commission (OPWC) Loan</u>					
Drake, Bowman & Fetzer Sanitary Sewers	-	987,465	(24,687)	962,778	49,373
<u>Net Pension Liability</u>					
OPERS	1,476,403	-	(449,784)	1,026,619	-
<u>Net OPEB Liability</u>					
OPERS	637,594	69,367	-	706,961	-
<u>Other Long-Term Obligations</u>					
Compensated Absences	294,410	105,762	(85,678)	314,494	132,937
Total Business-Type Activities Long-Term Obligations	<u>\$ 4,423,914</u>	<u>\$ 1,162,594</u>	<u>\$ (810,576)</u>	<u>\$ 4,775,932</u>	<u>\$ 443,355</u>
Total Entity-Wide Long-Term Obligations	<u>\$ 144,613,914</u>	<u>\$ 14,890,354</u>	<u>\$ (17,330,336)</u>	<u>\$ 142,173,932</u>	<u>\$ 6,724,690</u>

The Ohio Water Development Authority (OWDA) loans are revenue obligations (not general obligations) of the City, payable from the revenue of the systems that are improved with the OWDA loans and from special assessments that relate to those improvements. The OWDA does not require that the City generate “coverage” (revenues in excess of the amounts needed for system operations and loan payments), nor does the OWDA require the creation or funding of any reserve funds. The OWDA loans will be paid from the Sanitary Sewer Fund. The Ohio Public Works Commission (OPWC) loan for Pearl Road Widening will be paid from the General Bond Retirement Fund, the Ohio Public Works Commission (OPWC) loan for the Drake, Bowman & Fetzer Sanitary Sewers will be paid from the Sanitary Sewer Fund, General obligation bonds will be paid from the General Bond Retirement Fund and Pearl Road TIF #1 Fund. Special assessment bonds will be paid from the proceeds of special assessments levied against benefitted property owners paid from the General Bond Retirement Fund. In the event that a property owner would fail to pay the assessment, payment would be made by the City. The capital lease will be paid from the Street Construction, Maintenance and Repair Fund (refer to Note 16 for further information). Workers’ Compensation claims will be paid from the Workers’ Compensation Reserve Fund (refer to Note 11 for further information). The compensated absences liability and employer pension and OPEB contributions will primarily be paid from the General Fund. The City pays obligations related to employee compensation from the fund benefiting from their service.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the General Fund. For additional information related to the net pension liability and net OPEB liability see Notes 12 and 13.

In July 2013, the City entered into a loan agreement with the Ohio Public Works Commission (OPWC) for a zero percent interest loan for the Pearl Road Widening project. In 2015 the City made its final drawdown on the loan for a total amount of \$2,172,730. The twenty-year loan will be repaid with forty semi-annual payments of \$54,318 commencing July 1, 2016. The loan will be repaid from the General Bond Retirement Fund.

In July 2017, the City entered into a loan agreement with the Ohio Public Works Commission (OPWC) for a zero percent interest loan for the Drake, Bowman & Fetzer Sanitary Sewer Project. The agreement provided for a grant of \$617,165 and a zero percent interest loan of \$987,465 for a total of \$1,064,630. In 2018 the City received the balance of the grant amount as well as the proceeds of the loan. The twenty-year loan will be repaid with forty semi-annual payments of \$24,687. The first payment on the loan was due on January 1, 2019, however the City made this payment prior to year end. The loan will be repaid from the Sanitary Sewer Fund.

Prior Years' Debt Defeasance

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. Government securities that were placed in the irrevocable trust fund. The investment and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. As of December 31, 2018, the amount of defeased debt related to the 2016 refunding is still outstanding but removed from the government-wide financial statements is \$5,300,000.

Principal and Interest Requirements

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2018 are as follows:

Years	Governmental Activities				
	General Obligation Bonds		OPWC Loan	Total	
	Principal	Interest	Principal	Principal	Interest
2019	\$ 2,755,000	\$ 1,103,438	\$ 108,636	\$ 2,863,636	\$ 1,103,438
2020	2,870,000	1,022,256	108,636	2,978,636	1,022,256
2021	2,975,000	940,256	108,636	3,083,636	940,256
2022	2,140,000	855,256	108,636	2,248,636	855,256
2023	2,955,000	811,531	108,636	3,063,636	811,531
2024-2028	13,230,000	2,840,938	543,183	13,773,183	2,840,938
2029-2033	6,685,000	956,625	543,183	7,228,183	956,625
2034-2035	1,235,000	49,400	217,276	1,452,276	49,400
Total	<u>\$ 34,845,000</u>	<u>\$ 8,579,700</u>	<u>\$ 1,846,822</u>	<u>\$ 36,691,822</u>	<u>\$ 8,579,700</u>

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Years	Business-Type Activities				
	OWDA		OPWC		Total
	Loan		Loan		
	Principal	Interest	Principal	Principal	Interest
2019	\$ 261,045	\$ 60,522	\$ 49,373	\$ 310,418	\$ 60,522
2020	272,124	50,467	49,373	321,497	50,467
2021	283,682	39,980	49,373	333,055	39,980
2022	258,903	29,041	49,373	308,276	29,041
2023	146,498	19,858	49,373	195,871	19,858
2024-2028	344,904	60,073	246,865	591,769	60,073
2029-2033	197,924	10,203	246,865	444,789	10,203
2034-2035	-	-	222,183	222,183	-
Total	<u>\$ 1,765,080</u>	<u>\$ 270,144</u>	<u>\$ 962,778</u>	<u>\$ 2,727,858</u>	<u>\$ 270,144</u>

Note 16 – Leases

Capital Lease

The City has entered into a lease agreement for the acquisition of a skid steer loader. Capital lease payments are reflected as program expenditures on the budgetary statement and part of debt service on the Statement of Revenue, Expenditures, and Changes in Fund Balances. The capital asset acquired by the lease has been capitalized in the amount of \$72,911, with an accumulated depreciation of \$64,568, for a total book value of \$8,343 as of December 31, 2018.

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 as of December 31, 2018:

Year	Payments
2019	\$ 19,376
Less: Amount Representing Interest	(470)
Present Value of Minimum Lease Payment	<u>\$ 18,906</u>

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City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 17 – Construction Commitments

As of December 31, 2018, the City had the following significant commitments with respect to capital-related projects:

	<u>Remaining Construction Commitment</u>
<u>Street Maintenance & Repairs</u>	
Storage Garage	\$ 216,952
<u>Motor Vehicle License Tax</u>	
Pearl Road (Strongsville, Middleburg Heights and Parma Heights)	1,524,323
<u>Drainage Levy Fund</u>	
Donegal Drive Retention	742,000
Falling Water Culvert	414,395
<u>General Capital Improvement</u>	
City-Wide Traffic Signalization	4,868,784
42/82 Intersection Improvement	980,567
Concrete Road Program #2	360,417
<u>Sanitary Sewer Fund</u>	
Treatment Plant Renovations	670,831
Sewer Truck - Down Payment	19,833
Howe Road Sanitary Sewer	1,154,648
Total Government-wide Construction Commitments	<u><u>\$ 10,952,750</u></u>

Note 18 – Contingent Liabilities

There are several lawsuits pending in which the City is involved. City management estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

Under the terms of federal and state grants, periodic audits are required and certain expenditures may be questioned as not appropriate under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial.

Note 19 - Jointly Governed Organizations

Southwest General Health Center

The Southwest General Health Center is an Ohio nonprofit corporation providing health services. The Health Center is a jointly governed organization among the communities of Berea, Brook Park, Columbia Township, Middleburg Heights, Olmsted Falls and Strongsville.

The Health Center is governed by a Board of Trustees consisting of the following: one member of the legislative body from each of the political subdivisions, one resident from each of the political subdivisions who is not a member of the legislative body, three persons who are residents of any of the participating political subdivisions, and the president and the vice president of the medical staff. The legislative body of each political subdivision elects their own member to serve on the Board of Trustees of the Health Center.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

The Board exercises total control over the operation of the Health Center including budgeting, appropriating, contracting and designating management. Each City's control is limited to its representation on the Board. In 2018, the City of Strongsville contributed \$339,380 to the Health Center. Financial information may be obtained by writing to the Southwest General Health Center, 18697 Bagley Road, Middleburg Heights, Ohio 44130-3497.

Regional Income Tax Agency

In 1971, thirty-eight municipalities joined together to organize a Regional Council of Governments (RCOG) to administer tax collection and enforcement concerns facing the cities and villages. The first official act of the RCOG was to form the Regional Income Tax Agency (RITA). Today RITA serves as the income tax collection agency for 312 municipalities throughout the State of Ohio. The City was one of the original members of RCOG. Financial information may be obtained by writing to RITA, 10107 Brecksville Road, Brecksville, Ohio, 44141.

Southwest Council of Governments

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

The Council has established two subsidiary organizations, the Hazardous Material Response Team ("HAZMAT"), which provides hazardous material protection and assistance, and the Southwest Enforcement Bureau, which provides extra assistance to cities in the form of a SWAT team. In 2018, the City of Strongsville contributed \$20,000 to the Council. Financial information may be obtained by writing to the Finance Director of the City of Berea, at 11 Berea Commons, Berea, Ohio 44017.

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 over 220 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 insuring 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 eleven-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information should be directed to NOPEC, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Southwest Regional Communications

The Southwest Regional Communications is a jointly-governed organization between the City and seven other communities. Formed as a Regional Council of Governments as permitted under Ohio Revised Code Section 167.01, the intent of the organization is to establish, own, operate, maintain, and administer, a regional communications network for public safety and public service purposes for the mutual benefit of the participating communities. This organization is controlled by a governing body consisting of each participating community's mayor or his/her delegate or representative. The degree of control exercised by any member is limited to its representation on the governing board.

All members agree to contribute the sums of money on a shared basis as agreed per the requirements set forth in the Articles of Understanding. In accordance with GASB Statement No. 14 and amended by GASB Statement No. 61, the City does not have an equity interest in the organization. In 2018, the City of Strongsville contributed \$96,471 to the organization. Financial information may be obtained by contacting Martin S. Healy, 17401 Holland Road, Brook Park, Ohio 44142, or by email at healymwcc@gmail.com.

Note 20 – Related Organization

The Strongsville Community Improvement Corporation (CIC) was formed to promote and assist in economic development with the City. City Council created the CIC in 1977 and appointed the initial CIC Board members. The CIC does not represent a potential financial benefit for or burden on the City.

Note 21 – Insurance Purchasing Pool

Ohio Government Benefit Cooperative

The City participates in the Ohio Government Benefit Cooperative, a claims servicing and group purchasing pool comprised of two members. The Ohio Government Benefit Cooperative (OGBC) is created and organized pursuant to and as authorized by Section 9.833 of the Ohio Revised Code. OSBC is governed by a two-member Board of Directors. The City of North Royalton serves as the fiscal agent for OGBC. OGBC is an unincorporated, non-profit association of its members which was created for the purpose of enabling members of the Plan to maximize benefits and/or reduce costs of medical, prescription drug, vision, dental, life and/or other group insurance coverage for their employees, and their eligible dependents and designated beneficiaries of such employees.

Participants pay an initial \$500 membership fee to OGBC. OGBC offers two options to participants. Participants may enroll in the joint insurance purchasing program for medical, prescription drug, vision dental and/or life insurance. A second option is available for self-insured participants that provides for the purchase of stop loss insurance coverage through OGBC's third party administrator. Medical Mutual is the Administrator of the OGBC. During 2018, the City elected to participate in the self-insured joint insurance program for medical, prescription drug, dental, and vision coverage.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 22 – Tax Abatement Disclosures

Pursuant to Ohio Revised Code Chapter 3735.65-70, the City has established nineteen Pre-1994 Community Reinvestment Area’s (CRAs) within and surrounding Strongsville’s business parks. The CRA program provided the City with a resource to stimulate growth and economic development by providing a direct incentive tax exemption benefiting both residential and industrial property owners who renovate existing or construct new buildings within the designated area. Improvements within the CRAs designated areas are granted an abatement of 100% on the additional property taxes resulting from the increase in assessed value as a result of the improvements for a period of up to 15 years. The amount of the abatement is deducted from the recipient’s property tax bill.

Below is the information relevant to the disclosure of the program for the year ended December 31, 2018.

(Tax year 2017/Collection Year 2018)

Tax Abatement Program	Total Amount of City Taxes Abated in 2018
Community Reinvestment Area (CRA)	
Industrial/Residential	\$ 493,619

Note 23 – Subsequent Event

On May 6, 2019, Council authorized the re-issuance of \$3 million in notes for street improvements and \$1.2 million for vehicle acquisition.

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

Traditional Plan	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.093485%	0.092880%	0.091907%	0.087814%	0.087814%
City's Proportionate Share of the Net Pension Liability	\$14,665,984	\$21,091,469	\$15,919,450	\$10,591,350	\$10,352,127
City's Covered Payroll	\$12,355,438	\$12,005,508	\$11,437,692	\$10,801,667	\$10,433,501
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	118.70%	175.68%	139.18%	98.05%	99.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%
Combined Plan	2018	2017	2016	2015	2014
City's Proportion of the Net Pension (Asset)	0.057634%	0.075003%	0.067880%	0.056160%	0.056160%
City's Proportionate Share of the Net Pension (Asset)	(\$78,459)	(\$41,744)	(\$33,030)	(\$21,623)	(\$5,893)
City's Covered Payroll	\$236,038	\$291,950	\$247,042	\$206,833	\$212,553
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	33.24%	14.30%	13.37%	10.45%	2.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	137.28%	116.55%	116.90%	114.83%	104.33%

(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 Strongsville, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Police and Fire Pension Fund
Last Five Years (1)

Police	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.2672358%	0.2659770%	0.2714812%	0.2758712%	0.2758712%
City's Proportionate Share of the Net Pension Liability	\$16,401,468	\$16,846,716	\$17,464,577	\$14,291,279	\$13,435,793
City's Covered Payroll	\$6,488,579	\$6,392,026	\$6,149,832	\$6,078,132	\$6,080,280
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	252.77%	263.56%	283.98%	235.13%	220.97%
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	0.2948424%	0.2910200%	0.3021489%	0.3010628%	0.3010628%
City's Proportionate Share of the Net Pension Liability	\$18,095,809	\$18,432,915	\$19,437,450	\$15,596,308	\$14,662,703
City's Covered Payroll	\$5,828,600	\$5,719,260	\$5,534,217	\$5,389,043	\$5,225,596
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	310.47%	322.30%	351.22%	289.41%	280.59%
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 Strongsville, Ohio
Required Supplementary Information
Schedule of City Contributions - Pension
Ohio Public Employees Retirement System
Last Six Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Contractually Required Contributions</u>						
Traditional Plan	1,778,068	1,606,207	1,440,661	1,372,523	1,296,200	1,356,355
Combined Plan	<u>39,611</u>	<u>30,685</u>	<u>35,034</u>	<u>29,645</u>	<u>24,820</u>	<u>27,632</u>
Total Required Contributions	\$1,817,679	\$1,636,892	\$1,475,695	\$1,402,168	\$1,321,020	\$1,383,987
Contributions in Relation to the Contractually Required Contribution	<u>(\$1,817,679)</u>	<u>(\$1,636,892)</u>	<u>(\$1,475,695)</u>	<u>(\$1,402,168)</u>	<u>(\$1,321,020)</u>	<u>(\$1,383,987)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>City's Covered Payroll</u>						
Traditional Plan	\$12,700,486	\$12,355,438	\$12,005,508	\$11,437,692	\$10,801,667	\$10,433,501
Combined Plan	\$282,936	\$236,038	\$291,950	\$247,042	\$206,833	\$212,553
<u>Pension Contributions as a Percentage of Covered Payroll</u>						
Traditional Plan	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
Combined Plan	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 Strongsville, Ohio
Required Supplementary Information
Schedule of City Contributions - Pension
Ohio Police and Fire Pension Fund
Last Ten 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	\$1,272,700	\$1,232,830	\$1,214,485	\$1,168,468	\$1,154,845	\$956,428	\$729,404	\$751,204	\$696,232	\$731,106
Fire	\$1,390,614	\$1,369,721	\$1,344,026	\$1,300,541	\$1,266,425	\$1,057,138	\$895,979	\$927,285	\$811,840	\$866,840
Total Required Contributions	\$2,663,314	\$2,602,551	\$2,558,511	\$2,469,009	\$2,421,270	\$2,013,566	\$1,625,383	\$1,678,489	\$1,508,072	\$1,597,946
Contributions in Relation to the Contractually Required Contribution	<u>(\$2,663,314)</u>	<u>(\$2,602,551)</u>	<u>(\$2,558,511)</u>	<u>(\$2,469,009)</u>	<u>(\$2,421,270)</u>	<u>(\$2,013,566)</u>	<u>(\$1,625,383)</u>	<u>(\$1,678,489)</u>	<u>(\$1,508,072)</u>	<u>(\$1,597,946)</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	\$6,698,421	\$6,488,579	\$6,392,026	\$6,149,832	\$6,078,132	\$6,080,280	\$5,720,816	\$5,891,796	\$5,460,643	\$5,734,165
Fire	\$5,917,506	\$5,828,600	\$5,719,260	\$5,534,217	\$5,389,043	\$5,225,596	\$5,194,081	\$5,375,565	\$4,706,319	\$5,025,159
<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 Strongsville, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System
Last Two Years (1)

	2018	2017
City's Proportion of the Net OPEB Liability	0.093003%	0.090180%
City's Proportionate Share of the Net OPEB Liability	\$ 10,099,441	\$ 9,108,486
City's Covered Payroll	\$ 12,752,807	\$ 12,462,764
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	79.19%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.05%

(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 Strongsville, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
Ohio Police and Fire Pension Fund
Last Two Years (1)

	2018	2017
City's Proportion of the Net OPEB Liability	0.562078%	0.557000%
City's Proportionate Share of the Net OPEB Liability	\$ 31,846,564	\$ 26,439,537
City's Covered Payroll	\$ 12,317,179	\$ 12,111,286
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	258.55%	218.30%
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 Strongsville, Ohio
Required Supplementary Information
Schedule of City Contributions - OPEB
Ohio Public Employees Retirement System
Last Four Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 7,098	\$ 132,408	\$ 252,527	\$ 233,716
Contributions in Relation to the Contractually Required Contribution	<u>(7,098)</u>	<u>(132,408)</u>	<u>(252,527)</u>	<u>(233,716)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 13,160,879	\$ 12,752,807	\$ 12,462,764	\$ 11,845,979
Contributions as a Percentage of Covered Payroll	0.05%	1.04%	2.03%	1.97%

(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 Strongsville, Ohio
Required Supplementary Information
Schedule of City Contributions - OPEB
Ohio Police and Fire Pension Fund
Last Ten 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	\$ 63,080	\$ 61,586	\$ 60,015	\$ 58,235	\$ 57,192	\$ 398,619	\$ 736,755	\$ 760,546	\$ 686,270	\$ 726,202
Contributions in Relation to the Contractually Required Contribution	<u>(63,080)</u>	<u>(61,586)</u>	<u>(60,015)</u>	<u>(58,235)</u>	<u>(57,192)</u>	<u>(398,619)</u>	<u>(736,755)</u>	<u>(760,546)</u>	<u>(686,270)</u>	<u>(726,202)</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	\$ 12,615,927	\$ 12,317,179	\$ 12,111,286	\$ 11,684,049	\$ 11,467,175	\$ 11,305,876	\$ 10,914,897	\$ 11,267,361	\$ 10,166,962	\$ 10,759,324
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 Strongsville, Ohio
Notes to the 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 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.

City of Strongsville, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2018

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 Statements

Fund Descriptions – Nonmajor Governmental Funds

Non-Major 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:

Police Pension Fund - This fund accounts for the revenue from property taxes levied and expenditures relative to payment of the City's share (19.50 percent) of the current police pension liability to the Ohio Police & Fire Pension Fund. The Ohio Revised Code requires that the City levy 0.3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by a transfer from the General Fund.

State Highway Maintenance Fund - This fund accounts for a percentage of the revenue from the City's share of State gasoline taxes and motor vehicle registration fees. State law requires that these taxes be used for maintenance and repair of the state highways within the City.

Motor Vehicle License Tax Fund - This fund accounts for the additional \$5 tax levied upon the vehicles registered within the City to be used specifically for the maintenance of public roads and highways within the City.

Emergency Vehicle Fund - This fund accounts for the revenues generated by the charges for emergency medical services to be used for the acquisition of emergency medical service vehicles, or any other equipment related to or required for emergency medical services operations, and any other public safety related vehicles or equipment utilized at the time of and in conjunction with calls for emergency medical services.

Fire Pension Fund - This fund accounts for the revenue from property taxes levied and expenditures relative to payment of the City's share (24.00 percent) of the current fire pension liability to the Ohio Police & Fire Pension Fund. The Ohio Revised Code requires that the City levy 0.3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by a transfer from the General Fund.

Clerk of Courts Computerization Fund - This fund accounts for the revenue received from court costs assessed under the authority of Ohio Revised Code Section 1901.261(b) by the Mayor's Court on the filing of each cause of action or appeal, certificate of judgment or modifications of judgment for the purpose of procuring or maintaining computer systems of the office of the clerk of the Mayor's Court.

Drainage Levy Fund - This fund accounts for the revenue received from a voted property tax levy (gross millage 0.4, effective millage 0.388856 for tax year 2017/collection year 2018) approved for the purpose of constructing, reconstructing and renovating storm sewers and storm drainage facilities.

Multi-Purpose Complex Fund – This fund accounts for the revenue received from various recreation/senior membership and user fees. Transfers are made from the General Fund to provide additional resources.

Southwest General Hospital Levy Fund - This fund accounts for the revenue received from a voted property tax levy (gross millage 1.0, effective millage 0.187871 for tax year 2017/collection year 2018) approved for the use, maintenance and support of Southwest General Hospital by the residents of Strongsville.

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds (continued)

Law Enforcement Federal Seizure Fund - This fund accounts for seized and/or forfeited cash and tangible property received from the United States government that was relinquished in accordance with the Comprehensive Drug Penalty Act of 1984 to be used by local law enforcement.

Law Enforcement State Seizure Fund - This fund accounts for seized and/or forfeited cash and tangible property received from the Cuyahoga County Common Pleas Court with the State of Ohio, which was relinquished in accordance with Section (D) (1) to (8) of Ohio Revised Code Section 2933.41. Eighty percent of the seizure or forfeiture is to be used by local law enforcement while the remaining twenty percent is forwarded to the Cuyahoga County Prosecuting Attorney's Office.

Law Enforcement Drug Fine Fund – This fund accounts for all fines imposed and bail forfeited by an individual convicted of certain drug offenses to be used by local law enforcement.

Law Enforcement DWI/DUI Fund - This fund accounts for fines and penalties received for DWI/DUI violations. These funds are to be used for costs incurred in enforcing DWI/DUI laws, incarceration costs and public education.

Tree Fund - This fund accounts for various fees and permits charged pursuant to City Ordinances for the purpose of planting, replacing, maintaining, protecting and promoting trees within the City.

Community Diversion Fund - This fund accounts for the revenue received from the Juvenile Court Division of the Cuyahoga County Court of Common Pleas. The purpose of this program is to divert local youth who are juvenile offenders of misdemeanor and status offenses from formal court action and to utilize community resources to ameliorate the situations.

Earned Benefits Fund - This fund accounts for the revenue set-aside by City Council used for the payment of accumulated sick and vacation leave balances upon the termination of employment by employees of the City and to provide funds for the payment of salaries and related fringes during a twenty-seven pay year per Ohio Revised Code Section 5705.13. Due to the implementation of GASB Statement No. 54, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget.

Nonmajor Debt Service Funds

Debt Service funds are established to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest and to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. A description of the City's debt service fund follows:

Pearl Road TIF #1 Fund - This fund accounts for the receipt of service payments in lieu of taxes (PILOTs) that are legally restricted for the payment of public improvements described in City ordinance. The general area affected by this TIF is Pearl Road between Route 82 and Boston Road and the area along Route 82 between Pearl and Howe Roads.

Royalton Road TIF Fund – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2008-220. The general area affected by this TIF is north of Route 82 and Howe Road intersection.

Fund Descriptions – Nonmajor Governmental Funds

Pearl Road TIF #2 Fund – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2010-196. The general area affected by this TIF is Pearl Road between Route 82 and Boston Road.

Pearl Road TIF #3 Fund – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2011-191. The general area affected by this TIF is Pearl, Royalton, Howe and Prospect Roads.

Westwood Commons TIF Fund – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2015-195. The City will reimburse the Developer for the public infrastructure improvements that directly benefit the City, its residents and the property. The area affected by this TIF is the northeastern corner of Pearl Road and Westwood Drive.

Giant Eagle TIF Fund – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2013-250. The general area affected by this TIF is Pearl and Royalton Roads.

Get Go TIF Fund – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2014-200. The general area affected by this TIF is Drake and Pearl Road from Boston Road to Royalton Road.

Clover Senior Apartments TIF Fund – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2015-237. The general area affected by this TIF is Howe Road between Drake and Royalton Roads and including the intersections thereof. Budget was not adopted in 2018 due to no cash activity.

Non-Major Capital Project 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:

Recreation Capital Improvement Fund – This fund accounts for resources restricted for recreation improvements. Resources include federal, state, and local grants, dedicated building fees, debt proceeds and transfers from the General Fund.

TIF Capital Improvement Fund - This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in the TIF specific Ordinances listed below;

- Ordinance 2014-201 – Prospect and Albion TIF
- Ordinance 2014-202 – Pearl and Whitney TIF
- Ordinance 2015-232 – Goodyear and Fifth/Third TIF
- Ordinance 2015-233 – Dunkin Donuts TIF
- Ordinance 2015-234 – 42/82 TIF
- Ordinance 2015-236 – Pearl and Lunn TIF

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 5,613,898	\$ 1,362,463	\$ 404,695	\$ 7,381,056
Accrued Interest Receivable	13,990	-	-	13,990
Accounts Receivable	209,842	-	-	209,842
Intergovernmental Receivable	229,999	1,593,643	249,257	2,072,899
Prepaid Items	94,076	-	-	94,076
Property Taxes Receivable	1,665,466	-	-	1,665,466
Permissive Motor Vehicle Taxes Receivable	27,832	-	-	27,832
Total Assets	<u>\$ 7,855,103</u>	<u>\$ 2,956,106</u>	<u>\$ 653,952</u>	<u>\$ 11,465,161</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 85,740	\$ 34,815	\$ 24,860	\$ 145,415
Accrued Wages and Benefits	48,907	-	-	48,907
Contracts Payable	21,386	-	-	21,386
Intergovernmental Payable	104,704	-	-	104,704
Interfund Payable	-	-	106,000	106,000
Total Liabilities	<u>260,737</u>	<u>34,815</u>	<u>130,860</u>	<u>426,412</u>
Deferred Inflows of Resources:				
Property Taxes and Payments in Lieu of Taxes	1,628,592	1,593,643	230,230	3,452,465
Unavailable Revenue - Delinquent Property Taxes	36,874	-	-	36,874
Unavailable Revenue - Other	329,069	-	-	329,069
Total Deferred Inflows of Resources	<u>1,994,535</u>	<u>1,593,643</u>	<u>230,230</u>	<u>3,818,408</u>
Fund Balances:				
Nonspendable	94,076	-	-	94,076
Restricted	2,711,627	1,362,463	93,661	4,167,751
Committed	2,794,128	-	199,201	2,993,329
Unassigned	-	(34,815)	-	(34,815)
Total Fund Balances	<u>5,599,831</u>	<u>1,327,648</u>	<u>292,862</u>	<u>7,220,341</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,855,103</u>	<u>\$ 2,956,106</u>	<u>\$ 653,952</u>	<u>\$ 11,465,161</u>

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Property Taxes	\$ 1,557,837	\$ -	\$ -	\$ 1,557,837
Permissive Motor Vehicle Taxes	368,801	-	-	368,801
Payments in Lieu of Taxes	-	1,439,514	149,446	1,588,960
Intergovernmental	514,991	-	186,795	701,786
Interest	56,962	-	-	56,962
Fees, Licenses, and Permits	80,381	-	-	80,381
Fines and Forfeitures	29,427	-	-	29,427
Charges for Services	4,121,248	-	49,950	4,171,198
Contributions and Donations	662	-	-	662
All Other Revenues	36,868	3,217	68,128	108,213
Total Revenues	6,767,177	1,442,731	454,319	8,664,227
EXPENDITURES				
Security of Persons and Property	2,920,674	-	-	2,920,674
Public Health Services	339,380	-	-	339,380
Leisure Time Activities	4,728,657	-	77,846	4,806,503
Community Environment	169,892	40,149	-	210,041
Basic Utility Services	51,452	-	-	51,452
Transportation	83,581	-	121,000	204,581
General Government	30,497	-	-	30,497
Capital Outlay	1,409,713	-	1,309,792	2,719,505
Debt Service:				
Principal Retirement	-	385,000	-	385,000
Interest and Fiscal Charges	-	187,256	-	187,256
Total Expenditures	9,733,846	612,405	1,508,638	11,854,889
Excess of Revenues Over (Under) Expenditures	(2,966,669)	830,326	(1,054,319)	(3,190,662)
OTHER FINANCING SOURCES				
Sale of Capital Assets	37,716	-	-	37,716
Transfers In	3,612,000	-	200,000	3,812,000
Total Other Financing Sources	3,649,716	-	200,000	3,849,716
Net Change in Fund Balances	683,047	830,326	(854,319)	659,054
Fund Balances - Beginning of Year	4,916,784	497,322	1,147,181	6,561,287
Fund Balances - End of Year	\$ 5,599,831	\$ 1,327,648	\$ 292,862	\$ 7,220,341

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

	Police Pension	State Highway Maintenance	Motor Vehicle License Tax	Emergency Vehicle	Fire Pension
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 209,513	\$ 515,646	\$ 516,584	\$ 2,169,457	\$ 245,313
Accrued Interest Receivable	-	2,190	1,840	9,960	-
Accounts Receivable	-	-	-	209,842	-
Intergovernmental Receivable	26,158	74,387	-	-	26,158
Prepaid Items	-	-	-	-	-
Property Taxes Receivable	423,878	-	-	-	423,878
Permissive Motor Vehicle Taxes Receivable	-	-	27,832	-	-
Total Assets	\$ 659,549	\$ 592,223	\$ 546,256	\$ 2,389,259	\$ 695,349
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ 5,742	\$ -
Accrued Wages and Benefits	-	-	-	-	-
Contracts Payable	-	-	16,824	-	-
Intergovernmental Payable	41,605	-	-	-	55,553
Total Liabilities	41,605	-	16,824	5,742	55,553
Deferred Inflows of Resources:					
Property Taxes	414,493	-	-	-	414,493
Unavailable Revenue - Delinquent Property Taxes	9,385	-	-	-	9,385
Unavailable Revenue - Other	26,158	51,109	-	125,183	26,158
Total Deferred Inflows of Resources	450,036	51,109	-	125,183	450,036
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	167,908	541,114	529,432	-	189,760
Committed	-	-	-	2,258,334	-
Total Fund Balances	167,908	541,114	529,432	2,258,334	189,760
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 659,549	\$ 592,223	\$ 546,256	\$ 2,389,259	\$ 695,349

<u>Clerk of Courts Computerization</u>	<u>Drainage Levy</u>	<u>Multi- Purpose Complex</u>	<u>Southwest General Hospital Levy</u>	<u>Law Enforcement Federal Seizure</u>	<u>Law Enforcement State Seizure</u>	<u>Law Enforcement Drug Fine</u>
\$ 144,285	\$ 1,049,900	\$ 605,831	\$ -	\$ 13,285	\$ 47,351	\$ 12,291
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,385	31,153	50,000	19,308	-	-	-
-	-	94,076	-	-	-	-
-	504,824	-	312,886	-	-	-
-	-	-	-	-	-	-
<u>\$ 145,670</u>	<u>\$ 1,585,877</u>	<u>\$ 749,907</u>	<u>\$ 332,194</u>	<u>\$ 13,285</u>	<u>\$ 47,351</u>	<u>\$ 12,291</u>
\$ 2,436	\$ 2,500	\$ 72,342	\$ -	\$ -	\$ -	\$ -
-	-	48,907	-	-	-	-
-	4,562	-	-	-	-	-
-	-	7,546	-	-	-	-
<u>2,436</u>	<u>7,062</u>	<u>128,795</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	493,647	-	305,959	-	-	-
-	11,177	-	6,927	-	-	-
-	31,153	50,000	19,308	-	-	-
<u>-</u>	<u>535,977</u>	<u>50,000</u>	<u>332,194</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	94,076	-	-	-	-
143,234	1,042,838	-	-	13,285	47,351	12,291
-	-	477,036	-	-	-	-
<u>143,234</u>	<u>1,042,838</u>	<u>571,112</u>	<u>-</u>	<u>13,285</u>	<u>47,351</u>	<u>12,291</u>
<u>\$ 145,670</u>	<u>\$ 1,585,877</u>	<u>\$ 749,907</u>	<u>\$ 332,194</u>	<u>\$ 13,285</u>	<u>\$ 47,351</u>	<u>\$ 12,291</u>

(Continued)

City of Strongsville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2018

	Law Enforcement DWI/DUI	Tree	Community Diversion	Total Nonmajor Special Revenue Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 21,918	\$ 61,478	\$ 1,046	\$ 5,613,898
Accrued Interest Receivable	-	-	-	13,990
Accounts Receivable	-	-	-	209,842
Intergovernmental Receivable	50	-	1,400	229,999
Prepaid Items	-	-	-	94,076
Property Taxes Receivable	-	-	-	1,665,466
Permissive Motor Vehicle Taxes Receivable	-	-	-	27,832
Total Assets	\$ 21,968	\$ 61,478	\$ 2,446	\$ 7,855,103
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ 2,720	\$ -	\$ 85,740
Accrued Wages and Benefits	-	-	-	48,907
Contracts Payable	-	-	-	21,386
Intergovernmental Payable	-	-	-	104,704
Total Liabilities	-	2,720	-	260,737
Deferred Inflows of Resources:				
Property Taxes	-	-	-	1,628,592
Unavailable Revenue - Delinquent Property Taxes	-	-	-	36,874
Unavailable Revenue - Other	-	-	-	329,069
Total Deferred Inflows of Resources	-	-	-	1,994,535
Fund Balances:				
Nonspendable	-	-	-	94,076
Restricted	21,968	-	2,446	2,711,627
Committed	-	58,758	-	2,794,128
Total Fund Balances	21,968	58,758	2,446	5,599,831
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 21,968	\$ 61,478	\$ 2,446	\$ 7,855,103

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

	Police Pension	State Highway Maintenance	Motor Vehicle License Tax	Emergency Vehicle	Fire Pension
REVENUES					
Property Taxes	\$ 377,944	\$ -	\$ -	\$ -	\$ 377,944
Permissive Motor Vehicle Taxes	-	-	368,801	-	-
Intergovernmental	49,041	156,904	-	7,335	49,041
Interest	-	8,824	7,810	40,328	-
Fees, Licenses, and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Charges for Services	-	-	-	1,112,270	-
Contributions and Donations	-	-	-	-	-
All Other Revenues	-	-	-	30,818	-
Total Revenues	426,985	165,728	376,611	1,190,751	426,985
EXPENDITURES					
Security of Persons and Property	1,305,588	-	-	180,461	1,419,652
Public Health Services	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-
Community Environment	-	-	-	-	-
Basic Utility Services	-	-	-	-	-
Transportation	-	83,581	-	-	-
General Government	-	-	-	-	-
Capital Outlay	-	-	63,090	747,518	-
Total Expenditures	1,305,588	83,581	63,090	927,979	1,419,652
Excess of Revenues Over (Under) Expenditures	(878,603)	82,147	313,521	262,772	(992,667)
OTHER FINANCING SOURCES					
Sale of Capital Assets	-	-	-	35,716	-
Transfer In	840,000	-	-	-	972,000
Total Other Financing Sources	840,000	-	-	35,716	972,000
Net Change in Fund Balances	(38,603)	82,147	313,521	298,488	(20,667)
Fund Balances - Beginning of Year	206,511	458,967	215,911	1,959,846	210,427
Fund Balances - End of Year	\$ 167,908	\$ 541,114	\$ 529,432	\$ 2,258,334	\$ 189,760

(Continued)

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

	Clerk of Courts Computerization	Drainage Levy	Multi- Purpose Complex	Southwest General Hospital Levy
REVENUES				
Property Taxes	\$ -	\$ 493,277	\$ -	\$ 308,672
Permissive Motor Vehicle Taxes	-	-	-	-
Intergovernmental	-	63,562	150,000	30,708
Interest	-	-	-	-
Fees, Licenses, and Permits	-	-	-	-
Fines and Forfeitures	23,025	-	-	-
Charges for Services	-	-	3,008,978	-
Contributions and Donations	-	-	662	-
All Other Revenues	-	6,050	-	-
Total Revenues	<u>23,025</u>	<u>562,889</u>	<u>3,159,640</u>	<u>339,380</u>
EXPENDITURES				
Security of Persons and Property	-	-	-	-
Public Health Services	-	-	-	339,380
Leisure Time Activities	-	-	4,728,657	-
Community Environment	-	-	-	-
Basic Utility Services	-	51,452	-	-
Transportation	-	-	-	-
General Government	30,497	-	-	-
Capital Outlay	-	328,272	270,833	-
Total Expenditures	<u>30,497</u>	<u>379,724</u>	<u>4,999,490</u>	<u>339,380</u>
Excess of Revenues Over (Under) Expenditures	<u>(7,472)</u>	<u>183,165</u>	<u>(1,839,850)</u>	<u>-</u>
OTHER FINANCING SOURCES				
Sale of Capital Assets	-	-	2,000	-
Transfer In	-	200,000	1,600,000	-
Total Other Financing Sources	<u>-</u>	<u>200,000</u>	<u>1,602,000</u>	<u>-</u>
Net Change in Fund Balances	<u>(7,472)</u>	<u>383,165</u>	<u>(237,850)</u>	<u>-</u>
Fund Balances - Beginning of Year	150,706	659,673	808,962	-
Fund Balances - End of Year	<u>\$ 143,234</u>	<u>\$ 1,042,838</u>	<u>\$ 571,112</u>	<u>\$ -</u>

Law Enforcement Federal Seizure	Law Enforcement State Seizure	Law Enforcement Drug Fine	Law Enforcement DWI/DUI	Tree	Community Diversion	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,557,837
-	-	-	-	-	-	368,801
-	-	-	-	-	8,400	514,991
-	-	-	-	-	-	56,962
-	-	-	-	80,381	-	80,381
-	-	1,757	785	-	3,860	29,427
-	-	-	-	-	-	4,121,248
-	-	-	-	-	-	662
-	-	-	-	-	-	36,868
<u>-</u>	<u>-</u>	<u>1,757</u>	<u>785</u>	<u>80,381</u>	<u>12,260</u>	<u>6,767,177</u>
-	146	-	2,325	-	12,502	2,920,674
-	-	-	-	-	-	339,380
-	-	-	-	-	-	4,728,657
-	-	-	-	169,892	-	169,892
-	-	-	-	-	-	51,452
-	-	-	-	-	-	83,581
-	-	-	-	-	-	30,497
-	-	-	-	-	-	1,409,713
<u>-</u>	<u>146</u>	<u>-</u>	<u>2,325</u>	<u>169,892</u>	<u>12,502</u>	<u>9,733,846</u>
<u>-</u>	<u>(146)</u>	<u>1,757</u>	<u>(1,540)</u>	<u>(89,511)</u>	<u>(242)</u>	<u>(2,966,669)</u>
-	-	-	-	-	-	37,716
-	-	-	-	-	-	3,612,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,649,716</u>
<u>-</u>	<u>(146)</u>	<u>1,757</u>	<u>(1,540)</u>	<u>(89,511)</u>	<u>(242)</u>	<u>683,047</u>
13,285	47,497	10,534	23,508	148,269	2,688	4,916,784
<u>\$ 13,285</u>	<u>\$ 47,351</u>	<u>\$ 12,291</u>	<u>\$ 21,968</u>	<u>\$ 58,758</u>	<u>\$ 2,446</u>	<u>\$ 5,599,831</u>

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

	Pearl Road TIF #1	Royalton Road TIF	Pearl Road TIF #2	Pearl Road TIF #3
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 699,541	\$ 193,716	\$ 131,626	\$ 156,789
Intergovernmental Receivable	1,062,359	170,147	70,272	37,904
Total Assets	\$ 1,761,900	363,863	201,898	\$ 194,693
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
Deferred Inflows of Resources:				
Payments in Lieu of Taxes	1,062,359	170,147	70,272	37,904
Total Deferred Inflows of Resources	1,062,359	170,147	70,272	37,904
Fund Balances:				
Restricted	699,541	193,716	131,626	156,789
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	699,541	193,716	131,626	156,789
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,761,900	\$ 363,863	\$ 201,898	\$ 194,693

Westwood Commons TIF	Giant Eagle TIF	Get Go TIF	Clover Senior Apartments TIF	Total Nonmajor Debt Service Funds
\$ -	\$ 119,178	\$ 61,613	\$ -	\$ 1,362,463
34,815	85,466	21,949	110,731	1,593,643
<u>\$ 34,815</u>	<u>\$ 204,644</u>	<u>83,562</u>	<u>110,731</u>	<u>\$ 2,956,106</u>
\$ 34,815	\$ -	\$ -	\$ -	\$ 34,815
<u>34,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,815</u>
34,815	85,466	21,949	110,731	1,593,643
<u>34,815</u>	<u>85,466</u>	<u>21,949</u>	<u>110,731</u>	<u>1,593,643</u>
-	119,178	61,613	-	1,362,463
(34,815)	-	-	-	(34,815)
<u>(34,815)</u>	<u>119,178</u>	<u>61,613</u>	<u>-</u>	<u>1,327,648</u>
\$ 34,815	\$ 204,644	83,562	110,731	\$ 2,956,106

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

	Pearl Road TIF #1	Royalton Road TIF	Pearl Road TIF #2	Pearl Road TIF #3
REVENUES				
Payment in Lieu of Taxes	\$ 1,086,291	\$ 171,074	\$ 25,725	\$ 32,526
All Other Revenues	-	-	-	-
Total Revenues	<u>1,086,291</u>	<u>171,074</u>	<u>25,725</u>	<u>32,526</u>
EXPENDITURES				
Community Environment	-	-	-	-
Principal Retirement	385,000	-	-	-
Interest and Fiscal Charges	187,256	-	-	-
Total Expenditures	<u>572,256</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	514,035	171,074	25,725	32,526
Fund Balances (Deficit) - Beginning of Year	185,506	22,642	105,901	124,263
Fund Balances (Deficit) - End of Year	<u>\$ 699,541</u>	<u>\$ 193,716</u>	<u>\$ 131,626</u>	<u>\$ 156,789</u>

Westwood Commons TIF	Giant Eagle TIF	Get Go TIF	Clover Senior Apartments TIF	Total Nonmajor Debt Service Funds
\$ 28,716	\$ 74,444	\$ 20,738	\$ -	\$ 1,439,514
3,217	-	-	-	3,217
<u>31,933</u>	<u>74,444</u>	<u>20,738</u>	<u>-</u>	<u>1,442,731</u>
40,149	-	-	-	40,149
-	-	-	-	385,000
-	-	-	-	187,256
<u>40,149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>612,405</u>
(8,216)	74,444	20,738	-	830,326
(26,599)	44,734	40,875	-	497,322
<u>\$ (34,815)</u>	<u>\$ 119,178</u>	<u>\$ 61,613</u>	<u>\$ -</u>	<u>\$ 1,327,648</u>

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

	Recreation Capital Improvement	TIF Capital Improvement	Total Nonmajor Capital Projects Funds
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 205,034	\$ 199,661	\$ 404,695
Intergovernmental Receivable	19,027	230,230	249,257
Total Assets	\$ 224,061	\$ 429,891	\$ 653,952
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 24,860	\$ -	\$ 24,860
Interfund Payable	-	106,000	106,000
Total Liabilities	24,860	106,000	130,860
Deferred Inflows of Resources:			
Payments in Lieu of Taxes	-	230,230	230,230
<i>Total Deferred Inflows of Resources</i>	<i>-</i>	<i>230,230</i>	<i>230,230</i>
Fund Balances:			
Restricted	-	93,661	93,661
Committed	199,201	-	199,201
Total Fund Balances	199,201	93,661	292,862
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 224,061	\$ 429,891	\$ 653,952

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

	Recreation Capital Improvement	TIF Capital Improvement	Total Nonmajor Capital Projects Funds
REVENUES			
Payment in Lieu of Taxes	\$ -	\$ 149,446	\$ 149,446
Intergovernmental	186,795	-	186,795
Charges for Services	49,950	-	49,950
All Other Revenues	68,128	-	68,128
Total Revenues	<u>304,873</u>	<u>149,446</u>	<u>454,319</u>
EXPENDITURES			
Leisure Time Activities	77,846	-	77,846
Transportation	-	121,000	121,000
Capital Outlay	1,309,792	-	1,309,792
Total Expenditures	<u>1,387,638</u>	<u>121,000</u>	<u>1,508,638</u>
Excess of Revenues (Under) Expenditures	<u>(1,082,765)</u>	<u>28,446</u>	<u>(1,054,319)</u>
OTHER FINANCING SOURCES			
Transfer In	200,000	-	200,000
Total Other Financing Sources	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Net Change in Fund Balances	(882,765)	28,446	(854,319)
Fund Balances - Beginning of Year	1,081,966	65,215	1,147,181
Fund Balances - End of Year	<u>\$ 199,201</u>	<u>\$ 93,661</u>	<u>\$ 292,862</u>

Fund Descriptions - Nonmajor Proprietary Funds

Internal Service Funds

Internal Service Funds are established to account for the financing of significant goods or services provided by one department or agency to other departments or agencies of the City, or other governments on a cost reimbursement basis.

Workers' Compensation Reserve – To account for and report workers' compensation costs incurred under the State's individually retrospectively rated and group retrospectively rate workers' compensation programs.

Health Insurance Reserve – To account for and report the premiums charges to City Funds and the payments incurred for claims.

City of Strongsville, Ohio
Combining Statement of Net Position
Nonmajor Internal Service Funds
December 31, 2018

	Workers' Compensation Reserve	Health Insurance Reserve	Nonmajor Internal Service Funds
ASSETS			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 1,796,085	\$ 1,454,729	\$ 3,250,814
Intergovernmental Receivable	71,406	-	71,406
Total Assets	1,867,491	1,454,729	3,322,220
LIABILITIES			
Current Liabilities:			
Accounts Payable	784	3,415	4,199
Intergovernmental Payable	23,882	-	23,882
Claims Payable	63,979	458,500	522,479
Total Current Liabilities	88,645	461,915	550,560
Noncurrent Liabilities:			
Claims Payable	1,778,846	-	1,778,846
Total Liabilities	1,867,491	461,915	2,329,406
NET POSITION			
Unrestricted	-	992,814	992,814
Total Net Position	\$ -	\$ 992,814	\$ 992,814

City of Strongsville, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Internal Service Funds
For the Year Ended December 31, 2018

	Workers' Compensation Reserve	Health Insurance Reserve	Nonmajor Internal Service Funds
OPERATING REVENUES			
Charges for Services	\$ 386,100	\$ 5,416,634	\$ 5,802,734
Miscellaneous	338,429	-	338,429
Total Operating Revenues	<u>724,529</u>	<u>5,416,634</u>	<u>6,141,163</u>
OPERATING EXPENSES			
Contractual Services	497,109	1,168,004	1,665,113
Claims	227,420	4,078,816	4,306,236
Total Operating Expense	<u>724,529</u>	<u>5,246,820</u>	<u>5,971,349</u>
Change in Net Position	-	169,814	169,814
Net Position - Beginning of Year	-	823,000	823,000
Net Position - End of Year	<u>\$ -</u>	<u>\$ 992,814</u>	<u>\$ 992,814</u>

City of Strongsville, Ohio
Combining Statement of Cash Flows
Nonmajor Internal Service Funds
For the Year Ended December 31, 2018

	Workers' Compensation Reserve	Health Insurance Reserve	Nonmajor Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Charges for Services	\$ -	\$ 489,425	\$ 489,425
Cash Received from Interfund Services Provided	386,100	4,927,209	5,313,309
Other Cash Receipts	333,305	-	333,305
Cash Payments for Goods and Services	(41,006)	(1,207,717)	(1,248,723)
Cash Payments for Claims	(70,329)	(3,826,314)	(3,896,643)
Net Cash Provided by Operating Activities	<u>608,070</u>	<u>382,603</u>	<u>990,673</u>
Net Increase in Cash and Cash Equivalents	608,070	382,603	990,673
Cash and Cash Equivalents - Beginning of Year	1,188,015	1,072,126	2,260,141
Cash and Cash Equivalents - End of Year	<u><u>\$ 1,796,085</u></u>	<u><u>\$ 1,454,729</u></u>	<u><u>\$ 3,250,814</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	\$ -	\$ 169,814	\$ 169,814
Adjustments:			
(Increase) Decrease in Assets:			
Intergovernmental Receivable	(5,124)	-	(5,124)
Prepaid Items	445,064	-	445,064
Increase (Decrease) in Liabilities:			
Accounts Payable	523	(39,713)	(39,190)
Intergovernmental Payable	10,516	-	10,516
Claims Payable	157,091	252,502	409,593
Net Cash Provided by Operating Activities	<u><u>\$ 608,070</u></u>	<u><u>\$ 382,603</u></u>	<u><u>\$ 990,673</u></u>

Fund Descriptions – Fiduciary Funds

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are purely custodial (assets equals liabilities) and thus do not involve measurement of results of operations.

Agency Funds

Bond Escrow Fund – This fund is used to account for the receipt of refundable deposits required of contractors, builders, residents or others to insure compliance with various City ordinances.

Mayor's Court Fund – This fund is used to account for the receipt of fines collected through the Mayor's Court established by the Ohio Revised Code and City ordinances.

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

	Balance 1/1/2018	Additions	Deletions	Balance 12/31/2018
Bond Escrow				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 794,245	\$ 497,280	\$ 763,445	\$ 528,080
Liabilities				
Deposits Held and Due to Others	\$ 794,245	\$ 497,280	\$ 763,445	\$ 528,080
Mayor's Court				
Assets				
Cash and Cash Equivalents: in Segregated Accounts	\$ 70,045	\$ 987,873	\$ 990,457	\$ 67,461
Liabilities				
Deposits Held and Due to Others	\$ 70,045	\$ 987,873	\$ 990,457	\$ 67,461
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 794,245	\$ 497,280	\$ 763,445	\$ 528,080
Cash and Cash Equivalents: in Segregated Accounts	70,045	987,873	990,457	67,461
Total Assets	<u>\$ 864,290</u>	<u>\$ 1,485,153</u>	<u>\$ 1,753,902</u>	<u>\$ 595,541</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 864,290</u>	<u>\$ 1,485,153</u>	<u>\$ 1,753,902</u>	<u>\$ 595,541</u>

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

City of Strongsville, 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
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 31,400,000	\$ 32,230,000	\$ 32,081,364	\$ (148,636)
Property Taxes	482,242	649,007	649,007	-
Hotel Taxes	170,000	180,000	175,358	(4,642)
Intergovernmental Revenues	593,327	713,083	696,921	(16,162)
Charges for Services	1,733,184	1,567,702	1,556,786	(10,916)
Fees, Licenses, and Permits	1,073,500	1,002,500	1,021,279	18,779
Fines and Forfeitures	710,500	800,500	795,404	(5,096)
Interest Income	385,000	635,000	645,398	10,398
Contributions and Donations	1,000	1,000	-	(1,000)
Miscellaneous	761,500	828,000	828,417	417
<i>Total Revenues</i>	<u>37,310,253</u>	<u>38,606,792</u>	<u>38,449,934</u>	<u>(156,858)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Public Safety Director:				
Personal Services	163,800	164,300	161,737	2,563
Other	-	-	-	-
Total Public Safety Director	<u>163,800</u>	<u>164,300</u>	<u>161,737</u>	<u>2,563</u>
Police:				
Personal Services	9,612,000	9,619,700	9,177,329	442,371
Other	1,083,600	1,095,100	988,415	106,685
Total Police	<u>10,695,600</u>	<u>10,714,800</u>	<u>10,165,744</u>	<u>549,056</u>
Opiod Grant:				
Personal Services	43,500	43,500	25,495	18,005
Other	-	-	-	-
Total Opiod Grant	<u>43,500</u>	<u>43,500</u>	<u>25,495</u>	<u>18,005</u>
Corrections Officers:				
Personal Services	843,500	847,400	810,561	36,839
Other	167,000	167,000	77,760	89,240
Total Corrections Officers	<u>1,010,500</u>	<u>1,014,400</u>	<u>888,321</u>	<u>126,079</u>
Joint Dispatch Center:				
Personal Services	2,622,100	2,800,100	2,703,329	96,771
Other	77,700	110,300	71,008	39,292
Total Joint Dispatch Center	<u>2,699,800</u>	<u>2,910,400</u>	<u>2,774,337</u>	<u>136,063</u>
Ohio Turnpike Commission:				
Personal Services	50,000	-	-	-
Other	246,800	-	-	-
Total Ohio Turnpike Commission	<u>296,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
Street Lighting:				
Other	366,700	366,700	363,922	2,778
Total Security of Persons and Property	<u>15,276,700</u>	<u>15,214,100</u>	<u>14,379,556</u>	<u>834,544</u>

(Continued)

City of Strongsville, 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
(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Health Services:				
Cemetery:				
Personal Services	123,600	128,500	125,849	2,651
Other	62,100	62,700	14,470	48,230
Total Cemetery	<u>185,700</u>	<u>191,200</u>	<u>140,319</u>	<u>50,881</u>
County Board of Health:				
Other	185,000	193,400	193,320	80
Total Public Health Services	<u>370,700</u>	<u>384,600</u>	<u>333,639</u>	<u>50,961</u>
Leisure Time Activities:				
Parks:				
Personal Services	107,200	107,700	106,427	1,273
Other	346,100	289,100	257,488	31,612
Total Leisure Time Activates	<u>453,300</u>	<u>396,800</u>	<u>363,915</u>	<u>32,885</u>
Community Environment:				
Building:				
Personal Services	1,046,800	1,036,200	983,883	52,317
Other	206,300	206,300	123,279	83,021
Total Building	<u>1,253,100</u>	<u>1,242,500</u>	<u>1,107,162</u>	<u>135,338</u>
Architectural Board of Review:				
Other	6,000	6,000	1,050	4,950
Planning Commission:				
Personal Services	106,600	110,300	107,779	2,521
Other	59,000	119,000	108,685	10,315
Total Planning Commission	<u>165,600</u>	<u>229,300</u>	<u>216,464</u>	<u>12,836</u>
Board of Appeals:				
Other	11,000	11,000	9,640	1,360
Economic Development:				
Personal Services	154,700	160,200	154,753	5,447
Other	144,600	144,600	31,784	112,816
Total Economic Development	<u>299,300</u>	<u>304,800</u>	<u>186,537</u>	<u>118,263</u>
Total Community Environment	<u>1,735,000</u>	<u>1,793,600</u>	<u>1,520,853</u>	<u>272,747</u>

(Continued)

City of Strongsville, 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
(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Basic Utility Services:				
Rubbish:				
Other	2,500,500	2,500,500	2,421,475	79,025
Total Basic Utility Services	2,500,500	2,500,500	2,421,475	79,025
General Government:				
Council:				
Personal Services	333,500	330,400	320,629	9,771
Other	26,000	30,000	22,232	7,768
Total Council	359,500	360,400	342,861	17,539
Mayor's Office:				
Personal Services	346,800	348,300	343,864	4,436
Other	15,300	15,300	6,971	8,329
Total Mayor's Office	362,100	363,600	350,835	12,765
Human Resources:				
Personal Services	235,600	236,400	233,439	2,961
Other	94,900	81,900	16,411	65,489
Total Human Resources	330,500	318,300	249,850	68,450
Finance:				
Personal Services	521,600	523,400	507,918	15,482
Other	21,600	21,600	12,664	8,936
Total Finance	543,200	545,000	520,582	24,418
Law:				
Personal Services	444,100	489,400	481,730	7,670
Other	100,900	115,900	73,025	42,875
Total Law	545,000	605,300	554,755	50,545
Communication and Technology:				
Personal Services	645,800	647,600	603,287	44,313
Other	812,000	787,000	542,112	244,888
Total Communication and Technology	1,457,800	1,434,600	1,145,399	289,201
Mayor's Court:				
Personal Services	191,000	171,000	153,151	17,849
Other	28,100	28,100	6,018	22,082
Total Mayor's Court	219,100	199,100	159,169	39,931
Civil Service:				
Other	31,000	31,000	21,008	9,992

(Continued)

City of Strongsville, 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
(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Miscellaneous:				
Other	1,619,600	1,619,600	1,424,275	195,325
Total General Government	5,467,800	5,476,900	4,768,734	708,166
<i>Total Expenditures</i>	<u>25,804,000</u>	<u>25,766,500</u>	<u>23,788,172</u>	<u>1,978,328</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	11,506,253	12,840,292	14,661,762	1,821,470
Other Financing Sources (Uses)				
Sale of Capital Assets	-	10,000	8,600	(1,400)
Advances In	-	78,300	78,300	-
Transfers Out	(12,212,000)	(14,712,000)	(14,712,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(12,212,000)</u>	<u>(14,623,700)</u>	<u>(14,625,100)</u>	<u>(1,400)</u>
<i>Net Change in Fund Balance</i>	(705,747)	(1,783,408)	36,662	1,820,070
<i>Fund Balance - Beginning of Year</i>	<u>8,089,827</u>	<u>8,089,827</u>	<u>8,089,827</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 7,384,080</u>	<u>\$ 6,306,419</u>	<u>\$ 8,126,489</u>	<u>\$ 1,820,070</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 3,800,000	\$ 3,970,000	\$ 3,885,899	\$ (84,101)
Intergovernmental Revenues	1,972,100	2,140,000	2,133,946	(6,054)
Charges for Services	-	10,100	10,084	(16)
Interest Income	55,000	89,000	82,611	(6,389)
Miscellaneous	-	27,000	25,881	(1,119)
<i>Total Revenues</i>	<u>5,827,100</u>	<u>6,236,100</u>	<u>6,138,421</u>	<u>(97,679)</u>
Expenditures:				
Current:				
Transportation:				
Street Repairs:				
Personal Services	4,684,700	4,508,300	4,363,401	144,899
Other	3,931,900	4,028,900	3,769,946	258,954
Total Street Repairs	<u>8,616,600</u>	<u>8,537,200</u>	<u>8,133,347</u>	<u>403,853</u>
Traffic Signal Maintenance:				
Personal Services	105,500	106,000	103,746	2,254
Other	230,500	230,500	161,042	69,458
Total Traffic Signal Maintenance	<u>336,000</u>	<u>336,500</u>	<u>264,788</u>	<u>71,712</u>
Snow Removal:				
Other	<u>700,000</u>	<u>700,000</u>	<u>577,983</u>	<u>122,017</u>
Municipal Garage:				
Personal Services	621,100	754,300	738,937	15,363
Other	847,000	847,000	738,100	108,900
Total Municipal Garage	<u>1,468,100</u>	<u>1,601,300</u>	<u>1,477,037</u>	<u>124,263</u>
Total Transportation	<u>11,120,700</u>	<u>11,175,000</u>	<u>10,453,155</u>	<u>721,845</u>
Debt Service:				
Principal	2,100,000	2,100,000	2,100,000	-
Interest & Fiscal Charges	41,900	44,900	44,625	275
Total Debt Service	<u>2,141,900</u>	<u>2,144,900</u>	<u>2,144,625</u>	<u>275</u>
Total Expenditures	<u>13,262,600</u>	<u>13,319,900</u>	<u>12,597,780</u>	<u>722,120</u>
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	<u>(7,435,500)</u>	<u>(7,083,800)</u>	<u>(6,459,359)</u>	<u>624,441</u>
Other Financing Sources				
Sale of Capital Assets	-	45,000	40,991	(4,009)
Bond Anticipation Notes Issued	1,700,000	1,600,000	1,600,000	-
Transfers In	4,300,000	4,300,000	4,300,000	-
<i>Total Other Financing Sources</i>	<u>6,000,000</u>	<u>5,945,000</u>	<u>5,940,991</u>	<u>(4,009)</u>
<i>Net Change in Fund Balance</i>	<u>(1,435,500)</u>	<u>(1,138,800)</u>	<u>(518,368)</u>	<u>620,432</u>
<i>Fund Balance - Beginning of Year</i>	<u>4,870,657</u>	<u>4,870,657</u>	<u>4,870,657</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 3,435,157</u>	<u>\$ 3,731,857</u>	<u>\$ 4,352,289</u>	<u>\$ 620,432</u>

City of Strongsville, 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		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 4,361,109	\$ 4,281,362	\$ 4,281,362	\$ -
Intergovernmental Revenues	554,863	573,391	572,303	(1,088)
Charges for Services	600	600	231	(369)
Fees, Licenses, and Permits	2,800	2,800	1,460	(1,340)
Contributions and Donations	2,000	6,000	5,266	(734)
<i>Total Revenues</i>	<u>4,921,372</u>	<u>4,864,153</u>	<u>4,860,622</u>	<u>(3,531)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fire:				
Personal Services	7,618,000	7,709,900	7,252,494	457,406
Other	440,700	459,700	392,178	67,522
Total Fire	<u>8,058,700</u>	<u>8,169,600</u>	<u>7,644,672</u>	<u>524,928</u>
Fire Station Ward 1:				
Other	69,200	69,200	59,172	10,028
Fire Station Ward 2:				
Other	47,500	47,500	43,467	4,033
Fire Station Ward 3:				
Other	35,500	35,500	22,747	12,753
Fire Station Ward 4:				
Other	119,000	119,000	72,977	46,023
<i>Total Expenditures</i>	<u>8,329,900</u>	<u>8,440,800</u>	<u>7,843,035</u>	<u>597,765</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,408,528)	(3,576,647)	(2,982,413)	594,234
Other Financing Sources				
Transfers In	3,000,000	3,000,000	3,000,000	-
<i>Net Change in Fund Balance</i>	(408,528)	(576,647)	17,587	594,234
<i>Fund Balance - Beginning of Year</i>	2,256,529	2,256,529	2,256,529	-
<i>Fund Balance - End of Year</i>	<u>\$ 1,848,001</u>	<u>\$ 1,679,882</u>	<u>\$ 2,274,116</u>	<u>\$ 594,234</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 2,952,942	\$ 2,897,453	\$ 2,897,453	\$ -
Intergovernmental Revenues	374,247	375,972	375,972	-
Special Assessments	26,000	26,000	25,788	(212)
<i>Total Revenues</i>	<u>3,353,189</u>	<u>3,299,425</u>	<u>3,299,213</u>	<u>(212)</u>
Expenditures:				
Current:				
Debt Service:				
Principal	2,429,000	2,429,000	2,428,636	364
Interest & Fiscal Charges	1,000,275	976,275	976,057	218
Debt Issuance Costs	42,000	66,000	55,321	10,679
<i>Total Expenditures</i>	<u>3,471,275</u>	<u>3,471,275</u>	<u>3,460,014</u>	<u>11,261</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(118,086)	(171,850)	(160,801)	11,049
Other Financing Sources				
Premium on Debt Issuance	-	61,000	60,512	(488)
Transfers In	300,000	300,000	300,000	-
<i>Total Other Financing Sources</i>	<u>300,000</u>	<u>361,000</u>	<u>360,512</u>	<u>(488)</u>
<i>Net Change in Fund Balance</i>	181,914	189,150	199,711	10,561
<i>Fund Balance - Beginning of Year</i>	<u>2,139,512</u>	<u>2,139,512</u>	<u>2,139,512</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 2,321,426</u>	<u>\$ 2,328,662</u>	<u>\$ 2,339,223</u>	<u>\$ 10,561</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Franchise Taxes	\$ 830,000	\$ 790,000	\$ 760,131	\$ (29,869)
Special Assessments	20,100	18,900	18,351	(549)
Charges for Services	-	1,200	1,400	200
Contributions and Donations	-	4,160,000	4,159,229	(771)
<i>Total Revenues</i>	<u>850,100</u>	<u>4,970,100</u>	<u>4,939,111</u>	<u>(30,989)</u>
Expenditures:				
Current:				
Transportation:				
Streets and Traffic Signalization:				
Other	<u>2,153,000</u>	<u>8,596,100</u>	<u>8,344,324</u>	<u>251,776</u>
Total Transportation	<u>2,153,000</u>	<u>8,596,100</u>	<u>8,344,324</u>	<u>251,776</u>
Security of Persons and Property:				
Joint Dispatch Center:				
Other	<u>-</u>	<u>373,000</u>	<u>123,234</u>	<u>249,766</u>
Total Security of Persons and Property	<u>-</u>	<u>373,000</u>	<u>123,234</u>	<u>249,766</u>
<i>Total Expenditures</i>	<u>2,153,000</u>	<u>8,969,100</u>	<u>8,467,558</u>	<u>501,542</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,302,900)	(3,999,000)	(3,528,447)	470,553
Other Financing Sources				
Bond Anticipation Notes Issued	-	4,000,000	4,000,000	-
Transfers In	<u>500,000</u>	<u>2,800,000</u>	<u>2,800,000</u>	<u>-</u>
<i>Total Other Financing Sources</i>	<u>500,000</u>	<u>6,800,000</u>	<u>6,800,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(802,900)	2,801,000	3,271,553	470,553
<i>Fund Balance - Beginning of Year</i>	<u>4,366,394</u>	<u>4,366,394</u>	<u>4,366,394</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 3,563,494</u>	<u>\$ 7,167,394</u>	<u>\$ 7,637,947</u>	<u>\$ 470,553</u>

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

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Charges for Services	\$ 7,391,700	\$ 7,391,700	\$ 7,507,689	\$ 115,989
Interest Income	125,000	205,000	207,954	2,954
Other Services	156,600	181,600	159,685	(21,915)
Miscellaneous	100	100	-	(100)
<i>Total Revenues</i>	<u>7,673,400</u>	<u>7,778,400</u>	<u>7,875,328</u>	<u>96,928</u>
Expenses				
Sanitary Sewer:				
Engineering and Administration:				
Personal Services	507,800	507,800	487,085	20,715
Fringe Benefits	179,400	181,900	177,502	4,398
Contractual Services	918,900	918,900	795,061	123,839
Materials and Supplies	7,000	7,000	1,190	5,810
Other	14,500	14,500	6,603	7,897
Total Engineering and Administration	<u>1,627,600</u>	<u>1,630,100</u>	<u>1,467,441</u>	<u>162,659</u>
Plant:				
Contractual Services	2,626,500	2,374,500	1,948,759	425,741
Capital Outlay	1,200,000	1,752,000	1,696,331	55,669
Total Plant	<u>3,826,500</u>	<u>4,126,500</u>	<u>3,645,090</u>	<u>481,410</u>
Line:				
Personal Services	515,900	582,000	575,644	6,356
Fringe Benefits	204,200	226,000	222,131	3,869
Contractual Services	287,500	249,000	121,109	127,891
Materials and Supplies	140,000	140,000	94,881	45,119
Other	2,500	2,500	2,200	300
Capital Outlay	-	38,500	38,298	202
Total Line	<u>1,150,100</u>	<u>1,238,000</u>	<u>1,054,263</u>	<u>183,737</u>
Sewer Capital Improvements:				
Contractual Services	470,000	420,000	8,947	411,053
Capital Outlay	2,400,000	3,444,000	3,047,478	396,522
Total Capital Improvements	<u>2,870,000</u>	<u>3,864,000</u>	<u>3,056,425</u>	<u>807,575</u>

(Continued)

City of Strongsville, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Sanitary Sewer Fund
For the Year Ended December 31, 2018
(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt Service:				
Principal	250,428	275,128	275,113	15
Interest & Fiscal Charges	75,306	75,306	70,162	5,144
Total Debt Service	<u>325,734</u>	<u>350,434</u>	<u>345,275</u>	<u>5,159</u>
<i>Total Expenses</i>	<u>9,799,934</u>	<u>11,209,034</u>	<u>9,568,494</u>	<u>1,640,540</u>
<i>Excess of Revenues Over</i> <i>(Under) Expenses</i>	(2,126,534)	(3,430,634)	(1,693,166)	1,737,468
Other Financing Sources				
Capital Contribution - Tap-in Fees	250,000	223,000	158,518	(64,482)
Capital Contributions - Special Assessments	116,200	151,200	138,628	(12,572)
Capital Contributions - Grants	1,000,000	1,223,522	1,223,522	-
Capital Contributions - Developers	-	994,000	993,022	(978)
Sale of Capital Assets	-	16,000	15,391	(609)
Ohio Public Works Commission - Loans	987,465	987,465	987,465	-
<i>Total Other Financing Sources</i>	<u>2,353,665</u>	<u>3,595,187</u>	<u>3,516,546</u>	<u>(78,641)</u>
<i>Net Change in Fund Equity</i>	227,131	164,553	1,823,380	1,658,827
<i>Fund Equity - Beginning of Year</i>	<u>11,215,262</u>	<u>11,215,262</u>	<u>11,215,262</u>	<u>-</u>
<i>Fund Equity - End of Year</i>	<u>\$ 11,442,393</u>	<u>\$ 11,379,815</u>	<u>\$ 13,038,642</u>	<u>\$ 1,658,827</u>

City of Strongsville, 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		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 385,163	\$ 377,944	\$ 377,944	\$ -
Intergovernmental Revenues	48,818	49,041	49,041	-
<i>Total Revenues</i>	<u>433,981</u>	<u>426,985</u>	<u>426,985</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	1,349,500	1,365,300	1,303,354	61,946
<i>Excess of Revenues Over (Under) Expenditures</i>	(915,519)	(938,315)	(876,369)	61,946
Other Financing Sources				
Transfers In	840,000	840,000	840,000	-
<i>Net Change in Fund Balance</i>	(75,519)	(98,315)	(36,369)	61,946
<i>Fund Balance - Beginning of Year</i>	<u>245,882</u>	<u>245,882</u>	<u>245,882</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 170,363</u>	<u>\$ 147,567</u>	<u>\$ 209,513</u>	<u>\$ 61,946</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ 154,000	\$ 159,000	\$ 156,806	\$ (2,194)
Interest Income	5,000	7,000	7,679	679
<i>Total Revenues</i>	<u>159,000</u>	<u>166,000</u>	<u>164,485</u>	<u>(1,515)</u>
Expenditures:				
Current:				
Transportation:				
State Highway Maintenance:				
Other	140,000	140,000	83,581	56,419
<i>Net Change in Fund Balance</i>	19,000	26,000	80,904	54,904
<i>Fund Balance - Beginning of Year</i>	<u>436,613</u>	<u>436,613</u>	<u>436,613</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 455,613</u>	<u>\$ 462,613</u>	<u>\$ 517,517</u>	<u>\$ 54,904</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Tax Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Permissive Motor Vehicle Taxes	\$ 355,000	\$ 370,000	\$ 369,773	\$ (227)
Interest Income	6,000	6,500	6,453	(47)
<i>Total Revenues</i>	<u>361,000</u>	<u>376,500</u>	<u>376,226</u>	<u>(274)</u>
Expenditures:				
Current:				
Transportation:				
Motor Vehicle License Tax:				
Other	<u>400,000</u>	<u>100,000</u>	<u>46,266</u>	<u>53,734</u>
<i>Net Change in Fund Balance</i>	(39,000)	276,500	329,960	53,460
<i>Fund Balance - Beginning of Year</i>	<u>188,196</u>	<u>188,196</u>	<u>188,196</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 149,196</u>	<u>\$ 464,696</u>	<u>\$ 518,156</u>	<u>\$ 53,460</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ 4,000	\$ 8,000	\$ 7,335	\$ (665)
Charges for Services	950,000	1,050,000	1,093,647	43,647
Interest Income	24,000	33,000	34,926	1,926
Miscellaneous	-	31,000	30,818	(182)
<i>Total Revenues</i>	<u>978,000</u>	<u>1,122,000</u>	<u>1,166,726</u>	<u>44,726</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Emergency Vehicle:				
Other	1,081,000	1,081,000	926,275	154,725
<i>Excess of Revenues Over (Under) Expenditures</i>	(103,000)	41,000	240,451	199,451
Other Financing Sources				
Sale of Capital Assets	-	36,000	35,716	(284)
<i>Net Change in Fund Balance</i>	(103,000)	77,000	276,167	199,167
<i>Fund Balance - Beginning of Year</i>	1,901,799	1,901,799	1,901,799	-
<i>Fund Balance - End of Year</i>	<u>\$ 1,798,799</u>	<u>\$ 1,978,799</u>	<u>\$ 2,177,966</u>	<u>\$ 199,167</u>

City of Strongsville, 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		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 385,163	\$ 377,944	\$ 377,944	\$ -
Intergovernmental Revenues	48,818	49,041	49,041	-
<i>Total Revenues</i>	<u>433,981</u>	<u>426,985</u>	<u>426,985</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fire:				
Personal Services	<u>1,486,700</u>	<u>1,479,400</u>	<u>1,417,828</u>	<u>61,572</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,052,719)	(1,052,415)	(990,843)	61,572
Other Financing Sources				
Transfers In	<u>972,000</u>	<u>972,000</u>	<u>972,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(80,719)	(80,415)	(18,843)	61,572
<i>Fund Balance - Beginning of Year</i>	<u>264,156</u>	<u>264,156</u>	<u>264,156</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 183,437</u>	<u>\$ 183,741</u>	<u>\$ 245,313</u>	<u>\$ 61,572</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and Forfeitures	\$ 20,000	\$ 25,000	\$ 23,090	\$ (1,910)
Expenditures:				
Current:				
General Government:				
Clerk of Courts:				
Other	40,000	40,000	30,523	9,477
<i>Net Change in Fund Balance</i>	(20,000)	(15,000)	(7,433)	7,567
<i>Fund Balance - Beginning of Year</i>	151,718	151,718	151,718	-
<i>Fund Balance - End of Year</i>	<u>\$ 131,718</u>	<u>\$ 136,718</u>	<u>\$ 144,285</u>	<u>\$ 7,567</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 503,323	\$ 493,277	\$ 493,277	\$ -
Intergovernmental Revenues	63,299	63,562	63,562	-
Miscellaneous	600	6,100	6,050	(50)
<i>Total Revenues</i>	<u>567,222</u>	<u>562,939</u>	<u>562,889</u>	<u>(50)</u>
Expenditures:				
Current:				
Basic Utility Services:				
Drainage Levy:				
Other	<u>1,052,500</u>	<u>1,125,500</u>	<u>606,729</u>	<u>518,771</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(485,278)</u>	<u>(562,561)</u>	<u>(43,840)</u>	<u>518,721</u>
Other Financing Sources				
Transfers In	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(285,278)	(362,561)	156,160	518,721
<i>Fund Balance - Beginning of Year</i>	<u>893,740</u>	<u>893,740</u>	<u>893,740</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 608,462</u>	<u>\$ 531,179</u>	<u>\$ 1,049,900</u>	<u>\$ 518,721</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Multi-Purpose Complex Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ 71,900	\$ 200,000	\$ 150,000	\$ (50,000)
Charges for Services	3,044,300	3,046,100	3,043,324	(2,776)
Contributions and Donations	-	-	662	662
<i>Total Revenues</i>	<u>3,116,200</u>	<u>3,246,100</u>	<u>3,193,986</u>	<u>(52,114)</u>
Expenditures:				
Current:				
Leisure Time Activities:				
Sports Programs:				
Personal Services	321,700	316,500	301,885	14,615
Other	297,700	310,900	299,173	11,727
Total Sports Programs	<u>619,400</u>	<u>627,400</u>	<u>601,058</u>	<u>26,342</u>
Recreation Administration:				
Personal Services	468,000	465,000	442,513	22,487
Other	679,700	712,000	681,711	30,289
Total Recreation Administration	<u>1,147,700</u>	<u>1,177,000</u>	<u>1,124,224</u>	<u>52,776</u>
Fitness Programs:				
Personal Services	420,100	403,100	380,933	22,167
Other	168,900	185,900	162,716	23,184
Total Fitness Programs	<u>589,000</u>	<u>589,000</u>	<u>543,649</u>	<u>45,351</u>
Aquatics Programs:				
Personal Services	724,300	704,800	639,857	64,943
Other	98,100	119,100	102,973	16,127
Total Aquatics Programs	<u>822,400</u>	<u>823,900</u>	<u>742,830</u>	<u>81,070</u>
Recreation Programs:				
Personal Services	249,500	250,000	233,749	16,251
Other	30,200	30,200	26,933	3,267
Total Recreation Programs	<u>279,700</u>	<u>280,200</u>	<u>260,682</u>	<u>19,518</u>

(Continued)

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Multi-Purpose Complex Fund
For the Year Ended December 31, 2018
(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Events:				
Other	15,200	15,200	12,869	2,331
Old Town Hall:				
Personal Services	10,800	8,800	5,343	3,457
Other	16,100	18,100	16,886	1,214
Total Old Town Hall	26,900	26,900	22,229	4,671
Senior Services:				
Personal Services	590,600	590,600	578,710	11,890
Other	303,900	413,900	405,241	8,659
Total Senior Services	894,500	1,004,500	983,951	20,549
Recreation Maintenance:				
Personal Services	491,900	466,600	436,841	29,759
Other	232,000	280,000	263,967	16,033
Total Recreation Maintenance	723,900	746,600	700,808	45,792
Program Refunds:				
Other	43,200	36,500	34,346	2,154
<i>Total Expenditures</i>	<u>5,161,900</u>	<u>5,327,200</u>	<u>5,026,646</u>	<u>300,554</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,045,700)	(2,081,100)	(1,832,660)	248,440
Other Financing Sources				
Sale of Capital Assets	-	2,000	2,000	-
Transfers In	1,600,000	1,600,000	1,600,000	-
<i>Total Other Financing Sources</i>	<u>1,600,000</u>	<u>1,602,000</u>	<u>1,602,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(445,700)	(479,100)	(230,660)	248,440
<i>Fund Balance - Beginning of Year</i>	<u>836,491</u>	<u>836,491</u>	<u>836,491</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 390,791</u>	<u>\$ 357,391</u>	<u>\$ 605,831</u>	<u>\$ 248,440</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 321,501	\$ 308,672	\$ 308,672	\$ -
Intergovernmental Revenues	34,795	34,923	30,708	(4,215)
<i>Total Revenues</i>	<u>356,296</u>	<u>343,595</u>	<u>339,380</u>	<u>(4,215)</u>
Expenditures:				
Current:				
Public Health Services:				
Other	350,000	343,595	339,380	4,215
<i>Net Change in Fund Balance</i>	6,296	-	-	-
<i>Fund Balance - Beginning of Year</i>	-	-	-	-
<i>Fund Balance - End of Year</i>	<u>\$ 6,296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Other	7,000	7,000	-	7,000
<i>Net Change in Fund Balance</i>	(6,000)	(6,000)	-	6,000
<i>Fund Balance - Beginning of Year</i>	13,285	13,285	13,285	-
<i>Fund Balance - End of Year</i>	<u>\$ 7,285</u>	<u>\$ 7,285</u>	<u>\$ 13,285</u>	<u>\$ 6,000</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 3,000	\$ 3,000	\$ -	\$ (3,000)
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Other	12,000	12,000	146	11,854
<i>Net Change in Fund Balance</i>	(9,000)	(9,000)	(146)	8,854
<i>Fund Balance - Beginning of Year</i>	47,497	47,497	47,497	-
<i>Fund Balance - End of Year</i>	\$ 38,497	\$ 38,497	\$ 47,351	\$ 8,854

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 4,400	\$ 4,400	\$ 1,757	\$ (2,643)
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Other	400	400	-	400
<i>Net Change in Fund Balance</i>	4,000	4,000	1,757	(2,243)
<i>Fund Balance - Beginning of Year</i>	10,534	10,534	10,534	-
<i>Fund Balance - End of Year</i>	\$ 14,534	\$ 14,534	\$ 12,291	\$ (2,243)

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 2,000	\$ 2,000	\$ 810	\$ (1,190)
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Other	10,000	10,000	2,325	7,675
<i>Net Change in Fund Balance</i>	(8,000)	(8,000)	(1,515)	6,485
<i>Fund Balance - Beginning of Year</i>	23,433	23,433	23,433	-
<i>Fund Balance - End of Year</i>	\$ 15,433	\$ 15,433	\$ 21,918	\$ 6,485

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fees, Licenses, and Permits	\$ 117,000	\$ 97,000	\$ 80,381	\$ (16,619)
Expenditures:				
Current:				
Community Environment:				
Tree Maintenance:				
Other	150,000	221,000	193,478	27,522
<i>Net Change in Fund Balance</i>	(33,000)	(124,000)	(113,097)	10,903
<i>Fund Balance - Beginning of Year</i>	174,575	174,575	174,575	-
<i>Fund Balance - End of Year</i>	\$ 141,575	\$ 50,575	\$ 61,478	\$ 10,903

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ 8,900	\$ 8,900	\$ 8,400	\$ (500)
Fines and Forfeitures	3,500	4,000	3,860	(140)
<i>Total Revenues</i>	<u>12,400</u>	<u>12,900</u>	<u>12,260</u>	<u>(640)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Services	11,300	11,300	10,402	898
Other	1,100	2,300	2,100	200
<i>Total Expenditures</i>	<u>12,400</u>	<u>13,600</u>	<u>12,502</u>	<u>1,098</u>
<i>Net Change in Fund Balance</i>	-	(700)	(242)	458
<i>Fund Balance - Beginning of Year</i>	<u>1,288</u>	<u>1,288</u>	<u>1,288</u>	-
<i>Fund Balance - End of Year</i>	<u>\$ 1,288</u>	<u>\$ 588</u>	<u>\$ 1,046</u>	<u>\$ 458</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Services	\$ -	\$ 100,000	\$ -	\$ 100,000
Joint Dispatch Center:				
Personal Services	-	50,000	-	50,000
Fire Department:				
Personal Services	205,800	205,800	-	205,800
Total Security of Persons and Property	<u>205,800</u>	<u>355,800</u>	<u>-</u>	<u>355,800</u>
Leisure Time Activities				
Recreation Department:				
Personal Services	-	25,000	-	25,000
Total Leisure Time Activities	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Community Environment:				
Building:				
Personal Services	150,000	-	-	-
Total Community Environment	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:				
Service:				
Personal Services	150,000	125,000	-	125,000
Total Transportation	<u>150,000</u>	<u>125,000</u>	<u>-</u>	<u>125,000</u>
<i>Total Expenditures</i>	<u>505,800</u>	<u>505,800</u>	<u>-</u>	<u>505,800</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(505,800)	(505,800)	-	505,800
Other Financing Sources				
Transfers In	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(5,800)	(5,800)	500,000	505,800
<i>Fund Balance - Beginning of Year</i>	<u>3,538,704</u>	<u>3,538,704</u>	<u>3,538,704</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 3,532,904</u>	<u>\$ 3,532,904</u>	<u>\$ 4,038,704</u>	<u>\$ 505,800</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Pearl Road TIF #1 Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 1,091,000	\$ 1,091,000	\$ 1,086,291	\$ (4,709)
Expenditures:				
Debt Service:				
Principal	385,000	385,000	385,000	-
Interest & Fiscal Charges	187,300	187,300	187,256	44
<i>Total Expenditures</i>	<u>572,300</u>	<u>572,300</u>	<u>572,256</u>	<u>44</u>
<i>Net Change in Fund Balance</i>	518,700	518,700	514,035	(4,665)
<i>Fund Balance - Beginning of Year</i>	<u>185,506</u>	<u>185,506</u>	<u>185,506</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 704,206</u>	<u>\$ 704,206</u>	<u>\$ 699,541</u>	<u>\$ (4,665)</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 180,100	\$ 180,100	\$ 171,074	\$ (9,026)
Expenditures:				
Current:				
General Government:				
Other	3,000	3,000	1,715	1,285
<i>Net Change in Fund Balance</i>	177,100	177,100	169,359	(7,741)
<i>Fund Balance - Beginning of Year</i>	24,357	24,357	24,357	-
<i>Fund Balance - End of Year</i>	\$ 201,457	\$ 201,457	\$ 193,716	\$ (7,741)

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Pearl Road TIF #2 Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Payment in Lieu of Taxes	\$ 22,400	\$ 25,800	\$ 25,725	\$ (75)
 <i>Net Change in Fund Balance</i>	22,400	25,800	25,725	(75)
 <i>Fund Balance - Beginning of Year</i>	<u>105,901</u>	<u>105,901</u>	<u>105,901</u>	<u>-</u>
 <i>Fund Balance - End of Year</i>	<u>\$ 128,301</u>	<u>\$ 131,701</u>	<u>\$ 131,626</u>	<u>\$ (75)</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Pearl Road TIF #3 Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 33,000	\$ 33,000	\$ 32,526	\$ (474)
Expenditures:				
Current:				
Debt Service:				
Principal	50,000	-	-	-
Interest & Fiscal Charges	1,000	-	-	-
<i>Total Expenditures</i>	<u>51,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(18,000)	33,000	32,526	(474)
<i>Fund Balance - Beginning of Year</i>	<u>124,263</u>	<u>124,263</u>	<u>124,263</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 106,263</u>	<u>\$ 157,263</u>	<u>\$ 156,789</u>	<u>\$ (474)</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Westwood Commons TIF Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 3,600	\$ 28,800	\$ 28,716	\$ (84)
Miscellaneous	-	3,300	3,217	(83)
<i>Total Revenues</i>	<u>3,600</u>	<u>32,100</u>	<u>31,933</u>	<u>(167)</u>
Expenditures:				
Current:				
Community Environment:				
Economic Development:				
Other	-	5,400	5,334	66
<i>Excess of Revenues Over (Under) Expenditures</i>	3,600	26,700	26,599	(101)
Other Financing (Uses)				
Advances Out	-	(28,300)	(28,300)	-
<i>Net Change in Fund Balance</i>	3,600	(1,600)	(1,701)	(101)
<i>Fund Balance - Beginning of Year</i>	1,701	1,701	1,701	-
<i>Fund Balance - End of Year</i>	<u>\$ 5,301</u>	<u>\$ 101</u>	<u>\$ -</u>	<u>\$ (101)</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Giant Eagle TIF Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 74,000	\$ 74,500	\$ 74,444	\$ (56)
Expenditures:				
Current:				
Debt Service:				
Principal	100,000	-	-	-
Interest & Fiscal Charges	2,000	-	-	-
<i>Total Expenditures</i>	<u>102,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(28,000)	74,500	74,444	(56)
<i>Fund Balance - Beginning of Year</i>	<u>44,734</u>	<u>44,734</u>	<u>44,734</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 16,734</u>	<u>\$ 119,234</u>	<u>\$ 119,178</u>	<u>\$ (56)</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Get Go TIF Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 21,000	\$ 21,000	\$ 20,738	\$ (262)
<i>Net Change in Fund Balance</i>	21,000	21,000	20,738	(262)
<i>Fund Balance - Beginning of Year</i>	40,875	40,875	40,875	-
<i>Fund Balance - End of Year</i>	<u>\$ 61,875</u>	<u>\$ 61,875</u>	<u>\$ 61,613</u>	<u>\$ (262)</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ -	\$ 167,768	\$ 167,768	\$ -
Charges for Services	70,500	50,500	49,950	(550)
Miscellaneous	-	68,200	68,128	(72)
<i>Total Revenues</i>	<u>70,500</u>	<u>286,468</u>	<u>285,846</u>	<u>(622)</u>
Expenditures:				
Current:				
Leisure Time Activities:				
Recreation Capital Improvement:				
Other	590,000	1,396,000	1,383,677	12,323
<i>Total Expenditures</i>	<u>590,000</u>	<u>1,396,000</u>	<u>1,383,677</u>	<u>12,323</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(519,500)	(1,109,532)	(1,097,831)	11,701
Other Financing Sources				
Transfers In	-	200,000	200,000	-
<i>Net Change in Fund Balance</i>	(519,500)	(909,532)	(897,831)	11,701
<i>Fund Balance - Beginning of Year</i>	<u>1,102,865</u>	<u>1,102,865</u>	<u>1,102,865</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 583,365</u>	<u>\$ 193,333</u>	<u>\$ 205,034</u>	<u>\$ 11,701</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 92,900	\$ 150,600	\$ 149,446	\$ (1,154)
Expenditures:				
Current:				
Transportation:				
Traffic Signalization:				
Other	-	121,000	121,000	-
<i>Excess of Revenues Over (Under) Expenditures</i>	92,900	29,600	28,446	(1,154)
Other Financing (Uses)				
Advances Out	-	(50,000)	(50,000)	-
<i>Net Change in Fund Balance</i>	92,900	(20,400)	(21,554)	(1,154)
<i>Fund Balance - Beginning of Year</i>	221,215	221,215	221,215	-
<i>Fund Balance - End of Year</i>	<u>\$ 314,115</u>	<u>\$ 200,815</u>	<u>\$ 199,661</u>	<u>\$ (1,154)</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Workers' Compensation Reserve Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 382,200	\$ 386,200	\$ 386,100	\$ (100)
Miscellaneous	6,200	331,700	333,305	1,605
<i>Total Revenues</i>	<u>388,400</u>	<u>717,900</u>	<u>719,405</u>	<u>1,505</u>
Expenses:				
Contractual Services	180,000	190,000	41,006	148,994
Claims	440,000	430,000	70,329	359,671
<i>Total Expenses</i>	<u>620,000</u>	<u>620,000</u>	<u>111,335</u>	<u>508,665</u>
<i>Net Change in Fund Equity</i>	(231,600)	97,900	608,070	510,170
<i>Fund Equity - Beginning of Year</i>	<u>1,188,015</u>	<u>1,188,015</u>	<u>1,188,015</u>	<u>-</u>
<i>Fund Equity - End of Year</i>	<u>\$ 956,415</u>	<u>\$ 1,285,915</u>	<u>\$ 1,796,085</u>	<u>\$ 510,170</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 5,442,700	\$ 5,421,000	\$ 5,416,634	\$ (4,366)
Expenses:				
Contractual Services	311,400	1,257,800	1,207,717	50,083
Claims	4,831,300	4,198,200	3,826,314	371,886
<i>Total Expenses</i>	<u>5,142,700</u>	<u>5,456,000</u>	<u>5,034,031</u>	<u>421,969</u>
<i>Net Change in Fund Balance</i>	300,000	(35,000)	382,603	417,603
<i>Fund Balance - Beginning of Year</i>	<u>1,072,126</u>	<u>1,072,126</u>	<u>1,072,126</u>	-
<i>Fund Balance - End of Year</i>	<u>\$ 1,372,126</u>	<u>\$ 1,037,126</u>	<u>\$ 1,454,729</u>	<u>\$ 417,603</u>

STATISTICAL SECTION



City of Strongsville, Ohio

Statistical Section

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

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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.

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Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources, property taxes and municipal income taxes.

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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.

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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.

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Principal Municipal Income Tax Withholders – Current and Nine Years Ago	S36

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.

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Sources: Unless otherwise noted, the information in these schedules is derived from the basic financial statements for the relevant year.



City of Strongsville, Ohio

*Net Position by Component
Accrual Basis of Accounting
Last Ten Years*

	2018	2017 (2)	2016	2015 (1)
Governmental Activities				
Net Investment in Capital Assets	\$157,042,285	\$152,345,560	\$151,649,343	\$147,391,701
Restricted	22,449,428	19,433,349	18,322,568	17,214,931
Unrestricted	<u>(64,571,522)</u>	<u>(58,751,546)</u>	<u>(20,486,586)</u>	<u>(18,861,881)</u>
<i>Total Governmental Activities Net Position</i>	<u>\$114,920,191</u>	<u>\$113,027,363</u>	<u>\$149,485,325</u>	<u>\$145,744,751</u>
Business Type - Activities				
Net Investment in Capital Assets	\$43,847,136	\$43,365,906	\$42,735,455	\$42,840,063
Unrestricted	<u>13,388,732</u>	<u>12,584,371</u>	<u>11,229,612</u>	<u>9,174,740</u>
<i>Total Business-Type Activities Net Position</i>	<u>\$57,235,868</u>	<u>\$55,950,277</u>	<u>\$53,965,067</u>	<u>\$52,014,803</u>
Primary Government				
Net Investment in Capital Assets	\$200,889,421	\$195,711,466	\$194,384,798	\$190,231,764
Restricted	22,449,428	19,433,349	18,322,568	17,214,931
Unrestricted	<u>(51,182,790)</u>	<u>(46,167,175)</u>	<u>(9,256,974)</u>	<u>(9,687,141)</u>
<i>Total Primary Government Net Position</i>	<u>\$172,156,059</u>	<u>\$168,977,640</u>	<u>\$203,450,392</u>	<u>\$197,759,554</u>

(1) - Restated for GASB Statement No. 68 Implementation

(2) - Restated for GASB Statement No. 75 Implementation

Table 1

<u>2014 (1)</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$141,087,430	\$130,311,512	\$132,674,654	\$135,950,267	\$132,311,472	\$125,782,137
15,079,263	12,867,552	12,312,614	13,792,283	16,619,046	24,275,156
<u>(19,327,351)</u>	<u>15,942,477</u>	<u>13,679,441</u>	<u>9,614,650</u>	<u>12,359,330</u>	<u>13,247,353</u>
<u>\$136,839,342</u>	<u>\$159,121,541</u>	<u>\$158,666,709</u>	<u>\$159,357,200</u>	<u>\$161,289,848</u>	<u>\$163,304,646</u>
\$42,808,562	\$42,665,297	\$43,649,981	\$46,143,739	\$46,710,018	\$49,376,535
7,304,460	7,552,854	6,893,848	4,299,529	4,998,720	3,897,142
<u>\$50,113,022</u>	<u>\$50,218,151</u>	<u>\$50,543,829</u>	<u>\$50,443,268</u>	<u>\$51,708,738</u>	<u>\$53,273,677</u>
\$183,895,992	\$172,976,809	\$176,324,635	\$182,094,006	\$179,021,490	\$175,158,672
15,079,263	12,867,552	12,312,614	13,792,283	16,619,046	24,275,156
<u>(12,022,891)</u>	<u>23,495,331</u>	<u>20,573,289</u>	<u>13,914,179</u>	<u>17,358,050</u>	<u>17,144,495</u>
<u>\$186,952,364</u>	<u>\$209,339,692</u>	<u>\$209,210,538</u>	<u>\$209,800,468</u>	<u>\$212,998,586</u>	<u>\$216,578,323</u>

City of Strongsville, Ohio

Changes in Net Position Accrual Basis of Accounting Last Ten Years

	2018	2017	2016	2015
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$291,288	\$330,114	\$269,661	\$251,350
Security of Persons and Property	3,328,321	2,964,935	2,923,756	2,909,713
Public Health Services	52,075	56,025	59,325	49,700
Leisure Time Activities	3,058,928	3,147,175	3,169,763	3,031,393
Community Environment	1,188,216	1,315,932	1,560,243	1,392,174
Basic Utility Services	52,640	63,309	62,034	52,001
Transportation	21,680	750	8,213	1,600
Subtotal - Charges for Services	<u>7,993,148</u>	<u>7,878,240</u>	<u>8,052,995</u>	<u>7,687,931</u>
Operating Grants and Contributions:				
General Government	-	-	-	-
Security of Persons and Property	109,344	120,159	65,935	85,594
Leisure Time Activities	110,662	137,000	100,500	-
Community Environment	22,924	16,612	5,000	3,894
Basic Utility Services	-	-	-	-
Transportation	2,173,834	2,350,011	1,954,143	1,963,337
Subtotal - Operating Grants and Contributions	<u>2,416,764</u>	<u>2,623,782</u>	<u>2,125,578</u>	<u>2,052,825</u>
Capital Grants and Contributions:				
Security of Persons and Property	-	-	-	61,332
Leisure Time Activities	257,768	200,000	267,747	-
Community Environment	-	-	-	-
Basic Utility Services	-	325,000	-	-
Transportation	4,158,846	-	5,239,683	6,968,820
Subtotal - Capital Grants and Contributions	<u>4,416,614</u>	<u>525,000</u>	<u>5,507,430</u>	<u>7,030,152</u>
<i>Total Governmental Activities Program Revenues</i>	<u>14,826,526</u>	<u>11,027,022</u>	<u>15,686,003</u>	<u>16,770,908</u>
Business-Type Activities:				
Charges for Services:				
Sanitary Sewer	7,639,666	7,472,431	7,511,939	6,726,483
Operating Grants and Contributions				
Sanitary Sewer	-	-	-	486
Capital Grants and Contributions				
Sanitary Sewer	1,622,890	1,257,838	1,122,502	1,984,382
<i>Total Business-Type Activities Program Revenues</i>	<u>9,262,556</u>	<u>8,730,269</u>	<u>8,634,441</u>	<u>8,711,351</u>
<i>Total Primary Government Program Revenues</i>	<u>\$24,089,082</u>	<u>\$19,757,291</u>	<u>\$24,320,444</u>	<u>\$25,482,259</u>

Table 2

2014	2013	2012	2011	2010	2009
\$228,753	\$240,556	\$248,566	\$188,192	\$1,732,960	\$2,317,001
2,223,037	1,576,135	1,864,219	1,683,289	1,106,800	894,314
57,325	57,869	56,200	44,925	50,778	60,244
2,905,030	2,927,501	3,085,539	3,068,427	3,126,816	3,151,756
1,356,188	914,601	826,526	874,340	74,865	57,393
41,471	94,651	42,703	70,961	-	457
10,923	3,000	2,200	1,400	25,258	12,793
<u>6,822,727</u>	<u>5,814,313</u>	<u>6,125,953</u>	<u>5,931,534</u>	<u>6,117,477</u>	<u>6,493,958</u>
-	-	-	-	-	-
80,009	107,294	95,342	58,953	32,195	496,956
3,402	18,827	6,675	4,176	-	-
31,106	13,750	4,000	29,750	3,500	-
193,868	6,898	-	-	-	-
1,968,070	1,967,759	1,909,109	1,993,922	1,881,165	1,822,652
<u>2,276,455</u>	<u>2,114,528</u>	<u>2,015,126</u>	<u>2,086,801</u>	<u>1,916,860</u>	<u>2,319,608</u>
528,306	1,939	38,341	-	624,893	-
40,963	30,672	15,000	486,787	190,500	-
-	-	-	-	-	-
-	1,039,470	-	-	-	300,761
11,307,679	6,998	220,100	5,287,070	4,900,599	620,630
<u>11,876,948</u>	<u>1,079,079</u>	<u>273,441</u>	<u>5,773,857</u>	<u>5,715,992</u>	<u>921,391</u>
<u>20,976,130</u>	<u>9,007,920</u>	<u>8,414,520</u>	<u>13,792,192</u>	<u>13,750,329</u>	<u>9,734,957</u>
6,198,988	5,738,519	5,688,046	5,225,116	5,420,941	5,104,311
23,684	-	-	-	-	-
<u>1,357,513</u>	<u>396,085</u>	<u>1,101,103</u>	<u>538,368</u>	<u>904,765</u>	<u>206,265</u>
<u>7,580,185</u>	<u>6,134,604</u>	<u>6,789,149</u>	<u>5,763,484</u>	<u>6,325,706</u>	<u>5,310,576</u>
<u>\$28,556,315</u>	<u>\$15,142,524</u>	<u>\$15,203,669</u>	<u>\$19,555,676</u>	<u>\$20,076,035</u>	<u>\$15,045,533</u>

(Continued)

City of Strongsville, Ohio

Changes in Net Position (continued) Accrual Basis of Accounting Last Ten Years

	2018	2017	2016	2015
Expenses				
Governmental Activities:				
General Government	\$4,747,998	\$4,610,210	\$4,636,384	\$4,520,606
Security of Persons and Property:	30,786,587	27,833,463	27,112,686	24,419,872
Public Health Services	694,657	686,022	665,050	633,105
Leisure Time Activities	6,362,268	6,341,351	6,147,676	5,795,150
Community Environment	1,936,789	1,891,588	1,737,171	1,555,688
Basic Utility Services	2,470,103	2,493,836	2,577,206	2,372,551
Transportation	17,026,618	16,939,123	17,172,786	16,398,784
Interest and Fiscal Charges	1,249,396	1,273,441	1,507,876	1,694,011
<i>Total Governmental Activities Expenses</i>	<u>65,274,416</u>	<u>62,069,034</u>	<u>61,556,835</u>	<u>57,389,767</u>
Business-Type Activities				
Sanitary Sewer	6,676,899	6,261,417	6,800,984	6,885,083
<i>Total Business-Type Activities Expenses</i>	<u>6,676,899</u>	<u>6,261,417</u>	<u>6,800,984</u>	<u>6,885,083</u>
<i>Total Primary Government Program Expenses</i>	<u>71,951,315</u>	<u>68,330,451</u>	<u>68,357,819</u>	<u>64,274,850</u>
Net (Expense)/Revenue				
Governmental Activities	(50,447,890)	(51,042,012)	(45,870,832)	(40,618,859)
Business-Type Activities	2,585,657	2,468,852	1,833,457	1,826,268
<i>Total Primary Government Net Expense</i>	<u>(47,862,233)</u>	<u>(48,573,160)</u>	<u>(44,037,375)</u>	<u>(38,792,591)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$645,521	\$476,160	\$462,717	\$452,976
Other Purposes	5,796,981	5,960,782	5,797,533	5,781,880
Debt Service	2,881,976	2,956,069	2,873,745	3,423,949
Municipal Income Taxes Levied For:				
General Purposes	31,852,287	30,788,610	31,572,460	31,120,903
Other Purposes	3,850,189	3,785,956	3,720,687	3,744,688
Other Local Taxes Levied For:				
General Purposes	-	-	-	-
Other Purposes	-	-	-	-
Hotel Taxes	171,499	181,160	183,892	166,683
Permissive Motor Vehicle Taxes	368,801	357,108	355,013	338,386
Franchise Taxes	763,297	760,812	817,532	810,366
Payments in Lieu of Taxes	1,588,960	1,518,655	1,443,717	2,149,150

Table 2

2014	2013	2012	2011	2010	2009
\$4,392,450	\$4,345,550	\$4,302,219	\$5,530,388	\$6,269,187	\$6,508,706
25,052,042	22,032,268	21,838,362	21,516,765	19,977,428	19,224,379
599,730	609,757	588,830	601,590	576,471	664,106
5,790,696	5,579,473	5,436,655	5,748,672	5,765,092	5,699,830
1,721,146	1,573,803	1,718,686	1,746,987	1,160,407	1,342,951
2,450,397	2,310,738	2,047,268	2,076,197	2,552,751	2,527,962
15,952,366	16,510,864	15,681,631	19,356,513	19,202,006	15,647,804
1,853,013	1,966,448	2,103,662	2,339,292	2,637,914	2,586,722
<u>57,811,840</u>	<u>54,928,901</u>	<u>53,717,313</u>	<u>58,916,404</u>	<u>58,141,256</u>	<u>54,202,460</u>
<u>7,150,206</u>	<u>6,502,969</u>	<u>6,714,808</u>	<u>7,068,791</u>	<u>6,435,645</u>	<u>6,771,146</u>
<u>7,150,206</u>	<u>6,502,969</u>	<u>6,714,808</u>	<u>7,068,791</u>	<u>6,435,645</u>	<u>6,771,146</u>
<u>64,962,046</u>	<u>61,431,870</u>	<u>60,432,121</u>	<u>65,985,195</u>	<u>64,576,901</u>	<u>60,973,606</u>
(36,835,710)	(45,920,981)	(45,302,793)	(45,124,212)	(44,390,927)	(44,467,503)
429,979	(368,365)	74,341	(1,305,307)	(109,939)	(1,460,570)
<u>(36,405,731)</u>	<u>(46,289,346)</u>	<u>(45,228,452)</u>	<u>(46,429,519)</u>	<u>(44,500,866)</u>	<u>(45,928,073)</u>
\$449,300	\$449,334	\$419,991	\$424,295	\$434,211	\$557,971
5,740,574	5,412,835	5,253,644	5,324,748	5,405,637	5,664,398
3,435,946	3,440,487	3,401,469	3,460,320	3,585,239	3,893,170
30,267,292	28,221,681	26,677,393	26,251,391	22,863,432	23,250,680
3,599,013	3,319,369	3,157,012	2,625,174	2,622,417	2,680,482
-	-	-	-	722,501	1,237,868
-	-	-	-	318,728	313,231
189,728	179,090	181,064	171,572	-	-
330,566	328,246	324,002	325,245	-	-
734,772	704,713	706,163	645,974	-	-
1,377,939	1,490,423	866,597	848,939	609,562	349,651

(Continued)

City of Strongsville, Ohio

Changes in Net Position (continued)

Accrual Basis of Accounting

Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Grants and Entitlements not Restricted to Specific Programs	1,757,839	1,743,465	1,955,574	2,074,097
Investment Income	907,713	400,429	344,358	85,319
Gain (Loss) on Sale of Capital Assets	42,671	1,600	73,908	27,015
All Other Revenue	125,429	378,948	10,270	85,582
Transfers	<u>1,587,555</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Governmental Activities</i>	<u>52,340,718</u>	<u>49,309,754</u>	<u>49,611,406</u>	<u>50,260,994</u>
Business-Type Activities				
Investment Income	278,014	143,083	114,232	45,513
Gain on Sale of Capital Assets	9,475	1,600	2,575	30,000
Transfers	<u>(1,587,555)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Business-Type Activities Expenses</i>	<u>(1,300,066)</u>	<u>144,683</u>	<u>116,807</u>	<u>75,513</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>51,040,652</u>	<u>49,454,437</u>	<u>49,728,213</u>	<u>50,336,507</u>
Change in Net Position				
Governmental Activities	1,892,828	(1,732,258)	3,740,574	9,642,135
Business-Type Activities	<u>1,285,591</u>	<u>2,613,535</u>	<u>1,950,264</u>	<u>1,901,781</u>
<i>Total Primary Government Change in Net Position</i>	<u>\$3,178,419</u>	<u>\$881,277</u>	<u>\$5,690,838</u>	<u>\$11,543,916</u>

Table 2

2014	2013	2012	2011	2010	2009
2,215,056	2,638,081	3,376,078	3,673,797	4,137,516	3,351,151
158,257	107,997	143,795	174,298	221,886	565,760
3,453	12,456	104,369	-	-	-
94,390	71,101	725	4,708	-	-
-	-	-	-	650,000	-
<u>48,596,286</u>	<u>46,375,813</u>	<u>44,612,302</u>	<u>43,930,461</u>	<u>41,571,129</u>	<u>41,864,362</u>
49,557	42,687	26,220	39,837	-	-
75,000	-	-	-	-	-
-	-	-	-	(650,000)	-
<u>124,557</u>	<u>42,687</u>	<u>26,220</u>	<u>39,837</u>	<u>(650,000)</u>	<u>-</u>
<u>48,720,843</u>	<u>46,418,500</u>	<u>44,638,522</u>	<u>43,970,298</u>	<u>40,921,129</u>	<u>41,864,362</u>
11,760,576	454,832	(690,491)	(1,193,751)	(2,819,798)	(2,603,141)
554,536	(325,678)	100,561	(1,265,470)	(759,939)	(1,460,570)
<u>\$12,315,112</u>	<u>\$129,154</u>	<u>(\$589,930)</u>	<u>(\$2,459,221)</u>	<u>(\$3,579,737)</u>	<u>(\$4,063,711)</u>

City of Strongsville, Ohio

*Fund Balances, Governmental Funds
Modified Accrual Basis of Accounting
Last Ten Years*

	2018	2017	2016	2015
General Fund				
Nonspendable	\$121,553	\$114,798	\$107,683	\$108,813
Committed	4,038,704	3,538,704	3,241,578	2,648,793
Assigned	-	705,747	-	111,677
Unassigned	13,328,083	12,659,698	13,079,275	12,479,133
Reserved for Inventories, Prepaids, and Encumbrances	-	-	-	-
Unreserved	-	-	-	-
Total General Fund	<u>17,488,340</u>	<u>17,018,947</u>	<u>16,428,536</u>	<u>15,348,416</u>
All Other Governmental Funds				
Nonspendable	656,730	516,634	534,502	690,260
Restricted	15,522,801	14,549,749	14,259,818	13,162,251
Committed	2,993,329	3,913,077	3,203,686	2,693,862
Unassigned (Deficit)	(34,815)	(26,599)	(602,713)	(541,729)
Reserved for Inventories, Prepaids, and Encumbrances	-	-	-	-
Reserved for Debt Service	-	-	-	-
Unreserved, Undesignated, Reported in:				
Special Revenue funds	-	-	-	-
Capital Projects funds	-	-	-	-
Total All Other Governmental Funds	<u>19,138,045</u>	<u>18,952,861</u>	<u>17,395,293</u>	<u>16,004,644</u>
Total Governmental Funds	<u>\$36,626,385</u>	<u>\$35,971,808</u>	<u>\$33,823,829</u>	<u>\$31,353,060</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.

Table 3

2014	2013	2012	2011	2010	2009
\$99,871	\$100,391	\$57,252	\$87,347	\$356,036	\$ -
2,183,404	2,008,568	1,587,387	1,000,000	6,800	-
-	-	174,133	93,058	-	-
14,588,071	14,567,182	13,929,851	11,754,185	11,333,325	-
-	-	-	-	-	342,856
-	-	-	-	-	11,161,498
<u>16,871,346</u>	<u>16,676,141</u>	<u>15,748,623</u>	<u>12,934,590</u>	<u>11,696,161</u>	<u>11,504,354</u>
709,213	511,679	594,322	788,206	552,153	-
11,780,476	7,906,906	6,342,091	7,100,443	10,975,566	-
2,059,505	2,400,891	2,770,345	2,772,189	3,059,448	-
(2,958,156)	(2,443,025)	(4,083,178)	(5,496,105)	-	-
-	-	-	-	-	538,166
-	-	-	-	-	2,107,301
-	-	-	-	-	7,873,397
-	-	-	-	-	11,008,764
<u>11,591,038</u>	<u>8,376,451</u>	<u>5,623,580</u>	<u>5,164,733</u>	<u>14,587,167</u>	<u>21,527,628</u>
<u>\$28,462,384</u>	<u>\$25,052,592</u>	<u>\$21,372,203</u>	<u>\$18,099,323</u>	<u>\$26,283,328</u>	<u>\$33,031,982</u>

City of Strongsville, Ohio

*Changes in Fund Balances, Governmental Funds
Modified Accrual Basis of Accounting
Last Ten Years*

	2018	2017	2016	2015
Revenues				
Municipal Income Taxes	\$35,922,033	\$35,508,157	\$35,486,019	\$34,299,444
Property Taxes	9,385,659	9,342,313	9,305,928	9,483,617
Other Taxes	-	-	-	-
Hotel Taxes	171,499	181,160	183,892	166,683
Permissive Motor Vehicle Taxes	368,801	357,108	355,013	338,386
Franchise Taxes	821,338	768,183	678,934	810,366
Payment in Lieu of Taxes	1,588,960	1,518,655	1,443,717	2,149,150
Intergovernmental	4,477,954	5,170,025	5,446,959	5,238,151
Special Assessments	35,255	35,257	130,257	125,257
Charges for Services	5,745,850	5,520,668	5,554,194	5,344,116
Fees, Licenses and Permits	1,103,120	1,285,770	1,525,339	1,346,835
Fines and Forfeitures	822,432	741,510	738,480	727,321
Contributions and Donations	5,928	27,550	4,500	10,060
Interest	907,713	406,089	344,358	85,319
All Other Revenue	425,948	680,910	250,477	322,370
<i>Total Revenues</i>	<u>61,782,490</u>	<u>61,543,355</u>	<u>61,448,067</u>	<u>60,447,075</u>
Expenditures				
Current:				
General Government	4,226,972	3,994,347	4,402,801	4,377,994
Security of Persons and Property	25,135,908	24,593,883	23,883,179	23,275,603
Public Health Services	672,152	659,197	653,314	634,356
Leisure Time Activities	5,106,328	4,973,993	5,237,825	5,168,978
Community Environment	1,711,024	1,683,220	1,632,152	1,584,455
Basic Utility Services	2,470,103	2,493,836	2,577,206	2,374,351
Transportation	9,510,424	9,441,966	10,154,996	10,023,595
Capital Outlay	8,263,845	7,598,212	6,742,255	6,379,419
Debt Service:				
Principal Retirement	2,832,082	2,789,195	2,578,636	2,455,000
Interest and Fiscal Charges	1,229,461	1,256,511	1,304,842	1,529,895
Bond Issuance Costs	55,321	34,959	215,624	205,660
Advance Refunding Escrow	-	-	-	-
<i>Total Expenditures</i>	<u>61,213,620</u>	<u>59,519,319</u>	<u>59,382,830</u>	<u>58,009,306</u>

Table 4

2014	2013	2012	2011 (1)	2010	2009
\$33,037,551	\$31,293,787	\$29,472,936	\$28,203,761	\$26,460,113	\$25,926,979
9,693,836	9,370,727	9,114,409	9,327,017	9,474,306	9,895,558
-	-	-	-	1,041,230	2,265,750
189,728	179,090	181,064	171,572	-	-
330,566	328,246	324,002	325,245	-	-
734,772	764,513	646,363	645,974	-	-
1,377,939	1,490,423	866,597	848,939	609,562	-
10,503,164	5,801,751	5,818,163	9,660,513	12,337,923	6,397,976
216,197	201,198	196,199	181,198	173,606	150,000
4,552,341	4,128,191	4,412,698	4,270,678	4,306,774	4,746,566
1,321,085	897,119	810,323	829,427	778,914	1,422,755
687,548	594,025	687,176	575,280	635,519	-
94,053	43,645	36,375	1,744,177	-	-
158,257	107,997	143,795	174,298	221,886	540,955
300,580	346,455	226,958	259,071	300,964	311,725
<u>63,197,617</u>	<u>55,547,167</u>	<u>52,937,058</u>	<u>57,217,150</u>	<u>56,340,797</u>	<u>51,658,264</u>
4,026,332	4,264,294	4,098,422	4,684,119	6,023,550	6,384,644
22,038,035	20,847,287	20,813,310	20,322,032	18,953,918	18,400,681
619,899	609,538	587,350	606,142	602,857	653,054
4,883,317	4,910,785	4,737,621	5,412,647	5,149,526	5,084,001
1,508,060	1,573,280	1,714,586	1,716,758	1,112,484	1,334,368
2,450,397	2,310,738	2,047,268	2,076,197	2,552,751	2,527,962
9,228,919	10,187,888	9,168,526	13,710,377	12,504,482	8,758,272
11,826,437	4,218,030	3,277,644	8,128,639	11,616,943	12,387,291
2,460,000	2,190,000	1,245,000	2,315,000	2,563,688	19,234,457
1,682,540	2,007,702	2,095,278	2,336,917	2,690,882	2,870,106
234,029	39,212	-	241,499	-	-
-	-	-	1,499,540	-	-
<u>60,957,965</u>	<u>53,158,754</u>	<u>49,785,005</u>	<u>63,049,867</u>	<u>63,771,081</u>	<u>77,634,836</u>

(Continued)

City of Strongsville, Ohio

Changes in Fund Balances, Governmental Funds (continued)

Modified Accrual Basis of Accounting

Last Ten Years

	2018	2017	2016	2015
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>568,870</u>	<u>2,024,036</u>	<u>2,065,237</u>	<u>2,437,769</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	85,707	51,032	99,562	87,960
Inception of Capital Lease	-	72,911	-	-
General Obligation Notes and Bonds Issued	-	-	-	-
Refunding Bonds Issued	-	-	16,480,000	7,635,000
Premium on Debt Issuance	-	-	1,937,003	332,458
OPWC Loans Issued	-	-	-	175,888
Payment to Refunded Bond Escrow Account	-	-	(18,111,033)	(7,778,399)
Transfers In	14,212,000	15,317,633	14,533,064	15,424,345
Transfers Out	<u>(14,212,000)</u>	<u>(15,317,633)</u>	<u>(14,533,064)</u>	<u>(15,424,345)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>85,707</u>	<u>123,943</u>	<u>405,532</u>	<u>452,907</u>
<i>Net Change in Fund Balances</i>	<u><u>\$654,577</u></u>	<u><u>\$2,147,979</u></u>	<u><u>\$2,470,769</u></u>	<u><u>\$2,890,676</u></u>
Debt Service as a Percentage of Noncapital Expenditures	7.7%	7.8%	7.4%	7.7%

(1) In 2011, the City reclassified several revenues for a more proper presentation.

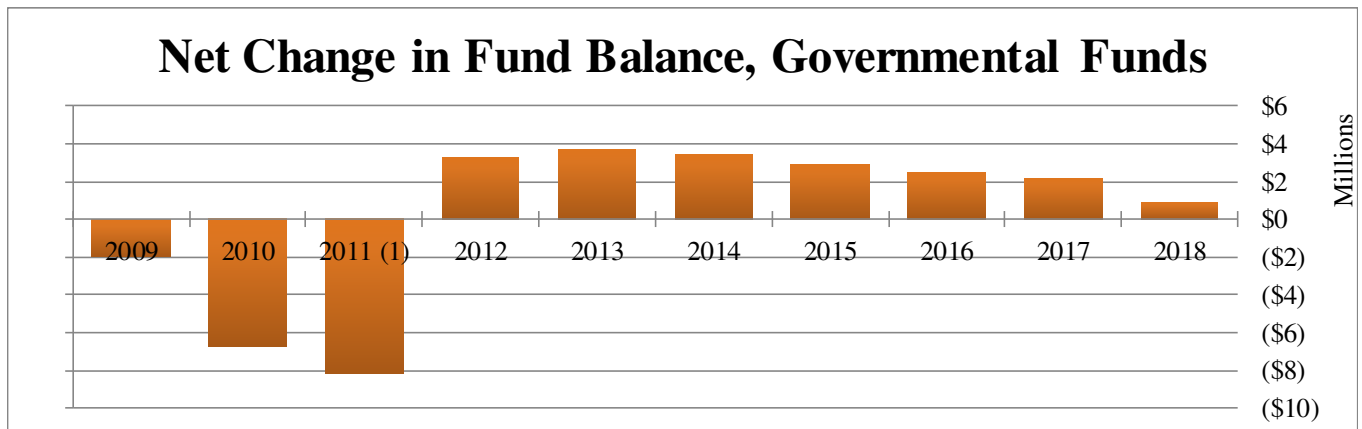


Table 4

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>
<u>2,239,652</u>	<u>2,388,413</u>	<u>3,152,053</u>	<u>(5,832,717)</u>	<u>(7,430,284)</u>	<u>(25,976,572)</u>
168,812	85,341	120,827	54,159	31,630	26,320
-	-	-	-	-	-
-	-	-	-	-	24,985,000
9,485,000	-	-	10,735,000	-	-
259,448	-	-	734,553	-	553,020
790,207	1,206,635	-	-	-	-
(9,533,327)	-	-	(13,875,000)	-	(1,535,000)
15,620,252	12,107,592	10,461,099	15,045,506	10,000,250	10,324,632
<u>(15,620,252)</u>	<u>(12,107,592)</u>	<u>(10,461,099)</u>	<u>(15,045,506)</u>	<u>(9,350,250)</u>	<u>(10,324,632)</u>
<u>1,170,140</u>	<u>1,291,976</u>	<u>120,827</u>	<u>(2,351,288)</u>	<u>681,630</u>	<u>24,029,340</u>
<u>\$3,409,792</u>	<u>\$3,680,389</u>	<u>\$3,272,880</u>	<u>(8,184,005)</u>	<u>(\$6,748,654)</u>	<u>(\$1,947,232)</u>
8.4%	8.6%	7.2%	8.6%	10.1%	33.9%

City of Strongsville, Ohio

Assessed Valuations and Estimated Actual Values of Taxable Property

Last Ten Years

Tax/ Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2017/2018	\$1,106,011,020	\$346,733,890	\$4,150,699,743	\$38,903,960	\$44,209,045
2016/2017	1,095,367,250	330,593,700	4,074,174,143	36,084,010	41,004,557
2015/2016	1,082,352,810	326,544,110	4,025,419,771	34,011,790	38,649,761
2014/2015	1,047,149,690	334,314,990	3,947,041,943	33,218,660	37,748,477
2013/2014	1,040,470,570	341,314,550	3,947,957,486	31,573,530	35,877,875
2012/2013	1,034,250,240	338,196,020	3,921,275,029	28,773,280	32,696,909
2011/2012	1,069,394,630	349,705,480	4,054,571,743	26,461,290	30,069,648
2010/2011	1,065,813,650	351,694,900	4,050,024,429	25,230,750	28,671,307
2009/2010	1,060,500,060	339,966,540	4,001,333,143	24,348,890	27,669,193
2008/2009	1,144,174,580	340,536,050	4,242,030,371	22,889,670	26,010,989

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

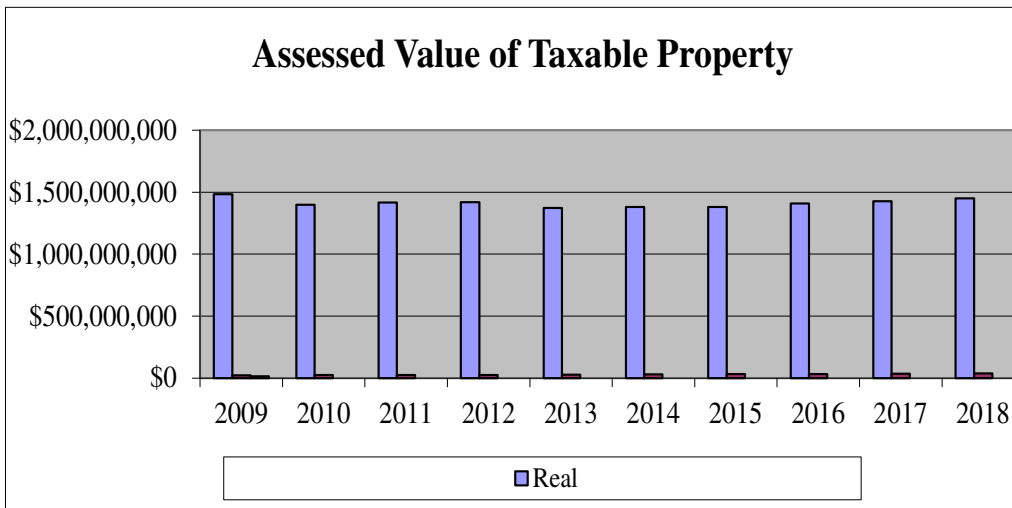
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. For collection year 2006 both types of general business tangible personal property were assessed at 18.75 percent. The percentage was 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

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: Ohio Department of Taxation and Office of the County Fiscal Officer, Cuyahoga County, Ohio

Table 5

Tangible Personal Property					
General Business		Total			Direct Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$0	\$0	\$1,491,648,870	\$4,194,908,788	35.56%	\$9.30
0	0	1,462,044,960	4,115,178,700	35.53	9.30
0	0	1,442,908,710	4,064,069,533	35.50	9.30
0	0	1,414,683,340	3,984,790,420	35.50	9.80
0	0	1,413,357,650	3,983,835,361	35.48	9.80
0	0	1,401,219,540	3,953,971,938	35.44	9.90
0	0	1,445,561,400	4,084,641,391	35.39	9.90
0	0	1,442,739,300	4,078,695,735	35.37	9.90
0	0	1,424,815,490	4,029,002,336	35.36	9.90
16,619,271	265,908,336	1,524,219,571	4,533,949,696	33.62	9.90



City of Strongsville, Ohio

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

Last Ten Years

	Tax Year/ Collection Year 2017/2018	Tax Year/ Collection Year 2016/2017	Tax Year/ Collection Year 2015/2016	Tax Year/ Collection Year 2014/2015
City of Strongsville				
Unvoted Millage				
Debt	\$2.3000	\$2.3000	\$2.3000	\$2.3000
Fire Pension	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000
<i>Total Unvoted Millage</i>	<u>2.9000</u>	<u>2.9000</u>	<u>2.9000</u>	<u>2.9000</u>
Voted Millage by Levy				
1976 Current Expense	1.5000	1.5000	1.5000	1.5000
1976 Southwest Hospital	1.0000	1.0000	1.0000	1.0000
1976 Sewage	0.0000	0.0000	0.0000	0.0000
2000 Bond	0.0000	0.0000	0.0000	0.5000
2004 Fire	2.0000	2.0000	2.0000	2.0000
2008 Fire	1.5000	1.5000	1.5000	1.5000
2013 Sewage	0.4000	0.4000	0.4000	0.4000
<i>Total Voted Millage</i>	<u>6.4000</u>	<u>6.4000</u>	<u>6.4000</u>	<u>6.9000</u>
Total Millage - City	<u>\$9.3000</u>	<u>\$9.3000</u>	<u>\$9.3000</u>	<u>\$9.8000</u>
Overlapping Rates by Taxing District				
<i>Cuyahoga County</i>	14.0500	14.0500	14.0500	14.0500
<i>Strongsville City School District</i>	81.7800	81.7800	81.7800	81.6800
<i>Polaris Joint Vocational School District</i>	3.0900	3.0900	2.4000	2.4000
<i>Cleveland Metroparks</i>	2.7500	2.7500	2.7500	2.7500
<i>Cuyahoga County Library</i>	2.5000	2.5000	2.5000	2.5000
<i>Cuyahoga County Community College</i>	4.5000	4.0000	4.0000	3.1000
<i>Cleveland-Cuyahoga Port Authority</i>	0.1300	0.1300	0.1300	0.1300
Total Millage - Overlapping Governments	<u>108.8000</u>	<u>108.3000</u>	<u>107.6100</u>	<u>106.6100</u>
Grand Total - All Direct and Overlapping Rates	<u>\$118.1000</u>	<u>\$117.6000</u>	<u>\$116.9100</u>	<u>\$116.4100</u>

Table 6

<u>Tax Year/ Collection Year 2013/2014</u>	<u>Tax Year/ Collection Year 2012/2013</u>	<u>Tax Year/ Collection Year 2011/2012</u>	<u>Tax Year/ Collection Year 2010/2011</u>	<u>Tax Year/ Collection Year 2009/2010</u>	<u>Tax Year/ Collection Year 2008/2009</u>
\$2.3000	\$2.3000	\$2.3000	\$2.3000	\$2.3000	\$2.3000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
<u>2.9000</u>	<u>2.9000</u>	<u>2.9000</u>	<u>2.9000</u>	<u>2.9000</u>	<u>2.9000</u>
1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.0000	0.5000	0.5000	0.5000	0.5000	0.5000
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
0.4000	0.0000	0.0000	0.0000	0.0000	0.0000
<u>6.9000</u>	<u>7.0000</u>	<u>7.0000</u>	<u>7.0000</u>	<u>7.0000</u>	<u>7.0000</u>
<u>\$9.8000</u>	<u>\$9.9000</u>	<u>\$9.9000</u>	<u>\$9.9000</u>	<u>\$9.9000</u>	<u>\$9.9000</u>
14.0500	13.2200	13.2200	13.3200	13.3200	13.3200
81.6800	81.6800	80.9800	81.1900	81.2900	81.2000
2.4000	2.4000	2.4000	2.4000	2.4000	2.4000
2.7500	1.8500	1.8500	1.8500	1.8500	1.8500
2.5000	2.5000	2.5000	2.5000	2.5000	2.5000
3.1000	3.1000	3.1000	3.1000	2.8000	2.8000
0.1300	0.1300	0.1300	0.1300	0.1300	0.1300
<u>106.6100</u>	<u>104.8800</u>	<u>104.1800</u>	<u>104.4900</u>	<u>104.2900</u>	<u>104.2000</u>
<u>\$116.4100</u>	<u>\$114.7800</u>	<u>\$114.0800</u>	<u>\$114.3900</u>	<u>\$114.1900</u>	<u>\$114.1000</u>

City of Strongsville, Ohio

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

Last Ten Years

	Tax Year/ Collection Year 2017/2018	Tax Year/ Collection Year 2016/2017	Tax Year/ Collection Year 2015/2016	Tax Year/ Collection Year 2014/2015
City of Strongsville				
Unvoted Millage				
Debt	\$2.300000	\$2.300000	\$2.300000	\$2.300000
Fire Pension	0.300000	0.300000	0.300000	0.300000
Police Pension	0.300000	0.300000	0.300000	0.300000
Total Unvoted Millage	2.900000	2.900000	2.900000	2.900000
Voted Millage by Levy				
1976 Current Expense	0.281806	0.281917	0.282211	0.289602
1976 Southwest Hospital	0.187871	0.187945	0.188141	0.193068
1976 Sewage	0.000000	0.000000	0.000000	0.000000
2000 Bond	0.000000	0.000000	0.000000	0.500000
2004 Fire	1.944282	1.945058	1.947094	1.998092
2008 Fire	1.458211	1.458793	1.460320	1.498569
2013 Sewage	0.388856	0.389011	0.389418	0.399618
Total Voted Millage	4.261026	4.262724	4.267184	4.878949
Total Millage - City	\$7.161026	\$7.162724	\$7.167184	\$7.778949
Overlapping Rates by Taxing District				
Cuyahoga County	13.914095	13.880201	13.869781	14.050000
Strongsville City School District	41.015673	41.028811	41.060653	41.922794
Polaris Joint Vocational School District	2.985764	2.984780	2.295968	2.331868
Cleveland Metroparks	2.718302	2.711249	2.711903	2.750000
Cuyahoga County Library	2.475507	2.470717	2.469462	2.500000
Cuyahoga County Community College	4.456854	3.946094	3.942787	4.000000
Cleveland-Cuyahoga Port Authority	0.113078	0.112770	0.112676	0.114311
Total Millage - Overlapping Governments	67.679273	67.134622	66.463230	67.668973
Grand Total - All Direct and Overlapping Rates	\$74.840299	\$74.297346	\$73.630414	\$75.447922

Table 7

<u>Tax Year/ Collection Year 2013/2014</u>	<u>Tax Year/ Collection Year 2012/2013</u>	<u>Tax Year/ Collection Year 2011/2012</u>	<u>Tax Year/ Collection Year 2010/2011</u>	<u>Tax Year/ Collection Year 2009/2010</u>	<u>Tax Year/ Collection Year 2008/2009</u>
\$2.300000	\$2.300000	\$2.300000	\$2.300000	\$2.300000	\$2.300000
0.300000	0.300000	0.300000	0.300000	0.300000	0.300000
0.300000	0.300000	0.300000	0.300000	0.300000	0.300000
<u>2.900000</u>	<u>2.900000</u>	<u>2.900000</u>	<u>2.900000</u>	<u>2.900000</u>	<u>2.900000</u>
0.289878	0.289707	0.278268	0.277905	0.277864	0.256155
0.193252	0.193138	0.185512	0.185270	0.185243	0.170770
0.000000	0.096569	0.092756	0.092635	0.092621	0.085385
0.500000	0.500000	0.500000	0.500000	0.500000	0.500000
2.000000	2.000000	1.952296	1.949756	1.949480	1.797176
1.500000	1.500000	1.500000	1.500000	1.500000	1.499496
0.400000	0.000000	0.000000	0.000000	0.000000	0.000000
<u>4.883130</u>	<u>4.579414</u>	<u>4.508832</u>	<u>4.505566</u>	<u>4.505208</u>	<u>4.308982</u>
\$7.783130	\$7.479414	\$7.408832	\$7.405566	\$7.405208	\$7.208982
14.050000	13.220000	13.118223	13.186617	13.178886	12.660733
41.854334	41.838769	40.077864	40.254326	40.351065	38.226754
2.331112	2.328529	2.186133	2.182141	2.181147	1.999999
2.750000	1.850000	1.818768	1.810574	1.806839	1.669811
2.500000	2.500000	2.500000	2.500000	2.500000	2.500000
3.100000	3.100000	3.082039	3.076462	2.597303	2.395197
0.113900	0.113492	0.103340	0.102853	0.102733	0.094739
<u>66.699346</u>	<u>64.950790</u>	<u>62.886367</u>	<u>63.112973</u>	<u>62.717973</u>	<u>59.547233</u>
<u>\$74.482476</u>	<u>\$72.430204</u>	<u>\$70.295199</u>	<u>\$70.518539</u>	<u>\$70.123181</u>	<u>\$66.756215</u>

City of Strongsville, Ohio

Property Tax Levies and Collections

Last Ten Years

<u>Tax/ Collection Year</u>	<u>Current Tax Levy (1)</u>	<u>Current Tax Collections (1)</u>	<u>Percent of Current Tax Collections To Tax Levy</u>	<u>Delinquent Tax Collections (1)</u>	<u>Total Tax Collections (1)</u>
2017/2018	\$12,550,407	\$11,752,980	93.65%	\$251,215	\$12,004,195
2016/2017	12,170,157	11,802,223	96.98	182,447	11,984,670
2015/2016	11,965,272	11,714,263	97.90	195,162	11,909,425
2014/2015	12,446,731	12,671,814	101.81	196,222	12,868,036
2013/2014	12,500,289	12,020,210	96.16	285,671	12,305,881
2012/2013	11,898,035	11,743,658	98.70	298,151	12,041,809
2011/2012	11,654,737	10,771,927	92.43	487,422	11,259,349
2010/2011	11,570,511	11,092,903	95.87	246,145	11,339,048
2009/2010	11,224,849	10,854,727	96.70	310,180	11,164,907
2008/2009	11,074,911	10,586,349	95.59	215,394	10,801,743

Source: Office of the County Fiscal Officer, Cuyahoga County, Ohio

(1) State reimbursement of rollback and homestead exemptions are included along with payments in lieu of taxes from Cuyahoga County.

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

Table 8

<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes (1)</u>	<u>Percentage of Delinquent Taxes to Current Tax Levy</u>
95.65%	\$273,105	2.18%
98.48	346,740	2.85
99.53	283,367	2.37
103.38	498,285	4.00
98.44	279,297	2.23
101.21	493,092	4.14
96.61	579,463	4.97
98.00	640,974	5.54
99.47	645,606	5.75
97.53	707,131	6.38

City of Strongsville, Ohio

Principal Taxpayers – Real Estate Tax

2018 and 2011

Table 9

Taxpayer	2018	
	Real Property Assessed Valuation (2)	Percentage of Real Assessed Valuation
Southpark Mall, LLC.	\$62,598,090	4.20 %
Cleveland Electric Illuminating Company	25,683,570	1.72
Greens of Strongsville, LTD.	8,877,760	0.60
Vam, LTD.	8,762,100	0.59
Cherry Street Village	8,141,920	0.55
Polo Club Apartments, LLC.	7,314,490	0.49
American Transmission Fund	6,849,000	0.46
Chestnut Lake Apartments	6,610,140	0.44
Altenheim Properties, Inc.	6,029,310	0.40
Columbia Gas of Ohio	5,028,240	0.34
Total	\$145,894,620	9.78 %
Total Assessed Valuation	\$1,491,648,870	
Taxpayer	2011(1)	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Southpark Mall, LLC	\$65,745,630	4.56 %
Cleveland Electric Illuminating Company	20,722,740	1.44
Vam, LTD.	12,512,750	0.87
Firstcal Industrial 2 Acquisition	11,704,760	0.81
Greens of Strongsville, LTD.	8,858,510	0.61
Cherry Street Village	7,972,310	0.55
Polo Club Apartments, LLC.	7,275,880	0.50
Chestnut Lake Apartments	6,627,620	0.46
Wal-Mart Real Estate	5,915,560	0.41
Ohio Commerce Center Investments	5,250,000	0.36
Total	\$152,585,760	10.58 %
Total Assessed Valuation	\$1,442,739,300	

Source: Office of the County Fiscal Officer, Cuyahoga County, Ohio

(1) Information prior to 2011 is not available

(2) The amounts presented represent the assessed values upon which 2018 collections were based.

City of Strongsville, Ohio

Income Tax Revenue Base and Collections (Cash Basis)

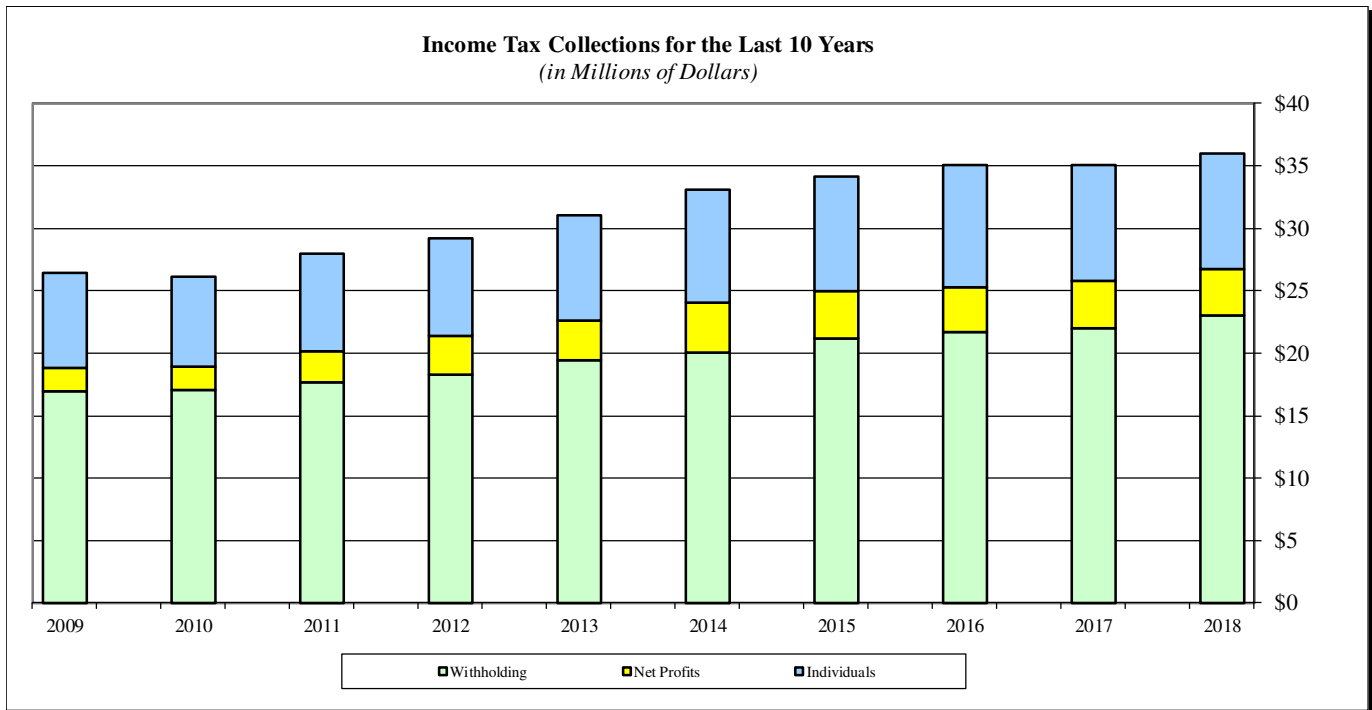
Last Ten Years

Table 10

Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From (1) Net Profits	Percentage of Taxes from Net Profits	Taxes (2) From Individuals	Percentage of Taxes from Individuals
2018	2.00 %	\$ 35,967,263	\$ 23,027,853	64.02 %	\$ 3,740,238	10.40 %	\$ 9,199,172	25.58 %
2017	2.00	35,016,752	22,036,294	62.93	3,772,521	10.77	9,220,336	26.33
2016	2.00	35,005,722	21,688,802	61.96	3,590,509	10.26	9,767,237	27.90
2015	2.00	34,119,630	21,137,392	61.95	3,895,502	11.42	9,073,069	26.59
2014	2.00	33,135,341	20,051,546	60.52	4,014,117	12.11	9,073,130	27.38
2013	2.00	31,191,054	19,471,624	62.43	3,145,297	10.07	8,476,590	27.18
2012	2.00	29,074,716	18,295,799	62.93	3,061,535	10.52	7,799,846	26.83
2011	2.00	28,016,156	17,701,146	63.18	2,484,732	8.87	7,830,278	27.95
2010	2.00	26,143,370	17,084,709	65.35	1,844,185	7.05	7,214,476	27.59
2009	2.00	26,384,529	16,980,532	64.36	1,858,734	7.04	7,545,263	28.60

Source: Regional Income Tax Agency (RITA)

- (1) Includes State of Ohio collections of Municipal Net Profit Tax and Municipal Electric Light Tax.
- (2) City implemented an Income Tax Credit Reduction from 100% to 75%, effective April 1, 2004.



City of Strongsville, Ohio

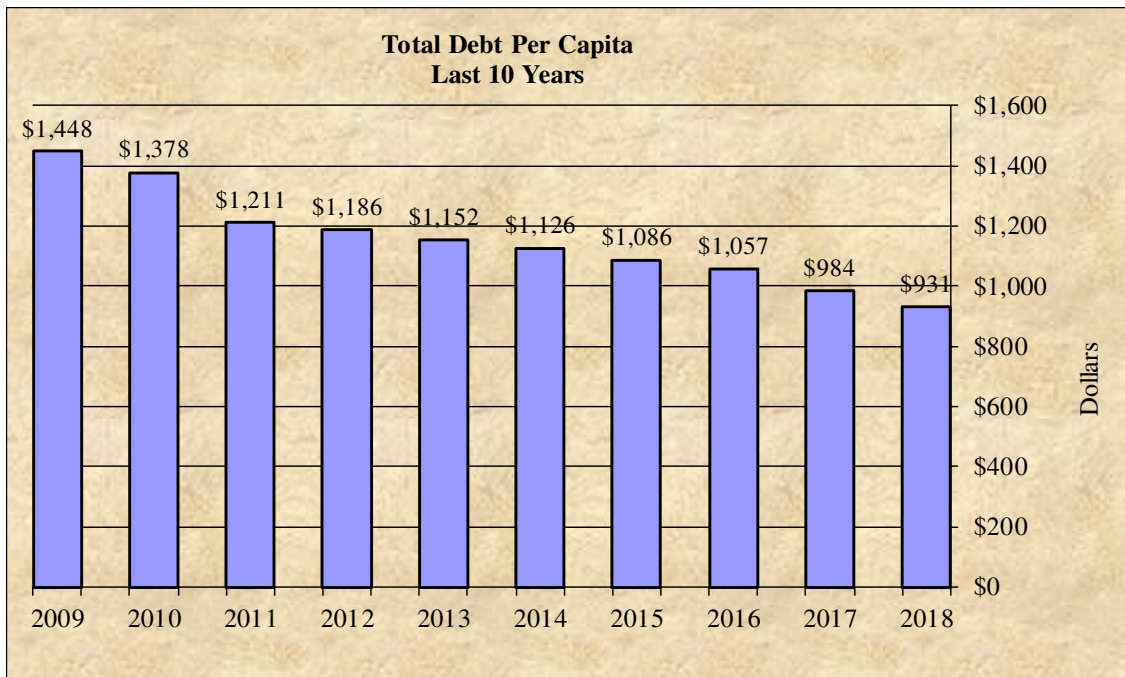
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita

Last Ten Years

Table 11

Year	Governmental Activities				Business-Type Activities			Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds (1)	Special Assessment Bonds	OPWC Loans	Capital Leases	General Obligation Bonds	OWDA Loans	OPWC Loans			
2018	\$37,050,667	\$0	\$1,846,822	\$18,906	\$0	\$1,765,080	\$962,778	\$41,644,253	2.68%	\$931
2017	40,019,957	25,000	1,955,458	37,352	0	2,015,507	0	44,053,274	2.84	984
2016	42,911,314	50,000	2,064,094	0	0	2,255,754	0	47,281,162	3.05	1,057
2015	43,775,829	170,000	2,172,730	0	0	2,486,245	0	48,604,804	3.03	1,086
2014	45,383,015	285,000	1,996,842	0	0	2,707,382	0	50,372,239	3.25	1,126
2013	46,745,489	490,000	1,206,635	0	210,000	2,919,553	0	51,571,677	3.32	1,152
2012	48,863,378	680,000	0	0	415,000	3,123,128	0	53,081,506	3.42	1,186
2011	50,041,267	865,000	0	0	615,000	2,650,708	0	54,171,975	3.49	1,211
2010	55,780,684	1,035,000	0	0	805,000	2,814,500	0	60,435,184	4.64	1,378
2009	57,931,865	1,190,000	118,688	0	990,000	3,177,782	77,946	63,486,281	4.87	1,448

Note: Population and Personal Income data are presented on page S34.
 (1) - The general obligation bonds include the unamortized premiums.



City of Strongsville, Ohio

*Ratio of Net General Obligation Bonded Debt to Estimated Actual Value and Net Bonded Debt Per Capita
Last Ten Years*

Table 12

Year	Population (1)		Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Accumulated Resources Restricted For Repayment	Net General Bonded Debt	Ratio of Net General Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capita
2018	44,750	b	\$4,194,908,788	\$37,050,667	(\$3,848,778)	\$33,201,889	0.79 %	\$741.94
2017	44,750	b	4,115,178,700	40,019,957	(2,848,330)	37,171,627	0.90	830.65
2016	44,750	b	4,064,069,533	42,911,314	(3,418,188)	39,493,126	0.97	882.53
2015	44,750	b	3,984,790,420	43,775,829	(2,468,996)	41,306,833	1.04	923.06
2014	44,750	b	3,983,835,361	45,383,015	(2,217,961)	43,165,054	1.08	964.58
2013	44,750	b	3,953,971,938	46,955,489	(2,402,178)	44,553,311	1.13	995.60
2012	44,750	b	4,084,641,391	49,278,378	(2,383,528)	46,894,850	1.15	1,047.93
2011	44,750	b	4,078,695,735	50,656,267	(3,487,204)	47,169,063	1.16	1,054.06
2010	44,750	b	4,029,002,336	56,585,684	(4,542,450)	52,043,234	1.29	1,162.98
2009	43,858	a	4,533,949,696	58,921,865	(4,786,443)	54,135,422	1.19	1,234.33

Sources:

- (1) U. S. Bureau of Census, Census of Population.
 - (a) 2000 Federal Census
 - (b) 2010 Federal Census
- (2) Office of the County Fiscal Officer, Cuyahoga County, Ohio
- (3) Includes all general obligation bonded debt with the exception of Special Assessment debt and includes unamortized premiums.

City of Strongsville, Ohio

Computation of Direct and Overlapping Debt

December 31, 2018

Table 13

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Strongsville			
General Obligation Bonds (2)	\$37,050,667	100.00%	\$37,050,667
Ohio Public Works Loans	1,846,822	100.00%	1,846,822
Capital leases	18,906	100.00%	18,906
	38,916,395		38,916,395
Overlapping			
Strongsville City School District	73,328,779	99.70%	73,108,940
Cuyahoga County	188,010,000	5.31%	9,979,433
Cuyahoga County Community College	212,260,000	5.31%	11,266,605
	473,598,779		94,354,978
Total	\$512,515,174		\$133,271,373

Source: Office of the County Fiscal Officer, Cuyahoga County, Ohio

- (1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.
- (2) the general obligation bonds includes the unamortized premiums.



City of Strongsville, Ohio

Legal Debt Margin

Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Assessed Property Value	<u>\$1,491,648,870</u>	<u>\$1,462,044,960</u>	<u>\$1,442,908,710</u>	<u>\$1,414,683,340</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>156,623,131</u>	<u>153,514,721</u>	<u>151,505,415</u>	<u>148,541,751</u>
Debt Outstanding:				
General Obligation Bonds (net)-Governmental Activities	\$37,050,667	\$40,019,957	\$42,911,314	\$42,138,543
General Obligation Bonds-Business Type Activities	0	0	0	0
Special Assessment Bonds	0	25,000	50,000	170,000
Bond Anticipation Notes (net)	5,633,444	2,115,729	1,914,735	1,814,445
OPWC Loans	2,809,600	1,955,458	2,064,094	2,172,730
OWDA Loans	<u>1,765,080</u>	<u>2,015,507</u>	<u>2,255,754</u>	<u>2,486,245</u>
Total Gross Indebtedness	47,258,791	46,131,651	49,195,897	48,781,963
Less:				
General Obligation Bonds-Business Type Activities	0	0	0	0
Special Assessment Bonds	0	(25,000)	(50,000)	(170,000)
OPWC Loans	(2,809,600)	(1,955,458)	(2,064,094)	(2,172,730)
OWDA Loans	(1,765,080)	(2,015,507)	(2,255,754)	(2,486,245)
General Obligation Bond Retirement Fund Balance	<u>(2,305,779)</u>	<u>(2,123,783)</u>	<u>(2,709,095)</u>	<u>(1,717,453)</u>
Total Net Debt Applicable to Debt Limit	<u>40,378,332</u>	<u>40,011,903</u>	<u>42,116,954</u>	<u>42,235,535</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$116,244,799</u>	<u>\$113,502,818</u>	<u>\$109,388,461</u>	<u>\$106,306,216</u>
Legal Debt Margin as a Percentage of the Debt Limit	74.22%	73.94%	72.20%	71.57%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$82,040,688</u>	<u>\$80,412,473</u>	<u>\$79,359,979</u>	<u>\$77,807,584</u>
Total Gross Indebtedness	47,258,791	46,131,651	49,195,897	48,781,963
Less:				
Voted General Obligation Bonds	0	0	0	0
General Obligation Bonds-Business Type Activities	0	0	0	0
Special Assessment Bonds	0	(25,000)	(50,000)	(170,000)
OPWC Loans	(2,809,600)	(1,955,458)	(2,064,094)	(2,172,730)
OWDA Loans	(1,765,080)	(2,015,507)	(2,255,754)	(2,486,245)
General Obligation Bond Retirement Fund Balance	<u>(2,305,779)</u>	<u>(2,123,783)</u>	<u>(2,709,095)</u>	<u>(1,717,453)</u>
Net Debt Within 5 ½ % Limitations	<u>40,378,332</u>	<u>40,011,903</u>	<u>42,116,954</u>	<u>42,235,535</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$41,662,356</u>	<u>\$40,400,570</u>	<u>\$37,243,025</u>	<u>\$35,572,049</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	50.78%	50.24%	46.93%	45.72%

Source: City Financial Records

Table 14

2014	2013	2012	2011	2010	2009
<u>\$1,413,357,650</u>	<u>\$1,401,219,540</u>	<u>\$1,445,561,400</u>	<u>\$1,442,739,300</u>	<u>\$1,424,815,490</u>	<u>\$1,524,219,571</u>
148,402,553	147,128,052	151,783,947	151,487,627	149,605,626	160,043,055
\$44,316,084	\$46,402,039	\$48,476,997	\$49,524,838	\$55,780,684	\$57,931,865
0	210,000	415,000	615,000	805,000	990,000
285,000	490,000	680,000	865,000	1,035,000	1,190,000
2,971,206	5,128,534	5,480,914	7,716,240	5,041,458	0
1,996,842	1,206,635	0	0	0	196,634
<u>2,707,382</u>	<u>2,919,553</u>	<u>3,123,128</u>	<u>2,650,708</u>	<u>2,814,500</u>	<u>3,177,782</u>
52,276,514	56,356,761	58,176,039	61,371,786	65,476,642	63,486,281
0	(210,000)	(415,000)	(615,000)	(805,000)	(990,000)
(285,000)	(490,000)	(680,000)	(865,000)	(1,035,000)	(1,190,000)
(1,996,842)	(1,206,635)	0	0	0	(196,634)
(2,707,382)	(2,919,553)	(3,123,128)	(2,650,708)	(2,814,500)	(3,177,782)
<u>(891,164)</u>	<u>(316,301)</u>	<u>0</u>	<u>0</u>	<u>(1,568,792)</u>	<u>(1,265,353)</u>
<u>46,396,126</u>	<u>51,214,272</u>	<u>53,957,911</u>	<u>57,241,078</u>	<u>59,253,350</u>	<u>56,666,512</u>
<u>\$102,006,427</u>	<u>\$95,913,780</u>	<u>\$97,826,036</u>	<u>\$94,246,549</u>	<u>\$90,352,276</u>	<u>\$103,376,543</u>
68.74%	65.19%	64.45%	62.21%	60.39%	64.59%
<u>\$77,734,671</u>	<u>\$77,067,075</u>	<u>\$79,505,877</u>	<u>\$79,350,662</u>	<u>\$78,364,852</u>	<u>\$83,832,076</u>
52,276,514	56,356,761	58,176,039	61,371,786	65,476,642	63,486,281
0	0	0	0	(4,345,000)	(4,680,000)
0	(210,000)	(415,000)	(615,000)	(805,000)	(990,000)
(285,000)	(490,000)	(680,000)	(865,000)	(1,035,000)	(1,190,000)
(1,996,842)	(1,206,635)	0	0	0	(196,634)
(2,707,382)	(2,919,553)	(3,123,128)	(2,650,708)	(2,814,500)	(3,177,782)
<u>(891,164)</u>	<u>(316,301)</u>	<u>0</u>	<u>0</u>	<u>(1,568,792)</u>	<u>(1,265,353)</u>
<u>46,396,126</u>	<u>51,214,272</u>	<u>53,957,911</u>	<u>57,241,078</u>	<u>54,908,350</u>	<u>51,986,512</u>
<u>\$31,338,545</u>	<u>\$25,852,803</u>	<u>\$25,547,966</u>	<u>\$22,109,584</u>	<u>\$23,456,502</u>	<u>\$31,845,564</u>
40.31%	33.55%	32.13%	27.86%	29.93%	37.99%

City of Strongsville, Ohio

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</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 (1)</u>
2018	44,750	\$1,551,393,000	\$34,668	\$78,745	44.2	40.70%
2017	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2016	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2015	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2014	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2013	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2012	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2011	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2010	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2009	43,858	1,303,547,476	29,722	68,660	39.1	37.00%

(1) **Source:** U. S. Census

(a) Year 2009 - 2000 Federal Census

(b) Years 2010 through 2018 - 2010 Federal Census

(2) **Source:** Treasurer's Office, Strongsville City School District

(3) **Source:** U.S. Department of Labor/Bureau of Labor Statistics.

(4) **Source:** Office of the County Fiscal Officer, Cuyahoga County, Ohio

(5) Computation of per capita personal income multiplied by population

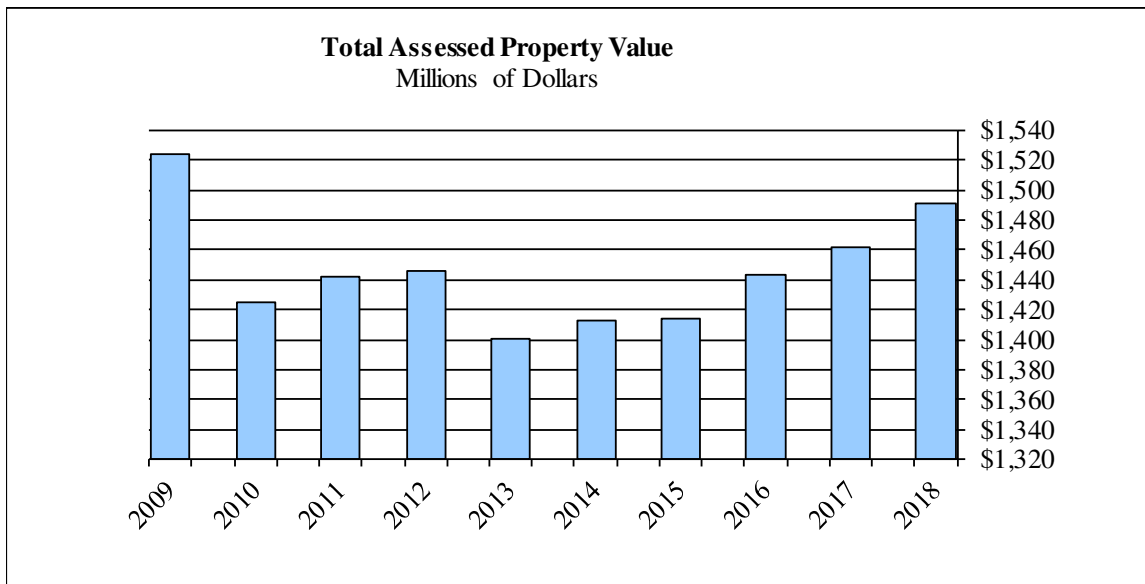


Table 15

<u>School Enrollment (2)</u>	<u>Cuyahoga County Unemployment Rate (3)</u>	<u>Average Sales Price of Residential Property (4)</u>	<u>Total Assessed Property Value (4)</u>
5,497	4.00%	\$221,900	\$1,491,648,870
5,478	4.80%	216,728	1,462,044,960
5,464	5.30%	207,688	1,442,908,710
5,415	4.00%	203,519	1,414,683,340
5,625	6.00%	192,780	1,413,357,650
5,872	7.20%	196,422	1,401,219,540
6,477	6.60%	185,487	1,445,561,400
6,784	7.10%	180,480	1,442,739,300
6,617	8.60%	191,594	1,424,815,490
7,003	9.20%	192,630	1,524,219,571

City of Strongsville, Ohio

Principal Municipal Income Tax Withholders

Current and Nine Years Ago

Table 16

2018		
Employer	Nature of Activity	Percentage of Total Income Tax
PNC Bank (formally National City Bank)	Banking Technology Center	2.59%
Strongsville Board of Education	Education	2.29%
Medical Mutual of Ohio	Healthcare Solutions	2.08%
The Cleveland Clinic Foundation	Outpatient Medical Facility	1.84%
Lamrite West, Inc.	Art Supplies Distributor	1.46%
City of Strongsville	Municipal Government	1.33%
Swagelok Hy-Level Manufacturing	Precision Machine Parts	1.06%
Momentive Performance Material	Producer of Advanced Ceramics	0.89%
Union Home Mortgage	Mortgage Lender	0.86%
CCL Label, Inc.	Pressure Sensitive Adhesive Products	0.86%
Total		15.26%

2009		
Employer	Nature of Activity	Percentage of Total Income Tax
Strongsville Board of Education	Education	3.79%
Akzo Nobel Paints, LLC	U.S. Corporate Headquarters - Paint	2.94%
Medical Mutual of Ohio	Healthcare Solutions	1.89%
National City Bank (now PNC Bank)	Banking Technology Center	1.72%
City of Strongsville	Municipal Government	1.65%
Lamrite West, Inc.	Corporate Headquarters - Art Supplies	1.48%
The Cleveland Clinic Foundation	Outpatient Medical Facility	1.25%
Momentive Performance Material	Producer of Advanced Ceramics	0.90%
PPG Industries, Inc	Powder & Paint Products	0.88%
Swagelok Hy-Level Manufacturing	Precision Machine Parts	0.86%
Total		17.36%

Source: Regional Income Tax Agency (RITA)

City of Strongsville, Ohio

Full-Time City Employees by Function/Program

Last Ten Years

Table 17

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
Council	2	2	2	2	2	2	2	2	2	2
Mayor's Office	3	3	3	3	3	3	3	4	4	4
Human Resources	2	2	2	2	2	2	1	1	1	1
Finance	4	4	4	4	4	4	4	5	5	5
Law	5	4	4	4	4	4	4	4	4	4
Communication & Technology	4	4	4	5	5	4	4	4	4	4
Mayor's Court	1	1	1	1	1	0	1	1	1	1
Security of Persons and Property										
Police										
Officers and Administration	82	79	79	79	78	78	76	80	86	85
Corrections Officers	9	9	9	9	8	6	7	7	7	1
Dispatchers	35	28	30	26	19	13	13	13	13	12
Fire	62	60	62	62	59	60	60	65	66	70
Public Safety	1	1	1	1	1	1	1	0	0	0
Public Health Services										
Cemetery	1	1	1	1	1	1	1	1	1	1
Leisure Time Activities										
Parks	1	1	1	1	1	1	1	1	1	1
Recreation	18	17	17	17	16	16	17	17	19	20
Senior Services	5	5	5	5	5	5	5	6	6	7
Community Environment										
Building	11	10	12	11	11	10	10	10	10	10
Planning	1	1	1	1	1	1	1	1	1	1
Economic Development	1	1	1	1	1	1	1	1	1	2
Public Service										
Administration	8	8	7	8	8	8	5	6	6	8
Street Maintenance	33	35	34	33	31	36	36	39	40	39
Traffic Control	1	1	1	1	2	2	2	2	3	3
Vehicle Maintenance	6	5	5	6	6	5	6	6	6	6
Basic Utility Services										
Engineering	5	5	5	5	5	5	5	6	6	6
Sanitary Sewer Maintenance	7	5	6	6	6	6	7	6	6	7
Totals:	<u>308</u>	<u>292</u>	<u>297</u>	<u>294</u>	<u>280</u>	<u>274</u>	<u>273</u>	<u>288</u>	<u>299</u>	<u>300</u>

Source: City of Strongsville Finance Department

City of Strongsville, Ohio

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2018	2017	2016	2015
General Government				
<i>Council and Clerk</i>				
Number of Ordinances Passed	144	168	182	197
Number of Resolutions Passed	45	54	62	74
Number of Planning Commission docket items	68	66	74	84
<i>Finance Department</i>				
Agency Ratings - Moody's Financial Services	Aaa	Aaa	Aaa	Aaa
Number of AP checks/ EFT's issued	7,333	7,076	7,191	7,243
Number of W2 Forms	660	641	640	639
Amount of checks written	\$36,404,743	\$32,665,070	\$36,826,540	\$38,147,475
Interest earnings for fiscal year (cash basis)	\$985,021	\$630,021	\$336,541	\$142,766
Medical Mutual Premiums: (Medical, Dental, Vision & Rx)				
Over-age Dependents	\$0	\$0	\$0	\$1,950
Family	\$1,780	\$1,735	\$1,713	\$1,681
Single Employees	\$713	\$695	\$686	\$673
Gross Wages	\$26,322,595	\$26,104,967	\$25,106,603	\$25,012,798
Employer Paid:				
Medicare	\$371,115	\$364,059	\$346,185	\$343,729
Ohio Public Employees Retirement System	\$1,842,524	\$1,785,577	\$1,744,627	\$1,729,856
Police Pension	\$1,305,418	\$1,264,735	\$1,239,060	\$1,237,406
Fire Pension	\$1,420,214	\$1,395,388	\$1,355,723	\$1,375,160
Hospitalization	\$4,925,746	\$4,729,139	\$4,688,524	\$4,552,840
Worker's Compensation	\$386,100	\$378,400	\$343,500	\$338,600
Unemployment	\$4,941	\$4,681	\$1,635	\$340
Group Life Insurance	\$94,859	\$95,125	\$91,640	\$88,576
Total Salaries and Fringes (cash basis)	<u>\$36,673,512</u>	<u>\$36,122,071</u>	<u>\$34,917,497</u>	<u>\$34,679,305</u>
General Fund Receipts (cash basis)	\$38,536,834	\$37,351,081	\$37,261,231	\$38,685,905
General Fund Expenditures (cash basis)	\$38,500,172	\$37,335,984	\$37,171,921	\$38,493,997
General Fund Cash Balances	\$8,126,489	\$8,089,827	\$8,074,730	\$7,985,420
Income Taxes collected by the Regional Income Tax				
Agency (RITA) for the calendar year - cash basis	\$35,967,263	\$35,016,752	\$35,005,722	\$34,119,630
RITA's Collection Fee - NET of Retainer Refund	** \$529,003	\$526,460	\$538,003	\$524,680
RITA's Collection Fee - Expressed as a percentage of calendar year collections	1.47%	1.50%	1.54%	1.54%
Annual Utility Payments (Cash Basis)				
Electric	\$1,045,761	\$1,038,006	\$1,048,147	\$1,031,683
Natural Gas	\$144,668	\$124,918	\$110,252	\$130,897
Phone	\$73,898	\$81,605	\$85,800	\$90,691
Cell Phones	\$88,902	\$94,389	\$71,654	\$80,902
Water	\$161,440	\$162,423	\$182,410	\$203,485
Total Utility Payments	<u>\$1,514,669</u>	<u>\$1,501,341</u>	<u>\$1,498,263</u>	<u>\$1,537,658</u>

* 27 pays occurred in 2015

** Estimate in 2018 only

Table 18

2014	2013	2012	2011	2010	2009
191	228	152	166	159	185
60	62	57	49	50	77
70	76	45	38	52	50
Aaa	Aaa	Aaa	Aaa	Aaa	Aa1
7,170	7,275	7,343	7,433	7,325	7,481
594	618	587	594	611	649
\$40,385,721	\$30,598,160	\$29,252,993	\$40,018,865	\$47,302,771	\$48,322,101
\$83,661	\$72,810	\$121,284	\$83,575	\$107,520	\$452,252
\$1,859	\$1,715	\$1,837	\$0	\$0	\$0
\$1,602	\$1,478	\$1,401	\$1,308	\$1,308	\$1,187
\$641	\$592	\$561	\$524	\$476	\$475
\$23,177,955	\$22,700,012	\$22,306,968	\$22,210,142	\$21,742,901	\$21,939,433
\$317,292	\$305,050	\$292,415	\$282,545	\$276,169	\$271,242
\$1,554,453	\$1,492,086	\$1,479,969	\$1,467,952	\$1,448,436	\$1,486,056
\$1,185,446	\$1,165,296	\$1,115,057	\$1,110,376	\$1,110,118	\$1,118,162
\$1,286,195	\$1,239,628	\$1,246,260	\$1,243,296	\$1,201,510	\$1,244,986
\$3,797,061	\$3,879,546	\$3,899,236	\$3,877,306	\$3,624,183	\$3,972,622
\$280,100	\$243,545	\$555,400	\$526,800	\$486,400	\$513,064
\$9,112	\$249	\$9,865	\$655	\$21,444	\$17,941
\$77,898	\$72,981	\$79,041	\$81,960	\$37,075	\$37,483
<u>\$31,685,512</u>	<u>\$31,098,393</u>	<u>\$30,984,211</u>	<u>\$30,801,032</u>	<u>\$29,948,236</u>	<u>\$30,600,989</u>
\$36,301,017	\$34,146,487	\$31,973,112	\$30,891,892	\$30,278,694	\$31,976,357
\$36,235,360	\$33,850,798	\$32,137,577	\$30,866,872	\$30,605,487	\$32,185,566
\$7,793,512	\$7,727,855	\$7,432,166	\$7,596,631	\$7,571,611	\$7,898,404
\$33,135,341	\$31,191,054	\$29,074,716	\$27,896,316	\$26,020,812	\$26,215,912
\$542,729	\$508,552	\$483,085	\$484,766	\$531,262	\$555,042
1.64%	1.63%	1.66%	1.74%	2.04%	2.12%
\$975,722	\$928,925	\$931,944	\$980,121	\$1,173,240	\$1,064,984
\$170,849	\$142,131	\$122,457	\$177,567	\$235,524	\$266,348
\$83,799	\$96,224	\$89,542	\$113,203	\$110,091	\$129,890
\$106,833	\$93,430	\$96,731	\$92,603	\$82,340	\$67,048
\$119,394	\$161,720	\$150,852	\$152,139	\$153,992	\$134,435
<u>\$1,456,597</u>	<u>\$1,422,430</u>	<u>\$1,391,526</u>	<u>\$1,515,633</u>	<u>\$1,755,187</u>	<u>\$1,662,705</u>

City of Strongsville, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Function/Program	2018	2017	2016	2015
Civil Service				
Number of police entry tests administered	1	0	1	1
Number of fire entry tests administered	1	0	1	0
Number of dispatch entry tests administered	1	1	1	1
Number of police promotional tests administered	0	0	3	0
Number of fire promotional tests administered	1	1	0	3
Number of Police Officers hired from certified lists	3	5	1	0
Number of Fire/Medics hired from certified lists	4	3	3	5
Number of Dispatchers hired from certified lists	2	2	8	11
Number of promotions from police certified lists	0	8	7	0
Number of promotions from fire certified lists	1	1	0	7
Engineer Contracted Services				
Dollar amount of Construction overseen by Engineer	\$2,512,000	\$6,512,000	\$5,125,000	\$5,027,000
Community Environment				
Building Department Indicators				
Construction Permits Issued	157	220	235	211
Estimated Value of Construction	\$120,728,264	\$61,443,238	\$88,779,194	\$64,879,265
Number of permits issued	3,630	3,640	3,310	3,313
Amount of Revenue generated from permits	\$1,390,835	\$1,864,170	\$2,117,785	\$1,780,629
Number of contract registrations issued	1,470	1,552	1,551	1,517
Leisure Time Activities				
Recreation				
Number of Memberships	13,848	14,158	14,713	14,492
Number of Adult Sport League Teams	280	259	283	274
Youth Baseball/Softball Participants	1,259	1,050	932	983
Youth Basketball Participants	1,961	1,780	1,697	1,613
Group Exercise/Spinning Participants	29,784	30,526	25,725	26,035
Youth Day Camp Participants	1,287	1,229	1,395	1,214
Youth Tennis Lessons	0	76	54	104
Youth Learn to Swim Participants	2,238	2,220	2,066	2,337
Youth Volleyball Participants	167	106	152	166
Public Health and Welfare				
Cemetery burials	68	55	54	39
Cemetery sale of lots	62	66	62	70
Cemetery receipts	\$52,075	\$56,500	\$59,325	\$49,700
Annual County Board of Health Deduction	\$193,320	\$175,420	\$175,420	\$175,420
Population for County Board of Health (US Census)	44,750	44,750	44,750	44,750
County Board of Health Fee Per Resident	\$4.32	\$3.92	\$3.92	\$3.92

Table 18

2014	2013	2012	2011	2010	2009
0	1	0	1	0	0
0	1	0	1	0	0
0	1	0	0	0	0
0	0	2	0	0	0
1	0	2	3	0	0
0	4	0	0	0	0
0	3	0	0	0	0
9	1	0	0	0	1
0	0	5	0	0	0
0	2	4	2	0	0
\$11,395,000	\$5,575,000	\$3,700,000	\$10,400,000	\$8,000,000	\$1,600,000
187	178	238	227	210	292
\$103,654,033	\$33,262,698	\$23,976,814	\$51,675,210	\$45,196,478	\$63,072,070
3,116	2,813	3,276	3,057	3,026	3,192
\$1,674,506	\$1,155,719	\$1,156,307	\$1,077,020	\$1,034,435	\$1,115,596
1,367	1,460	1,294	1,407	1,438	1,761
13,099	13,162	13,268	13,823	13,826	13,814
253	243	229	239	241	228
1,125	1,207	1,329	1,357	1,530	1,715
1,579	1,447	1,568	1,343	1,391	1,368
29,782	19,735	19,551	18,781	20,161	23,527
1,094	1,016	940	969	985	722
114	106	131	139	147	149
2,114	1,985	1,980	2,014	2,157	1,812
52	0	0	0	0	0
41	54	51	51	54	29
76	74	73	35	33	41
\$57,325	\$57,869	\$56,200	\$44,925	\$49,825	\$46,300
\$175,420	\$171,840	\$171,840	\$162,275	\$162,275	\$162,275
44,750	44,750	44,750	43,858	43,858	43,858
\$3.92	\$3.84	\$3.84	\$3.70	\$3.70	\$3.70

City of Strongsville, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Function/Program	2018	2017	2016	2015
Basic Utility Services				
Solid Waste Disposal (tonnage)	22,750	21,263	22,542	22,720
Solid Waste Disposal Costs	\$2,388,701	\$2,320,890	\$2,254,273	\$2,123,246
Recycled Materials (tonnage)	10,062	10,255	9,525	9,949
Recycled Materials as a percentage of Total Waste	31.0%	33.0%	30.0%	31.0%
Number of Residential Units	15,680	15,680	15,680	15,680
Cost per Residential Unit	\$7.78	\$7.56	\$7.36	\$6.67
Landfill Tipping Fee (Per Ton)	\$38.83	\$37.70	\$36.61	\$36.61
Security of Persons & Property				
<i>Police</i>				
Number of traffic citations issued	5,944	7,559	4,310	4,326
Number of parking citations issued	258	370	490	362
Number of criminal arrests	2,493	2,953	1,746	2,147
Number of accident reports completed	940	916	994	939
Part 1 Offenses (major offenses)	795	876	942	972
Animal Warden service calls	469	525	459	373
DUI Arrests	115	152	165	144
Prisoners	1,776	1,765	1,795	1,676
Prisoner meal costs	\$21,480	\$16,670	\$17,441	\$17,737
Motor Vehicle Accidents	1,779	1,156	1,418	1,391
Fatalities from Motor Vehicle Accidents	0	1	3	1
Community Diversion Program Youths	74	76	106	77
Community Diversion Program - community service hours	1,157	1,419	1,609	889
<i>Fire</i>				
EMS Calls	4,330	3,984	3,923	3,837
EMS Transports	3,550	3,234	3,204	3,172
Utilization Charges				
Resident or Real Property Owner				
BLS with Transport	\$550	\$550	\$550	\$450
ALS I with Transport	\$650	\$650	\$650	\$600
ALS II with Transport	\$900	\$900	\$900	\$750
Per Mile Charge	\$12	\$12	\$12	\$10
Non-Resident				
BLS with Transport	\$550	\$550	\$550	\$450
ALS I with Transport	\$650	\$650	\$650	\$600
ALS II with Transport	\$900	\$900	\$900	\$750
Per Mile Charge	\$12	\$12	\$12	\$10
All Users				
Treatment, No Transport	\$450	\$450	\$0	\$0
Lift Assist	\$50	\$50	\$0	\$0
Ambulance Billing Collections	\$1,093,647	\$1,006,793	\$1,003,354	\$1,040,233
Fire Calls	1,836	1,665	1,489	1,396
Fires with Loss	24	17	20	26
Fires with Losses exceeding \$10K	10	10	5	7
Fire Losses \$	\$1,413,050	\$1,077,050	\$329,836	\$505,326
Fire Safety Inspections	1,617	1,267	1,419	931
Number of times Mutual Aid given to Fire and EMS	131	124	98	133
Number of times Mutual Aid received for Fire and EMS	47	71	40	38

Table 18

2014	2013	2012	2011	2010	2009
23,618	22,803	22,681	21,768	21,692	21,902
\$2,072,706	\$1,952,676	\$1,940,969	\$1,987,709	\$2,502,621	\$2,514,131
9,645	8,283	8,553	9,105	9,720	10,132
29.0%	27.0%	27.0%	29.0%	31.0%	32.0%
15,680	15,680	15,680	15,680	15,146	15,146
\$6.48	\$6.29	\$6.13	\$6.01	\$7.55	\$7.55
\$35.54	\$34.50	\$33.66	\$33.00	\$43.62 - \$45.24	\$43.62 - \$45.24
4,236	3,793	3,304	3,450	3,952	4,745
562	377	419	302	261	472
2,449	2,466	1,916	1,601	1,226	1,319
940	937	1,134	1,374	1,398	1,399
848	806	1,040	1,080	963	985
354	384	402	441	366	457
218	239	242	354	284	273
1,441	1,420	1,521	1,219	822	734
\$18,761	\$13,706	\$18,294	\$17,922	\$20,977	\$24,491
1,439	1,637	1,751	1,865	1,810	1,758
1	1	1	0	2	2
76	48	63	98	99	98
988	762	700	1,435	1,819	1,209
3,473	3,664	3,560	3,246	3,410	3,058
2,785	2,845	2,795	2,683	2,717	2,398
\$450	\$450	\$450	\$300	\$300	\$300
\$600	\$600	\$600	\$400	\$400	\$400
\$750	\$750	\$750	n/a	n/a	n/a
\$10	\$10	\$10	\$6	\$6	\$6
\$450	\$450	\$450	\$400	\$400	\$400
\$600	\$600	\$600	\$450	\$450	\$450
\$750	\$750	\$750	n/a	n/a	n/a
\$10	\$10	\$10	\$6	\$6	\$6
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$789,143	\$940,023	\$993,234	\$937,404	\$916,097	\$752,969
1,363	1,424	1,213	630	471	596
34	69	35	79	92	114
5	11	15	6	5	7
\$580,996	\$1,100,476	\$1,414,850	\$301,000	\$767,000	\$3,795,000
1,272	1,076	940	652	727	622
89	40	34	61	57	53
21	22	38	20	17	19

City of Strongsville, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Function/Program	2018	2017	2016	2015
Transportation				
Street Improvements - asphalt overlay (cubic yds)	4,019	4,417	2,736	2,877
Street Repair (Curbs, aprons, berms, asphalt) (hours)	22,992	22,288	22,680	20,352
Guardrail Repair (hours)	24	240	32	328
Cold Patch (hours)	3,240	1,672	1,704	1,968
Snow & Ice Removal (hours)	4,040	3,144	3,240	6,296
Sewer Crew Calls (hours)	5,936	5,752	5,112	5,408
Sewer Crew Preventive Maintenance (hours)	3,760	5,096	5,622	6,528
Sewer Jet & Vactor (hours)	3,456	3,368	3,008	1,976
Landscaping Stump-Chipper service (hours)	5,240	6,192	6,504	6,872
Leaf collection (hours)	6,128	5,336	5,784	4,408
Holiday Lighting & Special Events setup (hours)	824	776	728	528
Square Repair after Special Events (hours)	4,392	3,984	6,072	4,656
Equipment & Vehicle Repair (hours)	11,976	9,976	9,600	11,504
Sign Department (hours)	2,272	2,264	1,912	2,288
Park Maintenance (hours)	8,656	7,808	7,840	5,632
Utility Repair (hours)	3,784	3,824	3,824	3,376
Senior Bus Trips (hours)	743	750	902	762
Animal Control (hours)	2,857	2,949	2,963	2,921
Cemetery (hours)	3,888	3,848	5,320	3,728
Miscellaneous Repairs & Maintenance (hours)	3,008	2,800	2,928	2,400
Number of Trees Planted per year	352	290	283	219
Tons of snow melting salt purchased	11,000	10,050	8,800	10,500
Cost of salt purchased	\$417,904	\$293,750	\$465,112	\$561,946
Gallons of snow & ice road pretreatment purchased	18,504	40,423	9,500	4,500
Cost of snow & ice road pretreatment	\$14,431	\$31,530	\$7,353	\$3,235
Unleaded Fuel Average Price per Gallon	\$2.81	\$2.37	\$2.26	\$2.31
Unleaded Fuel Gallons Used	86,798	85,377	88,904	95,223
Cost of Unleaded Fuel Used	\$243,902	\$202,343	\$200,923	\$219,965
Diesel Fuel Average Price per Gallon	\$2.46	\$1.97	\$1.76	\$1.93
Diesel Fuel Gallons Used	68,714	65,950	67,213	79,838
Cost of Diesel Fuel Used	\$169,036	\$129,922	\$118,295	\$154,087

Table 18

2014	2013	2012	2011	2010	2009
2,372	2,147	2,201	4,183	7,139	6,490
20,212	23,592	25,664	22,881	38,226	53,572
24	296	16	16	184	352
2,440	2,336	1,616	4,948	7,324	9,700
7,392	4,312	3,568	5,416	7,072	8,728
4,156	3,968	3,544	4,088	5,815	7,542
7,324	7,744	14,144	9,152	9,934	10,716
3,168	2,088	1,832	632	2,812	4,992
8,556	7,352	5,944	3,776	8,288	12,800
4,728	4,184	4,048	3,172	5,812	8,452
440	416	444	564	883	1,202
4,428	4,624	4,648	4,580	5,090	5,600
11,344	10,480	14,403	13,280	19,112	24,944
3,056	3,360	4,439	4,040	6,482	8,924
5,144	5,584	6,560	8,658	12,262	15,866
4,056	5,040	5,344	5,058	7,713	10,368
576	528	703	526	800	1,074
2,893	2,779	2,869	2,389	3,646	4,903
3,824	3,584	3,272	2,679	4,490	6,302
4,288	2,816	2,376	2,760	3,732	4,704
334	434	269	225	340	324
12,500	6,386	10,622	14,200	13,400	12,000
\$586,080	\$217,242	\$476,321	\$641,228	\$583,302	\$474,840
13,101	18,449	4,708	23,561	7,870	5,080
\$9,302	\$19,925	\$4,849	\$22,854	\$10,791	\$9,499
\$3.34	\$3.37	\$3.50	\$3.38	\$2.65	\$2.26
86,511	84,355	93,470	94,605	104,053	107,151
\$288,947	\$284,276	\$327,145	\$319,765	\$275,740	\$242,161
\$3.42	\$3.46	\$3.55	\$3.39	\$2.60	\$2.13
83,003	73,433	74,380	78,118	88,742	82,246
\$283,870	\$254,078	\$264,049	\$264,820	\$230,729	\$175,184

City of Strongsville, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Function/Program	2018	2017	2016	2015
Wastewater Department				
Wastewater Treatment Plants Annual Costs	\$3,645,090	\$2,494,951	\$2,061,133	\$2,186,786
Total flow of wastewater treatment plants (Billions of Gallons)	0.692	0.740	0.651	0.633
Average daily flow (Millions of gallons per day)	1.893	2.030	1.777	1.734
Tons of dry sludge removed	447.03	326.94	308.61	325.81
Wastewater Rates (billed Quarterly based on Water Consumption)				
Regular rates per MCF (7,480 gallons)				
Wastewater Treatment Rate - NEORS/D/City of Strongsville	\$89.60	\$84.60	\$79.85	\$71.75
Wastewater Local Rate - City of Strongsville	\$13.39	\$13.39	\$13.39	\$13.39
Wastewater Combined Rate	\$102.99	\$97.99	\$93.24	\$85.14
City of Strongsville Quarterly/Monthly Fee	*** \$3.33	\$3.33	\$10.00	\$10.00
Homestead rates per MCF (7,480 gallons)				
Wastewater Treatment Rate - NEORS/D/City of Strongsville	\$53.85	\$50.85	\$48.05	\$43.25
Wastewater Local Rate - City of Strongsville	\$6.89	\$6.89	\$6.89	\$6.89
Wastewater Combined Rate	\$60.74	\$57.74	\$54.94	\$50.14
City of Strongsville Quarterly/Monthly Fee	*** \$1.66	\$1.66	\$5.00	\$5.00
Minimum quarterly consumption charge - treated by NEORS/D	Actual	Actual	Actual	Actual
Quarterly Fixed Charge - treated by NEORS/D	\$14.85	\$10.80	\$7.20	\$6.90
Minimum quarterly consumption charge - treated by Strongsville	Actual	Actual	Actual	Actual
City of Cleveland Water's billing agent fee (per bill)	*** \$1.58	\$1.56	\$4.65	\$4.65

*** Changed to monthly on January 1, 2017

Table 18

2014	2013	2012	2011	2010	2009
\$1,968,161	\$1,870,785	\$1,501,078	\$1,594,819	\$1,444,869	\$1,424,765
0.661	0.637	0.625	0.787	0.748	0.636
1.810	1.746	1.714	2.156	2.031	1.741
309.24	344.74	305.63	317.81	303.03	290.39
\$64.55	\$58.15	\$52.55	\$48.00	\$44.25	\$40.90
\$13.39	\$13.39	\$13.39	\$13.39	\$13.39	\$13.39
\$77.94	\$71.54	\$65.94	\$61.39	\$57.64	\$54.29
\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
\$38.95	\$35.15	\$31.75	\$32.25	\$29.70	\$27.45
\$6.89	\$6.89	\$6.89	\$6.89	\$6.89	\$6.89
\$45.84	\$42.04	\$38.64	\$39.14	\$36.59	\$34.34
\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Actual	Actual	Actual	1 MCF	1 MCF	1 MCF
\$6.60	\$6.30	\$5.85	n/a	n/a	n/a
Actual	Actual	Actual	Actual	Actual	Actual
\$4.58	\$4.52	\$4.44	\$4.30	\$4.21	\$4.26

City of Strongsville, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Table 19

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
Square Footage Occupied	9,334	9,334	9,334	9,334	9,334	9,334	9,334	9,334	9,334	9,334
Administrative Vehicles	3	3	3	4	4	4	3	3	3	2
Buildings & Inspection Vehicles	6	6	11	9	9	9	9	9	9	9
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	60,116	60,116	60,116	60,116	60,116	60,116	60,116	60,116	60,116	17,370
Vehicles	69	69	67	61	59	61	61	61	60	60
Fire										
Stations	4	4	4	4	4	4	4	4	4	4
Square Footage of Station # 1	10,651	10,651	10,651	10,651	10,651	10,651	10,651	10,651	10,651	10,651
Square Footage of Station # 2	5,745	5,745	5,745	5,745	5,745	5,745	5,745	5,745	5,745	5,745
Square Footage of Station # 3	8,360	8,360	8,360	8,360	8,360	8,360	8,360	8,360	8,360	8,360
Square Footage of Headquarters	36,194	36,194	36,194	36,194	36,194	36,194	36,194	36,194	36,194	36,194
Vehicles	25	25	23	27	26	24	21	20	20	20
Recreation										
Number of Parks	8	8	8	8	8	8	8	8	8	7
Number of Pools	3	3	3	3	3	3	3	3	3	3
Number of Tennis Courts	6	6	6	6	6	6	6	6	6	6
Number of Baseball Diamonds	18	18	18	18	18	18	18	18	18	15
Number of Soccer Fields	18	18	18	18	18	18	18	18	17	17
Number of Football Fields	1	1	1	1	1	1	1	1	1	1
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Recreation Centers Square Footage	149,721	149,721	149,721	149,721	149,721	149,721	149,721	149,721	149,721	149,721
Vehicles	11	11	11	8	9	9	10	10	10	10
Other Public Works										
Streets (Center Line Miles)	212	211	211	210	204	203	202	202	202	202
Bridges	1	1	1	1	1	1	1	1	1	1
Culverts	189	189	189	189	189	188	187	187	187	187
Water Lines (Miles)	196	195	195	197	196	195	195	194	194	194
Service Vehicles	83	85	73	67	65	62	68	67	64	62
Wastewater										
Wastewater Treatment Plants	2	2	2	2	2	2	2	2	2	2
Wastewater Collection Systems	19	18	18	18	18	18	18	16	15	15
Wastewater Sewers (Miles)	192	191	191	190	188	188	188	186	186	186
Storm Sewers (Miles)	207	206	206	204	195	195	195	194	190	190
Vehicles	23	27	27	23	22	21	21	21	21	21

Source: City of Strongsville Finance and Engineering Departments



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OHIO AUDITOR OF STATE
KEITH FABER



CITY OF STRONGSVILLE

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
JULY 9, 2019**