

**CITY OF SOLON
CUYAHOGA COUNTY, OHIO**

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2019**

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

OHIO AUDITOR OF STATE
KEITH FABER



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

City Council
City of Solon
34200 Bainbridge Road
Solon, Ohio 44139

We have reviewed the *Independent Auditors' Report* of the City of Solon, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2019 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

August 19, 2020

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**CITY OF SOLON
CUYAHOGA COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019**

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**CITY OF SOLON
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2019**

FEDERAL GRANTOR/ <i>Pass-Through Grantor/ Program/Title</i>	Federal CFDA Number	Grant Number	Total Federal Expenditures
<u>U.S. Department of Transportation</u>			
Federal Highway Administration			
<i>Passed through Ohio Department of Transportation</i>			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	89260	\$ 541,056
Highway Planning and Construction	20.205	93607	1,509,396
Total Highway Planning and Construction Cluster			<u>2,050,452</u>
Total U.S. Department of Transportation			<u>2,050,452</u>
<u>U.S. Environmental Protection Agency</u>			
<i>Passed through the Ohio Environmental Protection Agency</i>			
Nonpoint Source Implementation Grants	66.460	N/A	3,315
Total U.S. Environmental Protection Agency			<u>3,315</u>
Total Expenditures of Federal Awards			<u>\$ 2,053,767</u>

See notes to the Schedule of Expenditures of Federal Awards.

**CITY OF SOLON
CUYAHOGA COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Solon (the City) under programs of the Federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Solon, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Solon.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3: INDIRECT COST RATE

The City of Solon has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4: MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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

*Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

To the Members of City Council
City of Solon
Solon, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Solon, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 14, 2020, wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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



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

July 14, 2020

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

*Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

To the Members of City Council
City of Solon
Solon, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

Report on Compliance for Each Major Federal Program

We have audited the City of Solon, Cuyahoga County, Ohio's (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended December 31, 2019. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Solon complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

Report on Internal Control over Compliance

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated July 14, 2020, which contained unmodified opinions on those financial statements, wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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



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

July 14, 2020

**CITY OF SOLON
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 DECEMBER 31, 2019**

1. SUMMARY OF AUDITOR'S RESULTS

2019(i) Type of Financial Statement Opinion	Unmodified
2019(ii) Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2019(ii) Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2019(iii) Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2019(iv) Were there any material internal control weaknesses reported for major Federal programs?	No
2019(iv) Were there any significant deficiencies in internal control reported for major Federal programs?	No
2019(v) Type of Major Programs' Compliance Opinion	Unmodified
2019(vi) Are there any reportable findings under 2 CFR 200.516(a)?	No
2019(vii) Major Programs (list): Highway Planning and Construction Cluster - CFDA #20.205	
2019(viii) Dollar Threshold: Type A\B Programs	Type A: \$750,000 Type B: All Others
2019(ix) Low Risk Auditee?	No

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**CITY OF SOLON
CUYAHOGA COUNTY, OHIO
SCHEDULE OF PRIOR FINDINGS AND RECOMMENDATIONS
DECEMBER 31, 2019**

The prior audit report, as of December 31, 2018, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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Comprehensive Annual
Financial Report

For The Year Ended
December 31, 2019

Comprehensive Annual
**Financial
Report**



Introductory Section

**For The Year Ended
December 31, 2019**

City of Solon, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2019

*Prepared by the Department of
Finance*

*Matthew Rubino
Director of Finance*

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City of Solon, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2019
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July 14, 2020

Residents of the City of Solon
Honorable Mayor Edward H. Kraus and
Members of Solon City Council:

It is my distinct honor and privilege to present to you the City of Solon's (the City) Comprehensive Annual Financial Report (CAFR). This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a Generally Accepted Accounting Principle (GAAP) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file an annual unaudited report with the Auditor of State within 150 days of year end.

The Administration of the City of Solon assumes full responsibility for 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.

Under Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting (IPA) firm.

For the year 2019, the City of Solon was audited by James G. Zupka, CPA, Inc. Their unmodified opinion is included in the financial section of this report.

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

Reporting Entity

The City of Solon is located in the southeast corner of Cuyahoga County about 15 miles southeast of downtown Cleveland. It was originally organized as a township around 1825, and became a village in 1938. On November 2, 1954, the voters of Solon approved a charter. Solon officially gained the status of City in 1960.

The form of government established by the Charter is the Mayor and Council format. There are seven City Council members; each is elected from a ward, for a term of four years. The Mayor's term is also four years beginning on December 1st of the appropriate election year. The Mayor appoints all department directors, with a required confirmation of City Council pursuant to applicable language in the City Charter.



The current population of the City stands at approximately 23,000 and the City's geographical location enables residents to participate in employment opportunities in proximity of the greater Akron and Cleveland areas. Solon benefits from its proximity to State Route 422 which promotes immediate access to the various local interstate highways that make up the regional transportation network.

Pursuant to Governmental Accounting Standards Board Statement No.14 and Statement No.61, the City of Solon has included in this report all funds, agencies, boards and commissions for which the City is financially accountable.

City Services

The City of Solon provides a full range of services to its citizens. The Police Department protective services include patrol, investigations, jail facilities, drug resistance programs and safety schools. The Fire Department provides fire protection service including regular safety inspections, emergency medical services and fire safety education. Additionally, the City has a Service Department that provides free refuse collection, leaf and brush pickup, recycling, road maintenance and repair, storm sewer maintenance and repair, snow plowing services, operation of two cemeteries, as well as provision of various other supportive services to residents.

The City offers residents a comprehensive offering of community life programming. The Recreation Department sponsors a full range of activities from its headquarters in the City's Community Center. The Senior Services Department operates from the Senior Center wing of the Community Center and provides a multitude of programs ranging from physical fitness activities to weekly trips and guest speakers. The City is also fortunate to operate its own Solon Center for the Arts which has served to culturally enrich the community, its residents and has served as an important educational tool for the children participating in theater, art and music events.

The City presently has two enterprise operations; Grantwood Golf Course and the Water Reclamation Treatment Plant. The operating expenses of both of these City enterprises have been, and continue to be, covered by user or program fees. Part of the financial management efforts of the City are directed to monitoring and analyzing programs for these two enterprise funds. This oversight is to ensure that ongoing revenues are adequate to support ongoing operations and to maintain acceptable levels of cash resources in each of the operating funds.

For the past nine years, the City has administered billing and collection of fees associated with maintenance of the storm and sanitary systems for residents and businesses. This function was previously performed by the City of Cleveland Division of Water prior to the City's assuming control. The City's implementation of administering sewer billing was undertaken as a means to increase its level of customer service to its residents in a more cost effective manner. The City has continued to realize the benefits of administering billing services and user fee revenue from this utility service have remained stable over the ensuing years.



The administrative functions of the City include planning and zoning, economic development, building (permits and inspection), engineering, human resources, legal, finance, and information technology. Beginning in January 2015, the City began using the Regional Income Tax Agency (RITA) to administer and collect municipal income taxes. The net cost of collections for 2019 was 0.95 percent of total collections as determined by the Agency. The City strives to optimize its administrative departments to provide effective management of City operations to achieve the defined strategic goals of the City. The efficient use of administrative services within the City government has enabled the City to allocate resources to the critical functions of public safety and general services.

Solon City Council is required to adopt the annual budget by no later than the close of the fiscal year. The Administration is responsible for submitting an annual operating and capital budget to City Council for consideration. The annual budget serves as the foundation for the City's financial planning and control. The annual operating budget is prepared by fund, and department and appropriated by the expenditure categories of personal services and other expenditures. Department heads may request to transfer resources within their area of responsibility if deemed necessary and in fulfillment of approved departmental objectives. Appropriation amendments or transfers between legally approved budget categories require review and approval by the Finance Committee and City Council.

Economic Condition & Outlook

The proof of the viability and success of the City of Solon is evident in the numerous accreditations the City has been noted for in recent years. For another year, Solon ranked #5 on Cleveland Magazine's 2019 Rating the Suburbs List. Niche.com ranked Solon #2 on its 2020 list of Best Places to Live in the Cleveland area.

Solon High School is again among the top schools in Ohio and the nation according to the 2019 U.S. News & World Report Best High Schools rankings. In 2019, Cleveland Magazine ranked #1 in the education category for the 11th consecutive year. On the State of Ohio's 2018-2019 school district report cards, Solon City Schools ranked #1 in the state for "performance index", a key measure of student achievement.

The City is currently home to more than 900 businesses which positively impacts the daytime population of the community. In 2019, Solon welcomed 47 new businesses to the City and assisted 3 additional businesses with relocations or expansions within the City. The City is able to attract new businesses because of its ideal location, freeway access, excellent city services, and proactive economic development program.

In the City's analysis of the most current U.S. Census Economic Census, Solon's manufacturing sector compared favorable to other communities in Ohio. In a sampling of 20 cities, including Ohio's largest cities and local communities known for their manufacturing presence, Solon ranked 5th in the number of people employed by manufacturing companies, just behind Cleveland, Columbus, Cincinnati, Toledo and Dayton. The Census is taken every five years. Of the 20 cities included in the analysis, Solon was one of four that showed a gain in manufacturing jobs since the previous census.



The City's Economic Development Department manages the Job Creation Grant Program. This incentive program provides grants to Solon companies predicated and computed on a portion of the payroll withholding tax paid to the City on newly created jobs. For the fifteen job creation grants administered in 2019, the City invested \$2,657,583 and realized a net gain of \$6,919,372 in new payroll tax receipts, along with 2,145 new jobs. The 2019 program directly contributed to retaining 4,855 jobs within the City in addition to the cited job gains. The City also has one active Enterprise Zone agreement and one Community Reinvestment Area agreement. In addition, the City provided financial assistance for one renovation project through its Growth & Revitalization Incentive Program.

The success of our economic development program and the attractiveness of our City and services to members of the business community may be measured by the level of municipal income tax collections collected by the City. Steady income tax collections and a stable housing market, are strong indicators of the financial strength of our community and the strong presence Solon maintains in Northeast Ohio as a leader in economic development. Solon is fortunate to be in a strong financial position that does not require or contemplate increases in income or property tax rates at any point in the future. The consistent stability of these two sources of local revenue has contributed to the ongoing financial success of the City.

Long-term Financial Planning

The City's Administration and Council have a long established a policy of maintaining a five-year plan for personnel and capital expenditures. The budget plan is updated by the administration and reviewed every year by the Council Finance Committee during the annual budget hearing process.

Included in the five-year plan is a schedule of infrastructure projects to be paid from the Infrastructure Capital Improvement Fund. This fund receives one-half of one percent (25 percent of receipts) of City income tax each year as enacted by a levy approved by voters in 1995.

Capital expenditures for new buildings, vehicles and equipment are also included in the five year plan. The City has allocated approximately \$2.5 million per year on average towards these purposes and continues to allocate funding each year. The inclusion of general capital in the multi-year planning process encourages identifying project funding for acquisition two or three years before they it is needed and allows the City to accommodate scheduled capital replacements and emergency expenditures without burdening or restructuring the current year budget. Investment in general capital needs with via cash funding of projects has continued without the necessity to utilize any new debt financing.

Relevant Financial Policies

The City has maintained a policy of matching annual expenditures in the budget with estimated current revenues. Adhering to this policy has enabled the City to build-up maintain cash reserves that are adequate to insulate the City's finances from a potential shortfall in income tax receipts or economic downturn. The City has adopted a General Fund Cash Reserve Policy that establishes the use of cash reserves and sets a standard for the amount of the annual unencumbered ending balance in the General Fund. Compliance with the above policies are monitored on a periodic basis throughout the year.



In early 2013, the City took an additional step towards promoting long-term financial stability by establishing a Budget Stabilization (“rainy day”) Fund that is used to segregate resources that will only be employed should pre-determined economic stress levels be reached. Transfers from the General Fund have been made each year and the fund balance was \$7.5 million as of the end of 2019. The combination of accumulating unencumbered cash reserves and maintaining a separate rainy day fund demonstrates the City’s resolve with respect to prudent fiscal management and planning.

The City has been able to maintain and follow a plan to minimize its debt over the past ten years. The City no longer has any bonded debt outstanding and the debt of the City consists of \$5.2 million in loans outstanding that were issued to fund improvements of water and sewer infrastructure. The reduction in debt burden was achieved as a result of concerted efforts to limit the unnecessary expansion of general operating expenditures and by directing available funds to retire outstanding debt.

In addition to minimizing the use of debt financing, the City’s capital planning process incorporates annual investments in general capital needs with an emphasis on cash funding approved projects. This approach to capital planning has enabled the City to address ongoing capital needs while maintaining operational balance in the general fund.

Major Initiatives

The City continued its annual focus on capital improvements to provide for the upgrade, maintenance and improvement of street and sewer infrastructure and buildings and equipment. The City allocates resources on an annual basis from income tax collections and other sources to invest in capital needs. This continual investment of improving City infrastructure and capital assets is necessary in order to provide Solon residents and businesses the highest level of services possible.

Solon allocates resources to fund the improvement of its roadways and City streets which are a critical component of the City’s infrastructure. In 2019 the City of Solon expended \$14.7 million towards improvement projects and the ongoing maintenance of its various thoroughfares. A major intersection improvement project at SOM Center and Aurora roads was completed in 2019 and is expected to usher in a new series of development along this vital corridor of the City’s retail district. The investments were made possible by a portion of income tax collections dedicated for this purpose and the ability to leverage \$1.6 million in federal highway dollars as a secondary source to fund the costs of infrastructure projects.

The primary focus of the Administration and Council is to conduct operations as any successful chief executive officer or board of directors runs their business. It is imperative that the approach of Solon employees and elected officials remains centered on structured leadership and management principles that are designed to increase the City’s efficiency as an entity and improve the stewardship and accountability to the community. It is to these ends that the City has given primacy to the use of economic development tools for the continued attraction and retention of businesses.



Below are the major economic development projects that took place in 2019.

- Swagelok Manufacturing started construction its new Global Headquarters and Innovation Center alongside its existing facility on Solon Road. The new center will add 134,000 square feet and add an estimated \$27 million in real property value to the site. Solon was able to leverage an incentive proposal that included a job creation grant and property tax abatement components to secure the expansion of the major employer.
- Among other industrial area businesses that located or expanded in Solon in 2019 and occupied 10,000 square feet or more are Brennan Industries, Loan Protector, and Swagelok Manufacturing.
- Omni Senior Living started construction on its senior living facility across from Uptown Solon that includes a 105,000 square foot 4-story building with 90 independent living apartments and a 45,000 square foot 3-story building with 42 assisted living apartments and 18 memory care units. It is slated for a planned opening in 2020. Omni also started construction on its Global Headquarters next door which will also open in January, 2020.
- A new Mobil gas station on the southwest corner of Aurora Road and Solon Blvd. was renovated with a 386 square foot addition to the rear, replacement of the gas pumps and canopy, a convenience store component and new façade.

In addition, the following projects were announced:

- The retail/commercial sector saw unprecedented activity with the completion of new construction projects for Aldi's (27,264 square foot), Hobby Lobby, Rita's Salon and Spa, Yours Truly (5,000 square foot) and Chick-Fil-A (4,821 square foot).
- All of the above projects and programs serve to strengthen the City in terms of long term financial goals and continue our reputation as a wonderful place to live, raise a family, and operate a business.

Awards and Acknowledgements

Awards

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 Solon for its comprehensive annual financial report for the fiscal year ending December 31, 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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



Acknowledgements

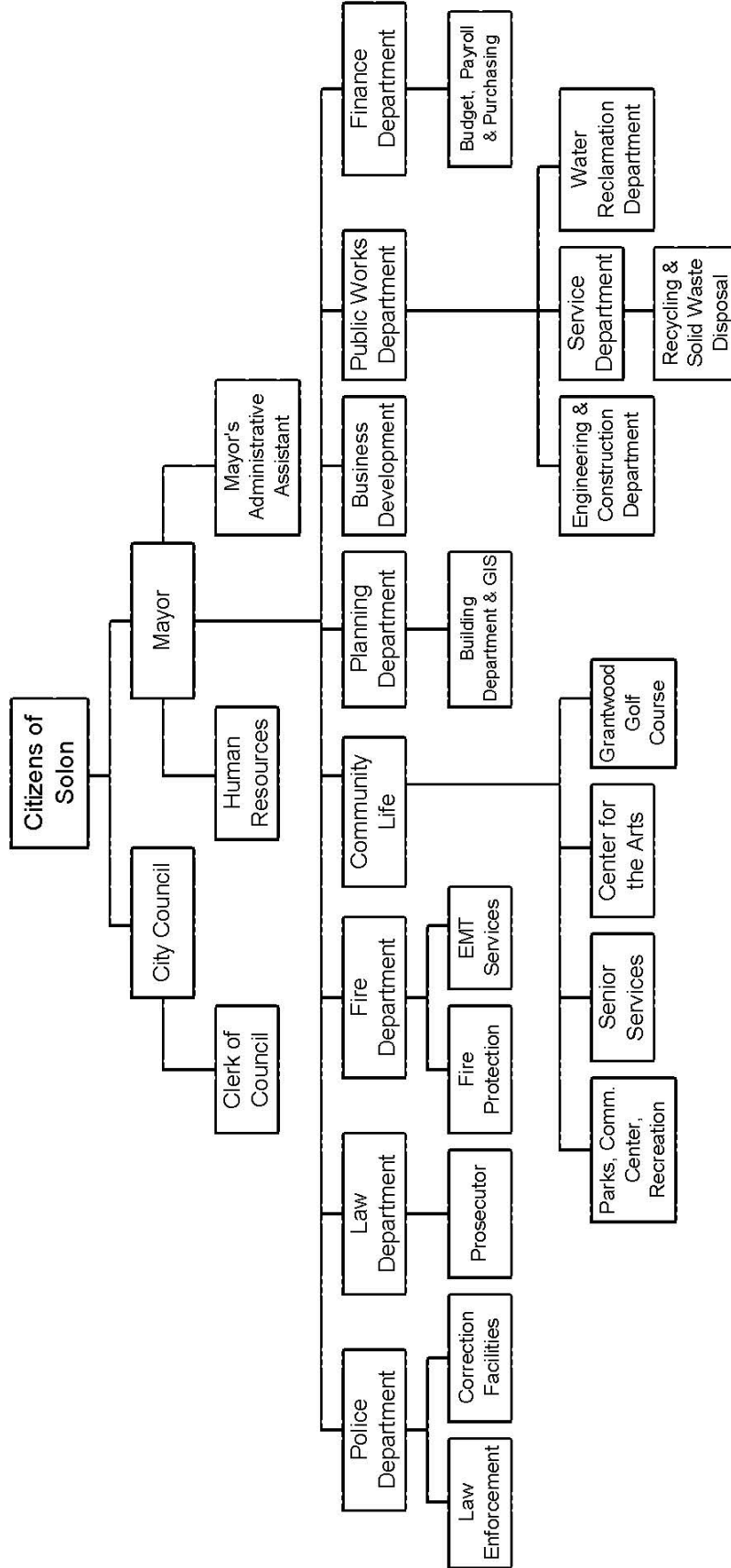
The preparation of this report would not be possible without the diligent and valuable work by the dedicated members of our Finance Department and various other staff within the Administration. Their efforts are greatly appreciated. In addition, my gratitude and compliments extend to the Auditor of State's Section of Local Government Services who assisted greatly in the production of this report. Finally, I would extend a thank you to Mayor Edward H. Kraus and current members of City Council and the Council Finance Committee for their continued support of the Finance Department and for recognizing the benefit of compiling a Comprehensive Annual Financial Report.

Respectfully submitted,

A handwritten signature in blue ink, which appears to read "Matthew Rubino". The signature is fluid and cursive, with a large loop at the end.

Matthew Rubino
Director of Finance
City of Solon, Ohio

CITY OF SOLON
Organizational Chart
December 31, 2019



City of Solon, Ohio

Principal Officials

December 31, 2019

Elected Officials

Edward H. Kraus Mayor

City Council

Douglas A. Magill (1) Ward 1

Robert N. Pelunis Ward 2

Jeremy A Zelwin Ward 3

Marc R. Kotora Ward 4

Nancy E. Meany Ward 5 (Vice Mayor)

Robert P. Shimits Ward 6

William I. Russo Ward 7

Carol J. McConoughey Clerk of Council (appointed)

Appointed Officials

Thomas G. Lobe Director of Law

Matthew Rubino Director of Finance

Richard A. Tonelli (2) Chief of Police

William J. Shaw Chief of Fire and Rescue

Robert S. Frankland Director of Planning

Donald W. Holub Director of Recreation

Jill K. Frankel Director of Senior Services

William J. Drsek (3) Public Works Commissioner

John J. Busch Director of Engineering

Thomas Bandiera (4) Director of Service

Fred D. White Chief Building Official

Paul J. Solanics Director of Water Reclamation

Jim Gibbs Director of Information Technology

(1) Doug Magill was unseated by Eugene Macke Bentley in the November 3, 2019 election.

(2) Richard Tonelli was appointed Chief on October 7, 2019 upon the retirement of Christopher Viland.

(3) William Drsek was appointed as Public Works Commissioner on October 22, 2018.

(4) Thomas Bandiera was appointed as interim Service Director on January 2, 2019.



Government Finance Officers Association

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

Presented to

**City of Solon
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrill

Executive Director/CEO

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Comprehensive Annual
**Financial
Report**



Financial Section

**For The Year Ended
December 31, 2019**

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

*Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of City Council
City of Solon
Solon, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

As discussed in Note 23 to the basic financial statements, during 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying

accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 14, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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

July 14, 2020

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City of Solon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

The discussion and analysis of the City of Solon's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2019. The intent of this discussion and analysis is to look at the City's financial performance as a whole. To obtain a more detailed understanding, readers should also review the basic financial statements and the notes to the basic financial statements.

Financial Highlights

Key Financial Highlights for 2019 are as follows:

- The City's net position increased during 2019 due primarily to increases in net capital assets, decreases in debt obligations and increases in net position in relation to the total effect of the net OPEB liability offset by decreases in net position in relation to the total effect of the net pension liability.
- The City's net governmental capital assets increased over 2018. The increase can be attributed to infrastructure related projects such as construction work on major road, storm sewer and sanitary sewer improvements along with the purchase of vehicles for various purposes and updating equipment and vehicles. The increase in capital assets was partially offset by annual depreciation.
- Long-term debt decreased in 2019 due to scheduled annual debt service payments.
- The City implemented the net pension liability and net OPEB liability in 2015 and 2018, respectively, which established standards for measuring and recognizing pension/OPEB liabilities, deferred outflows and inflows of resources and expenses. The implementation of these GASB statements resulted in a significant change to the financial statements presentation of the City. The City has reported these liabilities to comply with the requirements of GASB 68 and 75.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Solon's basic financial statements. The City of Solon's basic financial statements are comprised of these parts:

1. Management's Discussion and Analysis
2. Government-Wide Financial Statements
3. Fund Financial Statements
4. Notes to the Basic Financial Statements

City of Solon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

In addition, this report also contains other supplementary information:

1. Transmittal Letter
2. Required Supplementary Information
3. Combining Statements
4. Individual Fund Schedules
5. Statistical and Demographic Data

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the City of Solon's finances in a manner similar to private sector businesses. 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 assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all non-major funds presented in total in one column.

The Statement of Net Position presents information on all of the City of Solon's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference 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 of Solon is improving or deteriorating. The Statement of Activities presents information showing how the City's net position changed during the 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, revenue and expenses are reported in this statement for some items that will effect cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

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

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 of Solon, like all other state and local governments, uses fund accounting to ensure and demonstrate compliance with legal requirements. All of the funds of the City of Solon can be divided into three categories: governmental, proprietary and fiduciary.

City of Solon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
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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 financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Solon maintains 17 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the government funds statement of revenue, expenditures, and changes in fund balances for the general fund, general obligation bond retirement fund and the infrastructure capital projects fund, all of which are considered to be major funds. Data from the other governmental funds are combined into single, aggregate presentation. Individual fund data for each of these non-major government funds is provided in the form of combining statements elsewhere in this report.

The City of Solon adopts an annual appropriated budget for each of its funds. A budget comparison statement (non-GAAP basis) has been provided for each governmental and proprietary fund to demonstrate budgetary compliance.

PROPRIETARY FUNDS – use the same basis of accounting as business-type activities. The City of Solon has two enterprise operations and two internal service funds under the proprietary fund classification. They are the water reclamation (wastewater) operation and Grantwood (golf course) recreation, the internal service fund accounting for self-insured workers' compensation claims and the medical self insurance fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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 of Solon's own programs.

Notes to the Basic Financial Statements

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

City of Solon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
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Other Information

In addition to the basic financial statements, accompanying notes and the required supplemental information, this report also presents certain other information that the City believes readers will find useful. After the notes to the required supplementary information, the combining statements referred to earlier in connection with non-major funds are presented, as well as individual detailed budgetary comparisons for all non-major funds.

Government-Wide Financial Analysis

The Statement of Net Position and the Statement of Activities provide an overall view of the City of Solon. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net position and the changes in net position. The change in net position is important because it indicates if 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 City 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
- Program Expenses and Revenues
- General Revenues
- Net Position Beginning and End of Year

The City of Solon as a Whole

The following provides a summary of the City's net position for the City as a whole for 2019 compared to 2018:

City of Solon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

(Table 1)						
<i>Net Position</i>						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and Other Assets	\$73,990,055	\$78,203,296	\$9,403,888	\$9,061,891	\$83,393,943	\$87,265,187
Net Pension Asset	96,073	104,086	11,874	12,865	107,947	116,951
Capital Assets, Net	145,464,082	138,990,986	66,790,684	65,630,553	212,254,766	204,621,539
<i>Total Assets</i>	<u>219,550,210</u>	<u>217,298,368</u>	<u>76,206,446</u>	<u>74,705,309</u>	<u>295,756,656</u>	<u>292,003,677</u>
Deferred Outflows of Resources						
Pension	17,025,251	8,417,973	805,179	383,087	17,830,430	8,801,060
OPEB	4,176,217	4,550,559	102,515	81,541	4,278,732	4,632,100
<i>Total Deferred Outflows of Resources</i>	<u>21,201,468</u>	<u>12,968,532</u>	<u>907,694</u>	<u>464,628</u>	<u>22,109,162</u>	<u>13,433,160</u>
Liabilities						
Current Liabilities	7,031,653	4,351,651	407,364	1,059,803	7,439,017	5,411,454
Long-term Liabilities						
Due within one Year	2,705,943	2,586,729	658,920	633,461	3,364,863	3,220,190
Due in More than one Year						
Net Pension Liability	58,642,808	41,980,118	2,682,820	1,554,501	61,325,628	43,534,619
Net OPEB Liability	14,444,042	35,860,182	1,275,910	1,077,335	15,719,952	36,937,517
Other Amounts	6,819,700	7,551,963	4,878,931	5,330,433	11,698,631	12,882,396
<i>Total Liabilities</i>	<u>89,644,146</u>	<u>92,330,643</u>	<u>9,903,945</u>	<u>9,655,533</u>	<u>99,548,091</u>	<u>101,986,176</u>
Deferred Inflows of Resources						
Property Taxes	4,011,670	3,950,884	0	0	4,011,670	3,950,884
Pension	2,266,703	5,011,241	56,692	406,342	2,323,395	5,417,583
OPEB	2,540,283	964,902	13,259	80,255	2,553,542	1,045,157
<i>Total Deferred Inflows of Resources</i>	<u>8,818,656</u>	<u>9,927,027</u>	<u>69,951</u>	<u>486,597</u>	<u>8,888,607</u>	<u>10,413,624</u>
Net Position						
Net Investment in Capital Assets	144,187,667	136,926,999	61,625,677	59,272,280	205,813,344	196,199,279
Restricted for:						
Capital Projects	18,151,915	26,125,940	0	0	18,151,915	26,125,940
Debt Service	3,046,249	3,432,786	0	0	3,046,249	3,432,786
Other Purposes	2,626,744	2,069,474	0	0	2,626,744	2,069,474
Unrestricted (Deficit)	(25,723,699)	(40,545,969)	5,514,567	5,755,527	(20,209,132)	(34,790,442)
<i>Total Net Position</i>	<u>\$142,288,876</u>	<u>\$128,009,230</u>	<u>\$67,140,244</u>	<u>\$65,027,807</u>	<u>\$209,429,120</u>	<u>\$193,037,037</u>

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2019. 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

City of Solon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
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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.

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.

Total current and other assets for governmental activities decreased primarily due to decreases in cash and cash equivalents resulting from the City utilizing cash reserves for capital purchases and improvements offset in part by increased intergovernmental receivables from grants for infrastructure projects. Net capital assets for governmental capital assets increased due to additions of construction in progress, land improvements, buildings, furniture and equipment, vehicles and infrastructure. This increase was partially offset by current year depreciation. The decrease in long-term liabilities can be attributed to decreases in the net OPEB liability attributed to the City and decreases in outstanding debt due to continued annual debt payments offset by increases in the net pension liability. The increase in governmental net position can be attributed primarily to an increase in net capital assets coupled with the decrease in the net OPEB liability attributed to the City.

Total assets for business-type activities increased due to additions of construction in progress, furniture and equipment and infrastructure. This increase was partially offset by current year depreciation. Current liabilities decreased due to lessor retainage payable related to the completed treatment plant improvement project. The increase in long-term liabilities for business-type activities was due to increases in net pension/OPEB that were offset by the continued pay-down of outstanding debt. The increase in business-type net position can be attributed primarily to an increase in net capital assets coupled with the decrease in current liabilities.

Further details of the changes in net position between 2019 and 2018 can be observed in Table 2.

City of Solon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

(Table 2)
Changes in Net Position

	Governmental Activities		Business -Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Program Revenues						
Charges for Services and Sales	\$5,534,313	\$5,276,881	\$6,687,439	\$6,799,424	\$12,221,752	\$12,076,305
Operating Grants and Contributions	1,806,527	1,350,466	0	0	1,806,527	1,350,466
Capital Grants, Contributions and Capital Assessments	3,013,349	422,830	0	0	3,013,349	422,830
<i>Total Program Revenues</i>	<u>10,354,189</u>	<u>7,050,177</u>	<u>6,687,439</u>	<u>6,799,424</u>	<u>17,041,628</u>	<u>13,849,601</u>
General Revenues						
Property Taxes	4,507,169	4,218,293	0	0	4,507,169	4,218,293
Municipal Income Taxes	43,226,393	46,338,543	0	0	43,226,393	46,338,543
Grants and Entitlements	644,963	532,235	0	0	644,963	532,235
Unrestricted Contributions	370	5,342	0	0	370	5,342
Investment Income	1,610,064	956,232	194,691	97,748	1,804,755	1,053,980
Gain on Sale of Capital Assets	58,884	23,284	0	0	58,884	23,284
Miscellaneous	612,255	483,933	41,433	21,452	653,688	505,385
<i>Total General Revenues</i>	<u>50,660,098</u>	<u>52,557,862</u>	<u>236,124</u>	<u>119,200</u>	<u>50,896,222</u>	<u>52,677,062</u>
<i>Total Revenues</i>	<u>61,014,287</u>	<u>59,608,039</u>	<u>6,923,563</u>	<u>6,918,624</u>	<u>67,937,850</u>	<u>66,526,663</u>
Program Expenses						
Security of Persons and Property						
Police	4,093,882	11,933,398	0	0	4,093,882	11,933,398
Fire	(1,018,701)	11,648,401	0	0	(1,018,701)	11,648,401
Public Health and Welfare	119,025	108,236	0	0	119,025	108,236
Leisure Time Activities	7,094,705	6,476,806	0	0	7,094,705	6,476,806
Community Environment	5,253,855	3,471,353	0	0	5,253,855	3,471,353
Basic Utility Services	3,576,263	3,182,746	0	0	3,576,263	3,182,746
Transportation	16,100,717	13,021,105	0	0	16,100,717	13,021,105
General Government	8,182,190	7,654,588	0	0	8,182,190	7,654,588
Interest and Fiscal Charges	137,422	144,951	0	0	137,422	144,951
Water Reclamation	0	0	6,856,546	5,187,947	6,856,546	5,187,947
Grantwood Recreation	0	0	1,149,863	1,051,938	1,149,863	1,051,938
<i>Total Program Expenses</i>	<u>43,539,358</u>	<u>57,641,584</u>	<u>8,006,409</u>	<u>6,239,885</u>	<u>51,545,767</u>	<u>63,881,469</u>
<i>Excess before Transfers</i>	<u>17,474,929</u>	<u>1,966,455</u>	<u>(1,082,846)</u>	<u>678,739</u>	<u>16,392,083</u>	<u>2,645,194</u>
Transfers	(3,195,283)	(66,699)	3,195,283	66,699	0	0
<i>Change in Net Position</i>	<u>14,279,646</u>	<u>1,899,756</u>	<u>2,112,437</u>	<u>745,438</u>	<u>16,392,083</u>	<u>2,645,194</u>
<i>Net Position Beginning of Year</i>	<u>128,009,230</u>	<u>126,109,474</u>	<u>65,027,807</u>	<u>64,282,369</u>	<u>193,037,037</u>	<u>190,391,843</u>
<i>Net Position End of Year</i>	<u>\$142,288,876</u>	<u>\$128,009,230</u>	<u>\$67,140,244</u>	<u>\$65,027,807</u>	<u>\$209,429,120</u>	<u>\$193,037,037</u>

For 2019, OP&F recognized a change in benefit terms for their OPEB plan. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years. These changes contributed to OPEB expense decreasing from \$2,332,346 in 2018 to a negative OPEB expense of \$20,307,603 for 2019.

City of Solon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

The overall financial strength and the net position of the City improved in 2019 from 2018 for reasons previously stated. The City also makes a conscious effort to follow our financial plan and live within our financial means.

Governmental Activities

The funding for governmental activities comes from several different sources, the most significant being municipal income tax. In addition, property tax, grants and entitlements and charges for services provide revenue for governmental activities. Governmental revenues exceeded governmental expenses as the City was able to monitor expenses to ensure positive fund balances. Operating grants increased due to the receipt of additional of state and local monies. Capital grants increased in 2019 as a result of the City receiving additional grant funding for ongoing infrastructure projects. Municipal income tax revenues decreased on an accrual basis due to the timing of employee withholding collections. Investment income increased in 2019 attributable to higher average cash balances throughout the year.

Transportation expenses make up the largest portion of expenses for the City. The care and upkeep of the City's streets has been deemed significant for the Administration. General government expenses are the second largest portion of governmental expenses and are comprised of the departments responsible for the running of the City which include the Mayor, the Finance Department, the Law Director and City Council amongst others.

Security of persons and property, specifically police and fire comprise another significant portion of the City's governmental expenses. The City has made safety forces a priority for the community as a whole. Security of person and property were disproportionately affected by the aforementioned change in benefit terms of the OPEB plan. This resulted in lowered expenses for 2019.

Business-type Activities

The City has two business-type operations. They are the Water Reclamation (wastewater) and Grantwood (golf course) Recreation. The largest sources of revenue for both Water Reclamation and Grantwood Recreation in 2019 were charges for services. On the expense side, the largest expenses are for payroll and employee benefits for both operations.

Financial Analysis of the City's Funds

Governmental Funds – provide near term inflows, outflows and balances of spendable resources. This information is useful in evaluating the City's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins with the balance sheet. These funds are accounted for by using the modified accrual basis of accounting.

As of the end of 2019, the City of Solon's governmental funds reported a positive combined ending fund balance. The largest portion of the ending fund balance is unassigned. The remainder of the fund balance is non-spendable, restricted, committed or assigned to indicate that it is not available for new spending because it has been specifically marked for expenditures as designated by grant agreements, City ordinances or intent of use.

City of Solon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

The general fund is the main governmental and operating fund of the City. There was an overall decrease in the general fund's fund balance between 2019 and 2018. Expenditures and transfers out outpaced revenues in 2019. The general fund is the recipient of the largest portion of income taxes collected by the City. The City benefits from a robust economy that has a significant business-base located within City limits. This allows for the general fund to make transfers out to subsidize capital improvements.

The general obligation bond retirement fund mainly receives property taxes and special assessments which are restricted for the payment of debt service. There was an overall increase in the general obligation bond retirement fund balance between 2019 and 2018 as revenues exceeded continuing debt service expenditures.

The infrastructure fund is the largest capital improvement governmental fund of the City. It receives one half of one percent of the City income tax (levy) to pay for new construction and repair of the City's infrastructure. There was an overall decrease in the infrastructure fund balance between 2019 and 2018 as the City utilized cash balances to improve and repair infrastructure assets.

Business-type Funds – report the City's Water Reclamation (wastewater) operation and Grantwood (golf course) Recreation on an accrual basis. In 2019, the net position for the Water Reclamation fund increased as a result of City Council ensuring that rates collected from the citizens are enough to cover all costs of operations and to make payments on outstanding debt issues, without requiring any subsidies. The net position for the Grantwood Recreation fund increased during 2019 as a result of operating revenues and capital contributions outpacing expenditures.

General Fund Budgeting Highlights

Solon's largest budgeted fund is the general fund. Its expenditure budget (appropriations), along with all other funds, is prepared according to the laws of the State of Ohio and is based on accounting for certain transactions on a cash basis for receipts, expenditures and encumbrances. Ohio Law limits appropriations for each fund to the estimated receipts plus the unencumbered cash reserve (or carryover) from the prior year for that particular fund.

In 2019, the general fund's final revenue estimate was below the original estimate resulting from the City making minor adjustments during the year. The general fund's final estimate exceeded the actual revenue plus other financing sources mainly as a result of lower than estimated income taxes received. The general fund's final budget exceeded the original budget due primarily to City Council and the Finance Department having a clear picture of needed funding. Actual expenditures plus other financing uses were well under the final budget due to the Administration taking a proactive approach to continue increasing available cash reserves within the general fund.

Capital Assets

Governmental capital assets, net of depreciation, increased due to additions of construction in progress, land improvements, buildings, furniture and equipment, vehicles and infrastructure. This increase was partially offset by current year depreciation. Specific governmental additions include improved walls and fences, roof replacement for the fire department, various equipment, new vehicles, storm sewer, waterline, sidewalk and road infrastructure improvements.

City of Solon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

Business-type capital assets, net of depreciation, increased due to additions of construction in progress, furniture and equipment and infrastructure. This increase was partially offset by current year depreciation. Specific additions include replacement equipment and infrastructure improvements for water reclamation fund and a mower and golf carts for the Grantwood golf course. For additional information on capital assets, please see note 8 to the basic financial statements.

A five year capital plan, involving all assets and capital projects is maintained by the administration. It is updated and reviewed by City Council every year.

Outstanding Long-Term Obligations

Ohio Water Development Authority Loans comprise most of the outstanding obligations. In addition, outstanding obligations include net pension/OPEB liability, compensated absences (sick leave, etc.), capital leases and claims payable.

Governmental activities debt is serviced by property taxes and special assessments that are credited to the bond retirement fund. Most of this debt was issued for the construction of new infrastructure. Most of the business-type debt is for the water reclamation utility and improvements made to the wastewater plant. User fees are used to service that debt.

The net pension/OPEB liability establishes standards for measuring and recognizing pension/OPEB liabilities, deferred outflows/inflows of resources and expense/expenditure.

The compensated absence category represents the dollar value of accumulated but unused sick leave at year end. The liability represents amounts that will either be taken as leave or paid out upon termination or retirement.

The City last received a credit rating of AAA from Standard & Poor's in 2008. In 2010 Moody's Investor Service recalibrated the City's existing credit rating to Aaa. The debt associated with both ratings has since been retired and the City has not undertaken any process to update the ratings at this time. For additional information on long-term obligations, please see note 16 to the basic financial statements.

Economic Factors and Current Financial Issues

The City presently has in place a municipal income tax at the rate of 2 percent applicable to income earned in the City (withholding) or by residents and/or businesses (individual/net profit). The tax rate has been in place since 1989 and the general financial condition of the City does not require any immediate or future action with respect to increasing the rate or decreasing any existing credit for reciprocity. Municipal income tax collections routinely represent the largest portion of the City's total governmental revenue.

City of Solon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

Controlled spending and the strong municipal income tax collections have allowed the City to avoid pursuing alternative revenue streams (tax increases, new or increased fees and charges, etc.) while concurrently not having to implement any significant budget reductions. The loss of local government funds distributed to political subdivisions from the State of Ohio have forced many entities to search for new revenue and/or implement spending cuts that significantly and negatively impact services. Effective management of the departmental budgets has placed the City of Solon in position to successfully maintain its high level of services to its residential and commercial inhabitants.

Another indicator of the conservative fiscal management is the low rate of property tax assessed to residents and businesses in the City. Many northeast Ohio municipalities carry real property rates more than double the level that is assessed by Solon currently. The City does not foresee the need to adjust upward the rate of tax applied to property in the City. Further, due to calculated efforts to reduce debt, more of the property tax collected may be employed to offset losses in local government funding and direct the funding towards general operations of the City.

Due to a strong commitment to consistently fund infrastructure improvements, due in large part to the ongoing allocation of income tax revenue to infrastructure projects, the City is in a good position with respect to avoiding major repairs or renovations to any of its facilities, streets, sewers and other assets. The City does not contemplate the necessity for any debt issuance relative to infrastructure in the immediate future. Rather, the calculated dedication of a sizable portion of our annual revenue will be used to maintain, upgrade and otherwise improve items which other municipalities have deferred due to budget constraints.

The general fund finished 2019 with an unassigned fund balance of \$25,846,574. Beginning in 2013, the City implemented a policy whereby 20 percent of its unencumbered general fund balance will be maintained in reserve as well as having created a budget stabilization fund that will allow for a segregation of additional reserves that will be accumulated to use in emergency situations in times of revenue fluctuations.

The economic development efforts of the Administration and Council have kept Solon a primary destination for new business relocation in northeast Ohio. Additionally, the level of City services and the various retention programs employed by the economic development staff have been very effective in retaining and encouraging expansion of existing businesses in the City.

City property values remain stable, both for commercial and residential properties. The Cleveland area property values were hard hit by the recession beginning in 2007. While some communities have been devastated by the reduction in taxable values, Solon properties have generally retained their value. A reduction in property values impacts not only municipal operations but local school systems as well. The retention of property values in Solon has contributed to the strong state of the City itself as well as the highly rated school system.

Requests for Information and Data

This financial report is designed to provide a general overview of the City of Solon's finances for everyone with an interest. Questions concerning any of the information and data presented in this report, or requests for additional financial information, should be addressed to the Finance Department, City of Solon, 34200 Bainbridge Road, Solon, Ohio 44139.

Basic Financial Statements

City of Solon, Ohio
Statement of Net Position
December 31, 2019

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$51,620,403	\$7,289,623	\$58,910,026
Accounts Receivable	174,096	1,868,947	2,043,043
Intergovernmental Receivable	3,752,207	0	3,752,207
Internal Balances	(71,039)	71,039	0
Municipal Income Taxes Receivable	10,336,038	0	10,336,038
Materials and Supplies Inventory	763,727	151,753	915,480
Accrued Interest Receivable	159,693	22,526	182,219
Prepaid Items	237,809	0	237,809
Property Taxes Receivable	4,174,412	0	4,174,412
Special Assessments Receivable	2,842,709	0	2,842,709
Net Pension Asset	96,073	11,874	107,947
Nondepreciable Capital Assets	11,345,294	3,120,877	14,466,171
Depreciable Capital Assets, Net	134,118,788	63,669,807	197,788,595
<i>Total Assets</i>	<u>219,550,210</u>	<u>76,206,446</u>	<u>295,756,656</u>
Deferred Outflows of Resources			
Pension	17,025,251	805,179	17,830,430
OPEB	4,176,217	102,515	4,278,732
<i>Total Deferred Outflows of Resources</i>	<u>21,201,468</u>	<u>907,694</u>	<u>22,109,162</u>
Liabilities			
Accounts Payable	1,027,102	122,947	1,150,049
Accrued Wages	1,046,374	67,167	1,113,541
Contracts Payable	1,154,679	0	1,154,679
Deposits Held Payable from Restricted Assets	771,213	0	771,213
Intergovernmental Payable	549,882	31,491	581,373
Retainage Payable	1,525,254	53,923	1,579,177
Matured Compensated Absences Payable	93,646	0	93,646
Accrued Interest Payable	69,872	77,475	147,347
Claims Payable	298,504	0	298,504
Vacation Benefits Payable	495,127	54,361	549,488
Long-Term Liabilities:			
Due Within One Year	2,705,943	658,920	3,364,863
Due In More Than One Year			
Net Pension Liability (See Note 11)	58,642,808	2,682,820	61,325,628
Net OPEB Liability (See Note 12)	14,444,042	1,275,910	15,719,952
Other Amounts	6,819,700	4,878,931	11,698,631
<i>Total Liabilities</i>	<u>89,644,146</u>	<u>9,903,945</u>	<u>99,548,091</u>
Deferred Inflows of Resources			
Property Taxes	4,011,670	0	4,011,670
Pension	2,266,703	56,692	2,323,395
OPEB	2,540,283	13,259	2,553,542
<i>Total Deferred Inflows of Resources</i>	<u>8,818,656</u>	<u>69,951</u>	<u>8,888,607</u>
Net Position			
Net Investment in Capital Assets	144,187,667	61,625,677	205,813,344
Restricted for:			
Capital Projects	18,151,915	0	18,151,915
Debt Service	3,046,249	0	3,046,249
Street, Construction, Maintenance and Repair	926,820	0	926,820
Police Pension	743,446	0	743,446
Fire Pension	629,432	0	629,432
Other Purposes	327,046	0	327,046
Unrestricted (Deficit)	(25,723,699)	5,514,567	(20,209,132)
<i>Total Net Position</i>	<u>\$142,288,876</u>	<u>\$67,140,244</u>	<u>\$209,429,120</u>

See accompanying notes to the basic financial statements

City of Solon, Ohio
Statement of Activities
For the Year Ended December 31, 2019

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants, Contributions and Assessments
Governmental Activities:				
Security of Persons and Property				
Police	\$4,093,882	\$1,116,551	\$125,490	\$0
Fire	(1,018,701)	1,527,559	141,374	39,027
Public Health and Welfare	119,025	14,637	0	0
Leisure Time Activities	7,094,705	844,400	34,546	0
Community Environment	5,253,855	276,462	0	0
Basic Utility Services	3,576,263	252,296	0	0
Transportation	16,100,717	687,703	1,505,117	2,638,433
General Government	8,182,190	814,705	0	335,889
Interest and Fiscal Charges	137,422	0	0	0
<i>Total Governmental Activities</i>	<u>43,539,358</u>	<u>5,534,313</u>	<u>1,806,527</u>	<u>3,013,349</u>
Business-Type Activities:				
Water Reclamation	6,856,546	5,717,912	0	0
Grantwood Recreation	1,149,863	969,527	0	0
<i>Total Business-Type Activities</i>	<u>8,006,409</u>	<u>6,687,439</u>	<u>0</u>	<u>0</u>
<i>Total</i>	<u>\$51,545,767</u>	<u>\$12,221,752</u>	<u>\$1,806,527</u>	<u>\$3,013,349</u>

General Revenues

Property Taxes Levied for:

 General Purposes

 Debt Service

 Police Pension

 Fire Pension

 Service and Safety Equipment

Municipal Income Taxes Levied for:

 General Purposes

 Infrastructure

Grants and Entitlements not Restricted to Specific Programs

Unrestricted Contributions

Investment Income

Gain on Sale of Capital Assets

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(\$2,851,841)	\$0	(\$2,851,841)
2,726,661	0	2,726,661
(104,388)	0	(104,388)
(6,215,759)	0	(6,215,759)
(4,977,393)	0	(4,977,393)
(3,323,967)	0	(3,323,967)
(11,269,464)	0	(11,269,464)
(7,031,596)	0	(7,031,596)
(137,422)	0	(137,422)
<u>(33,185,169)</u>	<u>0</u>	<u>(33,185,169)</u>
0	(1,138,634)	(1,138,634)
0	(180,336)	(180,336)
<u>0</u>	<u>(1,318,970)</u>	<u>(1,318,970)</u>
<u>(33,185,169)</u>	<u>(1,318,970)</u>	<u>(34,504,139)</u>
1,528,401	0	1,528,401
334,193	0	334,193
891,141	0	891,141
1,336,726	0	1,336,726
416,708	0	416,708
32,419,796	0	32,419,796
10,806,597	0	10,806,597
644,963	0	644,963
370	0	370
1,610,064	194,691	1,804,755
58,884	0	58,884
612,255	41,433	653,688
<u>50,660,098</u>	<u>236,124</u>	<u>50,896,222</u>
<u>(3,195,283)</u>	<u>3,195,283</u>	<u>0</u>
<u>47,464,815</u>	<u>3,431,407</u>	<u>50,896,222</u>
14,279,646	2,112,437	16,392,083
<u>128,009,230</u>	<u>65,027,807</u>	<u>193,037,037</u>
<u>\$142,288,876</u>	<u>\$67,140,244</u>	<u>\$209,429,120</u>

City of Solon, Ohio

Balance Sheet

Governmental Funds

December 31, 2019

	General	General Obligation Bond Retirement	Infrastructure	Other Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$27,861,775	\$998,762	\$13,180,115	\$5,864,788
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	819,988	0	0	0
Accrued Interest Receivable	158,091	0	0	1,602
Accounts Receivable	126,647	0	0	46,681
Intergovernmental Receivable	306,780	17,273	2,409,659	1,018,495
Municipal Income Taxes Receivable	7,752,029	0	2,584,009	0
Materials and Supplies Inventory	763,727	0	0	0
Prepaid Items	206,274	0	0	0
Property Taxes Receivable	1,135,892	340,769	0	2,697,751
Special Assessments Receivable	0	2,086,787	755,922	0
Total Assets	\$39,131,203	\$3,443,591	\$18,929,705	\$9,629,317
Liabilities				
Accounts Payable	\$815,931	\$0	\$194,807	\$15,118
Accrued Wages	1,033,848	0	0	504
Contracts Payable	0	0	936,196	218,483
Deposits Held Payable from Restricted Assets	771,213	0	0	0
Intergovernmental Payable	265,321	0	0	284,561
Retainage Payable	0	0	1,454,480	70,774
Matured Compensated Absences Payable	93,646	0	0	0
Total Liabilities	2,979,959	0	2,585,483	589,440
Deferred Inflows of Resources				
Property Taxes	1,091,562	327,470	0	2,592,638
Unavailable Revenue	4,775,103	2,117,359	3,098,658	1,032,234
Total Deferred Inflows of Resources	5,866,665	2,444,829	3,098,658	3,624,872
Fund Balances				
Nonspendable	1,018,776	0	0	0
Restricted	0	998,762	13,245,564	3,235,892
Committed	527,224	0	0	418,656
Assigned	2,892,005	0	0	1,760,457
Unassigned	25,846,574	0	0	0
Total Fund Balances	30,284,579	998,762	13,245,564	5,415,005
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$39,131,203	\$3,443,591	\$18,929,705	\$9,629,317

See accompanying notes to the basic financial statements

City of Solon, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2019*

<hr/> <hr/>	Total Governmental Funds Balances	\$49,943,910
Total Governmental Funds	<i>Amounts reported for governmental activities in the statement of net position are different because</i>	
\$47,905,440	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	145,464,082
819,988	Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds.	
159,693	Delinquent Property Taxes	162,742
173,328	Municipal Income Taxes	5,997,885
3,752,207	Intergovernmental	1,926,607
10,336,038	Charges for Services	57,325
763,727	Special Assessments	2,842,709
206,274	Fees, Licenses and Permits	33,517
4,174,412	Miscellaneous	<u>2,569</u>
2,842,709		
<u>\$71,133,816</u>	Total	11,023,354
\$1,025,856	An internal service fund is used by management to charge the costs of health insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
1,034,352	Net Position	2,566,617
1,154,679	Internal Balance	(71,039)
771,213	Claims Payable	<u>48,889</u>
549,882		
1,525,254	Total	2,544,467
93,646	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(69,872)
<u>6,154,882</u>	Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(495,127)
4,011,670	The net pension asset, net pension liability and net OPEB liability are not due and payable in the current period; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.	
11,023,354	Net Pension Asset	96,073
15,035,024	Deferred Outflows - Pension	17,025,251
1,018,776	Net Pension Liability	(58,642,808)
17,480,218	Deferred Inflows - Pension	(2,266,703)
945,880	Deferred Outflows - OPEB	4,176,217
4,652,462	Net OPEB Liability	(14,444,042)
25,846,574	Deferred Inflows - OPEB	<u>(2,540,283)</u>
49,943,910	Total	(56,596,295)
<u>\$71,133,816</u>	Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
	OWDA Loan Payable	(4,175,626)
	Capital Leases	(1,125,482)
	Compensated Absences	(4,175,646)
	Claims Payable	<u>(48,889)</u>
	Total	(9,525,643)
	<i>Net Position of Governmental Activities</i>	<u>\$142,288,876</u>

City of Solon, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General	General Obligation Bond Retirement	Infrastructure	Other Governmental Funds
Revenues				
Property Taxes	\$1,530,723	\$334,813	\$0	\$2,649,417
Municipal Income Taxes	33,106,265	0	11,035,421	0
Special Assessments	0	408,463	21,598	0
Intergovernmental	562,841	35,320	1,804,836	1,675,718
Investment Income	1,600,273	0	0	9,791
Fees, Licenses and Permits	878,644	4,119	0	183,298
Fines and Forfeitures	294,194	0	0	18,973
Rentals	4,649	0	0	4,295
Charges for Services	4,174,439	0	0	1,840
Contributions and Donations	370	0	0	190,787
Miscellaneous	523,635	0	50,395	22,548
<i>Total Revenues</i>	<u>42,676,033</u>	<u>782,715</u>	<u>12,912,250</u>	<u>4,756,667</u>
Expenditures				
Current:				
Security of Persons and Property				
Police	8,955,713	0	0	980,036
Fire	8,408,234	0	0	1,446,590
Public Health and Welfare	119,025	0	0	0
Leisure Time Activities	5,338,659	0	0	246,089
Community Environment	4,778,538	0	0	0
Basic Utility Services	2,066,538	0	0	0
Transportation	5,563,456	0	0	1,060,000
General Government	7,003,030	4,109	0	11,518
Capital Outlay	0	0	18,608,256	3,321,866
Debt Service:				
Principal Retirement	0	651,585	0	201,485
Interest and Fiscal Charges	0	113,516	0	27,608
<i>Total Expenditures</i>	<u>42,233,193</u>	<u>769,210</u>	<u>18,608,256</u>	<u>7,295,192</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>442,840</u>	<u>13,505</u>	<u>(5,696,006)</u>	<u>(2,538,525)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	67,580	0	0	0
Inception of Capital Lease	0	0	0	267,300
Transfers In	0	0	0	2,300,000
Transfers Out	(2,450,000)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,382,420)</u>	<u>0</u>	<u>0</u>	<u>2,567,300</u>
<i>Net Change in Fund Balances</i>	(1,939,580)	13,505	(5,696,006)	28,775
<i>Fund Balances Beginning of Year</i>	<u>32,224,159</u>	<u>985,257</u>	<u>18,941,570</u>	<u>5,386,230</u>
<i>Fund Balances End of Year</i>	<u>\$30,284,579</u>	<u>\$998,762</u>	<u>\$13,245,564</u>	<u>\$5,415,005</u>

See accompanying notes to the basic financial statements

City of Solon, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2019*

	Net Change in Fund Balances - Total Governmental Funds	(\$7,593,306)
Total Governmental Funds	Amounts reported for governmental activities in the statement of activities are different because	
\$4,514,953	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 outlay exceeded depreciation in the current period.	
44,141,686	Capital Asset Additions	14,687,658
430,061	Depreciation	(7,617,064)
4,078,715	Total	7,070,594
1,610,064	Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(597,498)
1,066,061	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
313,167	Delinquent Property Taxes	(7,784)
8,944	Municipal Income Taxes	(915,293)
4,176,279	Intergovernmental	1,190,022
191,157	Charges for Services	(30,030)
596,578	Special Assessments	(424,746)
	Fees, Licenses and Permits	(108)
	Miscellaneous	1,673
	Total	(186,266)
61,127,665	Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	853,070
	Some expenses reported in the statement of activities, such as accrued interest do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	3,702
	Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
9,935,749	Pension	3,933,901
9,854,824	OPEB	72,619
119,025	Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of net position.	
5,584,748	Pension	(9,252,788)
4,778,538	OPEB	19,393,798
2,066,538	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.	
6,623,456	Compensated Absences	6,241
7,018,657	Vacation Benefits Payable	(30,102)
21,930,122	Claims Payable	21,038
	Total	(2,823)
853,070	Other financing sources, such as inception of capital lease, in the governmental funds increase long-term liabilities in the statement of net position.	(267,300)
141,124	The internal service funds used by management are not reported in the City-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.	
68,905,851	Change in Net Position	925,979
	Change in Internal Balance	(52,998)
(7,778,186)	Claims Payable	(21,038)
	Total	851,943
67,580		
267,300		
2,300,000		
(2,450,000)		
184,880		
(7,593,306)		
57,537,216		
\$49,943,910	Change in Net Position of Governmental Activities	\$14,279,646

City of Solon, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$1,589,486	\$1,468,500	\$1,524,329	\$55,829
Municipal Income Taxes	34,471,088	34,224,325	33,050,515	(1,173,810)
Intergovernmental	580,680	500,198	556,877	56,679
Investment Income	1,210,334	1,200,000	1,160,720	(39,280)
Fees, Licenses and Permits	864,019	835,150	878,259	43,109
Fines and Forfeitures	294,522	279,295	282,449	3,154
Rentals	4,848	4,200	4,649	449
Charges for Services	4,277,912	4,031,907	4,167,881	135,974
Contributions and Donations	386	300	370	70
Miscellaneous	628,593	497,220	524,952	27,732
<i>Total Revenues</i>	43,921,868	43,041,095	42,151,001	(890,094)
Expenditures				
Current:				
Security of Persons and Property				
Police	9,215,246	9,254,873	8,967,045	287,828
Fire	8,670,248	8,534,783	8,423,086	111,697
Public Health and Welfare	122,772	119,130	119,025	105
Leisure Time Activities	5,640,946	5,568,967	5,440,753	128,214
Community Environment	2,266,908	2,586,192	2,183,796	402,396
Basic Utility Services	2,145,750	2,116,352	2,061,749	54,603
Transportation	5,771,776	5,886,363	5,595,190	291,173
General Government	7,587,285	7,728,443	7,289,421	439,022
<i>Total Expenditures</i>	41,420,931	41,795,103	40,080,065	1,715,038
<i>Excess of Revenues Over (Under) Expenditures</i>	2,500,937	1,245,992	2,070,936	824,944
Other Financing Sources (Uses)				
Sale of Capital Assets	67,580	67,580	67,580	0
Transfers Out	(3,675,000)	(4,700,000)	(4,700,000)	0
<i>Total Other Financing Sources (Uses)</i>	(3,607,420)	(4,632,420)	(4,632,420)	0
<i>Net Change in Fund Balance</i>	(1,106,483)	(3,386,428)	(2,561,484)	824,944
<i>Fund Balance Beginning of Year (1)</i>	27,790,886	27,790,886	27,790,886	0
Prior Year Encumbrances Appropriated	987,329	987,329	987,329	0
<i>Fund Balance End of Year</i>	\$27,671,732	\$25,391,787	\$26,216,731	\$824,944

(1) The implementation of GASB Statement 84 resulted in a change to beginning cash balance. There was no effect on fund balance at the beginning of the year presented on the balance sheet as this amount was offset by corresponding liabilities.

See accompanying notes to the basic financial statements

City of Solon, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2019

	Enterprise			Internal Service
	Water Reclamation	Grantwood Recreation	Total	
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$6,997,558	\$292,065	\$7,289,623	\$2,894,975
Materials and Supplies Inventory	98,276	53,477	151,753	0
Accounts Receivable	1,868,401	546	1,868,947	768
Accrued Interest Receivable	21,623	903	22,526	0
Prepaid Items	0	0	0	31,535
<i>Total Current Assets</i>	<u>8,985,858</u>	<u>346,991</u>	<u>9,332,849</u>	<u>2,927,278</u>
<i>Noncurrent Assets:</i>				
Net Pension Asset	8,638	3,236	11,874	0
Nondepreciable Capital Assets	738,713	2,382,164	3,120,877	0
Depreciable Capital Assets, Net	62,939,462	730,345	63,669,807	0
<i>Total Noncurrent Assets</i>	<u>63,686,813</u>	<u>3,115,745</u>	<u>66,802,558</u>	<u>0</u>
<i>Total Assets</i>	<u>72,672,671</u>	<u>3,462,736</u>	<u>76,135,407</u>	<u>2,927,278</u>
Deferred Outflows of Resources				
Pension	585,584	219,595	805,179	0
OPEB	74,555	27,960	102,515	0
<i>Total Deferred Outflows of Resources</i>	<u>660,139</u>	<u>247,555</u>	<u>907,694</u>	<u>0</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	119,520	3,427	122,947	1,246
Accrued Wages	50,373	16,794	67,167	12,022
Intergovernmental Payable	25,186	6,305	31,491	0
Retainage Payable	53,923	0	53,923	0
Accrued Interest Payable	77,475	0	77,475	0
Vacation Benefits Payable	43,991	10,370	54,361	0
Compensated Absences Payable	155,969	63,941	219,910	0
OWDA Loans Payable	439,010	0	439,010	0
Claims Payable	0	0	0	335,171
<i>Total Current Liabilities</i>	<u>965,447</u>	<u>100,837</u>	<u>1,066,284</u>	<u>348,439</u>
<i>Long-Term Liabilities:</i>				
Compensated Absences Payable	122,105	30,829	152,934	0
OWDA Loans Payable	4,725,997	0	4,725,997	0
Net Pension Liability	1,951,143	731,677	2,682,820	0
Net OPEB Liability	927,934	347,976	1,275,910	0
Claims Payable	0	0	0	12,222
<i>Total Long-Term Liabilities</i>	<u>7,727,179</u>	<u>1,110,482</u>	<u>8,837,661</u>	<u>12,222</u>
<i>Total Liabilities</i>	<u>8,692,626</u>	<u>1,211,319</u>	<u>9,903,945</u>	<u>360,661</u>
Deferred Inflows of Resources				
Pension	41,231	15,461	56,692	0
OPEB	9,643	3,616	13,259	0
<i>Total Deferred Inflows of Resources</i>	<u>50,874</u>	<u>19,077</u>	<u>69,951</u>	<u>0</u>
Net Position				
Net Investment in Capital Assets	58,513,168	3,112,509	61,625,677	0
Unrestricted (Deficit)	6,076,142	(632,614)	5,443,528	2,566,617
<i>Total Net Position</i>	<u>\$64,589,310</u>	<u>\$2,479,895</u>	<u>67,069,205</u>	<u>\$2,566,617</u>

Net position reported for business-type activities in the statement of net position are different because they include accumulated overpayments to the internal service fund: 71,039
Net position of business-type activities \$67,140,244

See accompanying notes to the basic financial statements

City of Solon, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2019*

	Enterprise			Internal Service
	Water Reclamation	Grantwood Recreation	Total	
Operating Revenues				
Charges for Services	\$5,673,203	\$771,890	\$6,445,093	\$5,836,774
Tap-In Fees	44,709	0	44,709	0
Rentals	0	197,637	197,637	0
Miscellaneous	41,433	0	41,433	14,004
<i>Total Operating Revenues</i>	<u>5,759,345</u>	<u>969,527</u>	<u>6,728,872</u>	<u>5,850,778</u>
Operating Expenses				
Personal Services	1,991,136	703,040	2,694,176	68,735
Materials and Supplies	409,819	193,907	603,726	0
Contractual Services	1,354,021	77,136	1,431,157	1,019,554
Depreciation	2,158,791	83,773	2,242,564	0
Claims	0	0	0	3,964,885
Change in Workers' Compensation Estimate	0	0	0	21,625
Other	13,643	64,309	77,952	0
<i>Total Operating Expenses</i>	<u>5,927,410</u>	<u>1,122,165</u>	<u>7,049,575</u>	<u>5,074,799</u>
<i>Operating Income (Loss)</i>	<u>(168,065)</u>	<u>(152,638)</u>	<u>(320,703)</u>	<u>775,979</u>
Non-Operating Revenues (Expenses)				
Interest	188,079	6,612	194,691	0
Loss on Sale of Capital Assets	(814,937)	(36,729)	(851,666)	0
Interest and Fiscal Charges	(158,166)	0	(158,166)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(785,024)</u>	<u>(30,117)</u>	<u>(815,141)</u>	<u>0</u>
<i>Income (Loss) before Capital Contributions and Transfers In</i>	<u>(953,089)</u>	<u>(182,755)</u>	<u>(1,135,844)</u>	<u>775,979</u>
Capital Contributions	2,954,226	241,057	3,195,283	0
Transfers In	0	0	0	150,000
<i>Change in Net Position</i>	<u>2,001,137</u>	<u>58,302</u>	<u>2,059,439</u>	<u>925,979</u>
<i>Net Position Beginning of Year</i>	<u>62,588,173</u>	<u>2,421,593</u>		<u>1,640,638</u>
<i>Net Position End of Year</i>	<u>\$64,589,310</u>	<u>\$2,479,895</u>		<u>\$2,566,617</u>

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

	<u>52,998</u>
Change in net position of business-type activities	<u>\$2,112,437</u>

See accompanying notes to the basic financial statements

City of Solon, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Enterprise			Internal Service
	Water Reclamation	Grantwood Recreation	Total	
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$5,491,200	\$771,386	\$6,262,586	\$0
Cash Received from Tap-In Fees	44,709	0	44,709	0
Cash Received from Rentals	0	197,637	197,637	0
Cash Received from Interfund Services Provided	0	0	0	5,836,774
Cash Received from Other Sources	44,448	0	44,448	13,236
Cash Payments to Employees for Services and Benefits	(1,295,761)	(531,780)	(1,827,541)	(84,935)
Cash Payments for Goods and Services	(2,385,717)	(246,263)	(2,631,980)	(972,495)
Cash Payments for Interfund Services Provided	(336,789)	(69,181)	(405,970)	0
Cash Payments for Claims	0	0	0	(4,116,393)
Cash Payments for Other Operating Expenses	(13,643)	(64,309)	(77,952)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>1,548,447</u>	<u>57,490</u>	<u>1,605,937</u>	<u>676,187</u>
Cash Flows from Noncapital Financing Activities				
Transfers In	0	0	0	150,000
Cash Flows from Capital and Related Financing Activities				
Proceeds from Sale of Capital Assets	1,645	13,750	15,395	0
Acquisition of Capital Assets	(1,074,473)	0	(1,074,473)	0
Principal Paid on OWDA Loans	(425,502)	0	(425,502)	0
Interest Paid on OWDA Loans	(164,549)	0	(164,549)	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(1,662,879)</u>	<u>13,750</u>	<u>(1,649,129)</u>	<u>0</u>
Cash Flows from Investing Activities				
Interest on Investments	179,992	6,130	186,122	0
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	65,560	77,370	142,930	826,187
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>6,931,998</u>	<u>214,695</u>	<u>7,146,693</u>	<u>2,068,788</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$6,997,558</u></u>	<u><u>\$292,065</u></u>	<u><u>\$7,289,623</u></u>	<u><u>\$2,894,975</u></u>

(continued)

City of Solon, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2019

	Business-type Activities			Internal Service
	Water Reclamation	Grantwood Recreation	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	(\$168,065)	(\$152,638)	(\$320,703)	\$775,979
Adjustments:				
Depreciation	2,158,791	83,773	2,242,564	0
(Increase) Decrease in Assets and Deferred Outflows:				
Accounts Receivable	(178,988)	(504)	(179,492)	(768)
Prepaid Items	0	0	0	47,302
Materials and Supplies Inventory	20,529	21,463	41,992	0
Net Pension Asset	(2,594)	(973)	(3,567)	0
Deferred Outflows - Pension	420,912	157,842	578,754	0
Deferred Outflows - OPEB	48,753	18,282	67,035	0
Increase (Decrease) in Liabilities and Deferred Inflows:				
Accounts Payable	78,595	3,317	81,912	(243)
Accrued Wages	(1,586)	464	(1,122)	(16,200)
Retainage Payable	(721,001)	0	(721,001)	0
Claims Payable	0	0	0	(129,883)
Compensated Absences Payable	19,364	(19,905)	(541)	0
Vacation Benefits Payable	(707)	(6,788)	(7,495)	0
Intergovernmental Payable	1,024	626	1,650	0
Net Pension Liability	(2,117)	(794)	(2,911)	0
Net OPEB Liability	50,831	19,061	69,892	0
Deferred Inflows - Pension	(156,151)	(58,557)	(214,708)	0
Deferred Inflows - OPEB	(19,143)	(7,179)	(26,322)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$1,548,447</u>	<u>\$57,490</u>	<u>\$1,605,937</u>	<u>\$676,187</u>

Noncash Capital Financing Activities

During 2019, the infrastructure capital projects fund paid \$2,954,226 to contractors directly on behalf of the water reclamation enterprise fund. These amounts are included in capital contributions.

During 2019, the general capital improvements capital project fund paid \$241,057 to contractors directly on behalf of the Grantwood Recreation enterprise fund. These amounts are included in capital contributions.

See accompanying notes to the basic financial statements

City of Solon, Ohio
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2019

Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$58,237</u>
Liabilities	
Intergovernmental Payable	<u>58,237</u>
Net Position	
Restricted for Individuals, Organizations and Other Governments	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

City of Solon, Ohio
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2019

Additions	
Amounts Received as Fiscal Agent	\$319,923
Fines and Forfeitures Collections for Other Governments	37,060
Special Assessments Collections for Others	<u>9,186</u>
<i>Total Additions</i>	<u>366,169</u>
Deductions	
Distributions as Fiscal Agent	319,923
Fines and Forfeitures Distributions to Other Governments	37,060
Special Assessment Distributions to Others	<u>9,186</u>
<i>Total Deductions</i>	<u>366,169</u>
<i>Net Increase (Decrease) in Fiduciary Net Position</i>	0
<i>Net Position Beginning of Year - Restated (See Note 22)</i>	<u>0</u>
<i>Net Position End of Year</i>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 - Reporting Entity

The City of Solon (the City) is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own Charter. The current Charter, which provides for a mayor-council form of government, was adopted November 2, 1954. The mayor is elected for a four-year term and seven Council members are elected by ward for four year staggered terms.

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance 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 and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The City has no component units.

The City participates in a shared risk pool and two jointly governed organizations. These organizations are the Northern Ohio Risk Management Association, the Northeast Ohio Public Energy Council and the Regional Income Tax Agency. These organizations are presented in Notes 13 and 14 to the basic financial statements.

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.

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.

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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

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

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

Fund Accounting

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

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

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter of the City of Solon and/or the general laws of Ohio.

General Obligation Bond Retirement Fund The general obligation bond retirement fund accounts for and reports property taxes, special assessments and other resources restricted for the payment of principal and interest on general long-term debt, including related costs.

City of Solon, Ohio
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Infrastructure Fund The infrastructure fund is used to account for and report one-fourth of the City income tax revenues approved by the voters and special assessments restricted for paying the costs to construct, reconstruct and maintain City-owned infrastructure.

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 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 following are the City's major enterprise funds:

Water Reclamation Fund The water reclamation fund accounts for the revenues and expenses of the City owned wastewater system.

Grantwood Recreation Fund The grantwood recreation fund accounts for the revenues and expenses of the City owned golf course.

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 report on City departments' costs of workers' compensation and medical self-insurance programs for employee medical benefits.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The City does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The City's fiduciary funds are custodial funds. The City's custodial funds account for assets held by the City as fiscal agent, fines and forfeitures collected for the benefit of and distributed to other governments and for special assessments collected and distributed to others.

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 and current liabilities and deferred inflows of resources, generally, are included on the balance sheet. The statement of revenues, expenditures and changes in fund

City of Solon, Ohio
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balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, 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.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from investment trust, private purpose trust funds, and custodial funds.

Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes and grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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 in the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance year 2020 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, municipal income taxes, franchise fees, charges for services, miscellaneous revenue, special assessments and intergovernmental local and State monies. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 21. Deferred in flows of resources related to pension and OPEB are reported on the government – wide statement of net position (See Notes 11 and 12).

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.

Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Individual fund integrity is maintained through City records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

During 2019, investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio), first American government obligations fund, federal home loan bank bonds, federal farm credit bank bonds, federal national mortgage association notes, federal home loan mortgage corporation notes, federal agriculture mortgage corporation notes and negotiable certificates of deposit.

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

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transactions to \$100 million per day, 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.

Investments are reported at fair value which is based on quoted market prices.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2019 amounted to \$1,600,273, which includes \$721,585 assigned from other City funds.

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.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

Inventory

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

Restricted Assets

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

City of Solon, Ohio
Notes to the Basic Financial Statements
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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. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000 with the exception of land as land was included regardless of cost. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Governmental Activities Estimated Lives	Business Type Activities Estimated Lives
Land Improvements	20 years	20 years
Buildings	40 years	40 years
Furniture and Equipment	5-30 years	5-65 years
Vehicles	3-20 years	7-20 years
Infrastructure	20 years	20 years

The City reports infrastructure consisting of roadways, sanitary and storm sewers, bridges and culverts, waterlines, traffic signals and sidewalks and includes infrastructure acquired prior to December 31, 1980.

Pensions/Other Postemployment Benefits (OPEB)

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

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Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service. Since the City's policy limits the accrual of vacation time to the amount accrued in one year, the outstanding liability is recorded as "vacation benefits payable" on the statement of net position rather than as a long-term liability.

Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The City records a liability for accumulated unused sick leave for employees after ten years of service with the City.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund(s) from which the employees who have resigned or retired will be paid.

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 judgements and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Capital leases and long-term loans are recognized as a liability on the governmental fund financial statements when due.

Net Position

Net Position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for state highway maintenance and law enforcement.

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

City of Solon, Ohio
Notes to the Basic Financial Statements
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Fund Balance

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

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

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

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

Assigned: Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by Council. In the general fund, assigned amounts represent intended uses established by policies of the City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance for economic incentives, compensated absences, facility maintenance capital improvements and to cover a gap between estimated revenue and appropriations in 2020's budget.

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

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.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water reclamation, the Grantwood golf course and the workers' compensation and medical insurance programs. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. Any revenues and expenses not meeting the definitions of operating are reported as nonoperating.

Interfund Activity

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

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

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.

Estimates

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

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Budgetary Process

All funds, except custodial 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 the Council at the personal services and other object level within each department for all funds. For the personal service object level the Finance Director has been authorized to allocate and maintain appropriations within each department. For the other object level the Finance Director has been authorized to allocate appropriations within each department and any object level which he maintains on his books, other than personal services. Budgetary statements are presented beyond that legal level of control for informational purposes only.

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

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

Note 3 – Fund Balances

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

City of Solon, Ohio
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For the Year Ended December 31, 2019

Fund Balances	General	General Obligation Bond Retirement	Infrastructure	Other Governmental Funds	Total Governmental Funds
<u>Nonspendable:</u>					
Prepays	\$206,274	\$0	\$0	\$0	\$206,274
Inventory	763,727	0	0	0	763,727
Unclaimed Monies	48,775	0	0	0	48,775
<i>Total Nonspendable</i>	<u>1,018,776</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,018,776</u>
<u>Restricted for:</u>					
Street and Highway Construction, Maintenance and Repair	0	0	0	369,061	369,061
Police Pension	0	0	0	661,920	661,920
Fire Pension	0	0	0	507,142	507,142
Police Department	0	0	0	193,032	193,032
Debt Service	0	998,762	0	0	998,762
Capital Improvements	0	0	13,245,564	1,504,737	14,750,301
<i>Total Restricted</i>	<u>0</u>	<u>998,762</u>	<u>13,245,564</u>	<u>3,235,892</u>	<u>17,480,218</u>
<u>Committed to:</u>					
Emergency Medical Service	333,382	0	0	0	333,382
Cable TV	0	0	0	280,948	280,948
Tree Planting	0	0	0	60,703	60,703
Recreation	0	0	0	19,577	19,577
Police and Fire Departments	0	0	0	28,330	28,330
Senior Services	0	0	0	18,085	18,085
Community Development	0	0	0	5,512	5,512
Cemetery	0	0	0	5,501	5,501
Contract Services	193,842	0	0	0	193,842
<i>Total Committed</i>	<u>527,224</u>	<u>0</u>	<u>0</u>	<u>418,656</u>	<u>945,880</u>
<u>Assigned to:</u>					
Economic Incentive	1,570,600	0	0	0	1,570,600
Compensated Absences	826,215	0	0	0	826,215
2020 Operations	115,352	0	0	0	115,352
Capital Improvements	0	0	0	1,760,457	1,760,457
<u>Purchases on Order:</u>					
General Government	162,428	0	0	0	162,428
Police	14,236	0	0	0	14,236
Fire	10,911	0	0	0	10,911
Community Environment	49,269	0	0	0	49,269
Leisure Time Activities	49,217	0	0	0	49,217
Transportation	88,479	0	0	0	88,479
Basic Utility Services	5,298	0	0	0	5,298
<i>Total Assigned</i>	<u>2,892,005</u>	<u>0</u>	<u>0</u>	<u>1,760,457</u>	<u>4,652,462</u>
Unassigned	25,846,574	0	0	0	25,846,574
Total Fund Balances	<u><u>\$30,284,579</u></u>	<u><u>\$998,762</u></u>	<u><u>\$13,245,564</u></u>	<u><u>\$5,415,005</u></u>	<u><u>\$49,943,910</u></u>

City of Solon, Ohio
Notes to the Basic Financial Statements
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Stabilization arrangement The governing council adopted an ordinance to establish and maintain a budget stabilization (“rainy day”) fund, in 2013, that is combined with the general fund for reporting purposes and is used to segregate resources that will only be employed should pre-determined economic stress levels be reached. Transfers from the general fund have been made each year and the fund balance is \$7.5 million as of the end of 2019.

Note 4 - Budgetary Basis of Accounting

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

- a) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- b) Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- c) Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).
- d) Investments are reported at cost (budget) rather than fair value (GAAP).
- e) Budgetary revenues and expenditures of the economic incentive and police training funds are classified to the general fund for GAAP reporting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance	
GAAP Basis	(\$1,939,580)
Net Adjustment for Revenue Accruals	2,123,198
Beginning Fair Value Adjustment for Investments	(288,525)
Ending Fair Value Adjustment for Investments	(107,105)
Net Adjustment for Expenditure Accruals	(1,950,987)
Perspective Difference:	
Economic Incentive	341,904
Police Training	(327)
Encumbrances	(740,062)
Budget Basis	<u><u>(\$2,561,484)</u></u>

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 5 - Deposits and Investments

The City has chosen to follow State statutes and classify monies held by the City into three categories.

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

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

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

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

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

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

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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

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

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

The City has passed an ordinance allowing the City to invest monies not required to be used for a period of six months or more in the following:

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

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Investments

As of December 31, 2019, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Moody's Rating	Percent of Total Investments
Net Asset Value Per Share:				
STAR Ohio	\$11,428,261	Average 55.7 days	AAAm	N/A
First American Government Obligations Fund	4,467,195	Less than one year	AAAm	N/A
Fair Value - Level Two Inputs:				
Federal Home Loan				
Bank Bonds	8,510,365	Less than five years	Aaa	15.18
Federal Farm Credit Bank Bonds	7,787,178	Less than five years	Aaa	13.89
Federal National Mortgage Association Notes				
	3,281,854	Less than two years	Aaa	5.85
Federal Home Loan Mortgage Corporation Notes				
	11,547,343	Less than five years	Aaa	20.59
Federal Agriculture Mortgage Corporation Notes				
	1,000,360	Less than five years	N/A	1.79
Negotiable Certificates of Deposit	<u>8,058,232</u>	Less than five years	N/A	14.38
Total Investments	<u>\$56,080,788</u>			

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The previous chart identifies the City's recurring fair value measurements as of December 31, 2019. STAR Ohio and the first American government obligations fund are measured at net asset value per share. The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

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

Credit Risk Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The negotiable certificates of deposit are unrated. The City has no investment policy that addresses credit risk.

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

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 6 – Receivables

Receivables at December 31, 2019, consisted of municipal income taxes, property taxes, accounts (billings for user charged services), accrued interest, special assessments and intergovernmental receivables arising from grants, entitlements and shared revenues.

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

Special assessments expected to be collected in more than one year amount to \$1,723,947 in the general obligation bond retirement fund and \$734,325 in the infrastructure capital projects fund. At December 31, 2019, the amount of delinquent special assessments was \$83,295.

Property Taxes

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

2019 real property taxes were levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes which became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2019, was \$3.80 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2019 property tax receipts were based are as follows:

Real Estate	
Residential/Agricultural	\$880,588,880
Other Real Estate	316,289,650
Tangible Personal Property	
Public Utility	<u>27,204,360</u>
Total	<u><u>\$1,224,082,890</u></u>

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2019, and for which there was an

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2019 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Tax

The City levies and collects an income tax of 2.0 percent on all income earned within the City as well as on income of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least monthly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. In 2019, the general fund received seventy-five percent of the proceeds and the infrastructure fund received twenty-five percent of the proceeds.

The Regional Income Tax Agency administers and-collects income taxes for the City. Payments are remitted monthly net of collection fees of approximately .95 percent.

Intergovernmental Receivable

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Ohio Department of Transportation	\$2,409,659
Gasoline Tax/Cents per Gallon	649,221
Homestead and Rollback	209,169
Solon City Schools	119,266
Auto Regulation	118,546
Local Government	130,528
Prisoner Housing	93,096
Bedford Municipal Court	15,666
State of Ohio	5,656
Cuyahoga County	1,400
Total Intergovernmental Receivables	<u><u>\$3,752,207</u></u>

Note 7 - Contingencies

Grants

The City receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or any other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2019.

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Litigation

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

Note 8 - Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

	Balance 12/31/18	Additions	Reductions	Balance 12/31/19
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$11,110,674	\$0	\$0	\$11,110,674
Construction in progress	2,190,206	6,663,949	(8,619,535)	234,620
Total Capital Assets				
Not Being Depreciated	13,300,880	6,663,949	(8,619,535)	11,345,294
Capital Assets Being Depreciated				
Land improvements	2,806,816	608,877	0	3,415,693
Buildings	60,325,629	588,779	(182,320)	60,732,088
Furniture and Equipment	7,756,212	848,685	(109,789)	8,495,108
Vehicles	14,341,655	1,049,501	(709,521)	14,681,635
Infrastructure	162,536,101	13,547,402	(2,465,551)	173,617,952
Total Capital Assets Being Depreciated	247,766,413	16,643,244	(3,467,181)	260,942,476
Less Accumulated Depreciation				
Land improvements	(1,309,355)	(158,599)	0	(1,467,954)
Buildings	(27,470,981)	(1,736,169)	127,624	(29,079,526)
Furniture and Equipment	(6,411,310)	(341,242)	94,651	(6,657,901)
Vehicles	(9,472,370)	(864,304)	709,521	(9,627,153)
Infrastructure	(77,412,291)	(4,516,750)	1,937,887	(79,991,154)
Total Accumulated Depreciation	(122,076,307)	(7,617,064) *	2,869,683	(126,823,688)
Capital Assets Being Depreciated, net	125,690,106	9,026,180	(597,498)	134,118,788
Governmental Activities				
Capital Assets, net	\$138,990,986	\$15,690,129	(\$9,217,033)	\$145,464,082

* Depreciation expense was charged to governmental activities as follows:

Security of Persons and Property	
Police	\$449,868
Fire	556,242
Leisure Time Activities	713,074
Community Environment	13,572
Transportation	4,516,749
Basic Utility Service	905,166
General Government	462,393
Total Depreciation Expense	<u>\$7,617,064</u>

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

	Balance 12/31/18	Additions	Reductions	Balance 12/31/19
Business Type Activities:				
Capital Assets Not Being Depreciated				
Land	\$3,120,877	\$0	\$0	\$3,120,877
Construction in progress	8,690,240	1,040,516	(9,730,756)	0
Total Capital Assets				
Not Being Depreciated	11,811,117	1,040,516	(9,730,756)	3,120,877
Capital Assets Being Depreciated				
Land Improvements	249,522	0	0	249,522
Buildings	34,042,088	0	(1,119,175)	32,922,913
Furniture and Equipment	6,211,538	261,557	(115,993)	6,357,102
Vehicles	378,951	0	(26,914)	352,037
Infrastructure	61,649,181	12,698,439	(756,566)	73,591,054
Total Capital Assets Being Depreciated	102,531,280	12,959,996	(2,018,648)	113,472,628
Less Accumulated Depreciation				
Land Improvements	(228,724)	(1,776)	0	(230,500)
Buildings	(17,953,193)	(788,952)	703,226	(18,038,919)
Furniture and Equipment	(5,314,982)	(110,101)	65,514	(5,359,569)
Vehicles	(321,837)	(12,425)	26,914	(307,348)
Infrastructure	(24,893,108)	(1,329,310)	355,933	(25,866,485)
Total Accumulated Depreciation	(48,711,844)	(2,242,564)	1,151,587	(49,802,821)
Capital Assets Being Depreciated, net	53,819,436	10,717,432	(867,061)	63,669,807
Business Type Activities				
Capital Assets, net	\$65,630,553	\$11,757,948	(\$10,597,817)	\$66,790,684

Note 9 – Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. Accumulated vacation leave must be taken within twelve months after credited or be forfeited unless approved by the Mayor.

Sick leave is earned at the rate of 4.6 hours per eighty hours worked by each employee to a maximum of 15 days or 120 hours per year for all employees except police and fire who can earn up to a maximum of 159 hours per year. Each employee with the City hired prior to December 31, 1988, is paid for up to 120 days or a maximum of 960 hours in full and one day for every three days of accumulated sick leave in excess of 120 days. Each employee with the City hired after December 31, 1988, is paid for up to 45 days or a maximum of 500 hours in full and one day for every four days of accumulated sick leave in excess of 45 days. This benefit is paid to an employee upon retirement under a pension plan resulting from his public employment, or his estate upon death.

Various departments allow compensation time to be earned on the same basis as overtime in lieu of overtime. Compensation time is subject to the regulations of the Fair Labor Standards Act.

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 10 - Risk Management

Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. In October 1989, the City joined together with neighboring cities to form the Northern Ohio Risk Management Association (NORMA), a not-for-profit corporation, for the purpose of obtaining property, liability and vehicle insurance and providing for a formalized, jointly administered self-insurance fund. The City pays an annual premium to NORMA for its insurance coverage. The agreement of formation of NORMA provides that NORMA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of the limits described in the agreement. This coverage is paid from the general fund. NORMA is a separate and independent entity governed by its own set of by-laws and constitution. All assets and liabilities are the responsibility of NORMA. The program is operated as a full indemnity program with no financial liability (other than monthly premiums) or risk to the City. The City is not liable nor will it receive a cash balance of past claims upon departure from the pool.

There has not been a significant reduction in coverage from the prior year and claims have not exceeded coverage provided by NORMA in any of the last three years.

Workers' Compensation

On July 3, 2007, the City was approved for self-insured status by the Bureau of Workers' Compensation and began to administer its own workers' compensation program (the program). The City has established a workers' compensation internal service fund to account for assets set aside for claim settlements and related liabilities associated with the program. Liabilities of the fund are reported when an employee injury has occurred, it is probable that a claim will be filed under the program, and the amount of the claim can be reasonably estimated. The City utilizes the services of CareWorks Consultants Inc., the third party administrator, to review, process, and pay employee claims. The City also maintains excess insurance coverage which would pay the portion of claims that exceed \$500,000 per occurrence for all employees.

The claims liability of \$48,889 reported in the fund at December 31, 2019, is based on an estimate provided by the third party administrator and the requirements of GASB statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount for 2018 and 2019 were:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Change in Workers' Compensation Estimate</u>	<u>Balance at End of Year</u>
2018	\$29,682	\$37,200	\$183,203	\$186,248	\$69,927
2019	69,927	41,747	84,410	21,625	48,889

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Employee Health Benefits

The City provides employee medical, prescription drug and dental benefits through a self-insured program. The maintenance of these benefits is accounted for in the medical self-insurance internal service fund. The third party administrators, Medical Mutual of Ohio for medical and prescription, and Guardian Life for dental, review the claims which are then paid by the City.

Medical claims within the network are subject to \$350 single and \$700 family deductible, and then are covered 100 percent. Medical claims out of network are subject to \$700 single and \$1,400 family deductible followed by 90/10 percent coinsurance for the next \$750 single and \$1,500 family, then 100 percent. Prescriptions are subject to a co-pay of \$10 generic, \$25 formulary, and \$65 non-formulary. The City has stop loss coverage at \$100,000 per family, per year, and a calculated aggregate maximum for the 2019 plan year of \$5,614,074.

Incurred but not reported claims of \$298,504 have been accrued as a liability based on a review of the January and February 2020 billings provided by the City. The claims liability 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 claim adjustment expenses and does not include other allocated or unallocated claims adjustment expenses. The claims activity for the medical self-insurance program in 2018 and 2019 were:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2018	\$291,326	\$3,929,111	\$3,813,088	\$407,349
2019	407,349	3,923,138	4,031,983	298,504

Note 11 - Defined Benefit Pension Plans

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

Net Pension Liability (Asset) /Net OPEB Liability

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

The net pension/OPEB liabilities (asset) represent the City's proportionate share of each pension/OPEB plans' collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plans' fiduciary net position. The net pension/OPEB liabilities (asset) calculations are 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.

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net pension asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System

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

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

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

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan 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	Traditional Plan 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	Traditional Plan 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
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

FAS represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Funding Policy – The ORC provides statutory authority for member and employer contributions as follows:

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2019 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
 Employee	 10.0 %

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

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

For 2019, The City’s contractually required contribution was \$1,776,972 for the traditional plan, \$46,838 for the combined plan and \$53,064 for the member-directed plan. Of these amounts, \$212,969 is reported as an intergovernmental payable for the traditional plan, \$5,619 for the combined plan, and \$6,354 for the member-directed plan.

Plan Description – Ohio Police & Fire Pension Fund

Plan Description – City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost of living adjustments (COLA), 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 (ORC). OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

City of Solon, Ohio
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For the Year Ended December 31, 2019

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

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3 percent or the percent increase, if any, in the Consumer Price Index over the 13 month period ending on September 30th of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.

Funding Policy – The ORC provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
2019 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2019 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
 Employee	 12.25 %	 12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$2,310,710 for 2019. Of this amount, \$278,097 is reported as an intergovernmental payable.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the City's defined benefit pension plans:

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	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&F</u>	
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.08905100%	0.09653400%	0.45250500%	
Prior Measurement Date	<u>0.09008000%</u>	<u>0.08591100%</u>	<u>0.47907200%</u>	
Change in Proportionate Share	<u>-0.00102900%</u>	<u>0.01062300%</u>	<u>-0.02656700%</u>	
Proportionate Share of the:				<u>Total</u>
Net Pension Liability	\$24,389,263	\$0	\$36,936,365	\$61,325,628
Net Pension Asset	0	(107,947)	0	(107,947)
Pension Expense	5,045,732	28,702	4,736,541	9,810,975

2019 pension expense for the member-directed defined contribution plan was \$53,064. The aggregate pension expense for all pension plans was \$9,864,039 for 2019.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources				
Differences between expected and actual experience	\$1,125	\$0	\$1,517,568	\$1,518,693
Changes of assumptions	2,123,145	24,109	979,234	3,126,488
Net difference between projected and actual earnings on pension plan investments	3,310,306	23,253	4,550,529	7,884,088
Changes in proportion and differences between City contributions and proportionate share of contributions	12,377	1,690	1,152,574	1,166,641
City contributions subsequent to the measurement date	<u>1,776,972</u>	<u>46,838</u>	<u>2,310,710</u>	<u>4,134,520</u>
Total Deferred Outflows of Resources	<u>\$7,223,925</u>	<u>\$95,890</u>	<u>\$10,510,615</u>	<u>\$17,830,430</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$320,245	\$44,088	\$34,492	\$398,825
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>142,932</u>	<u>8,139</u>	<u>1,773,499</u>	<u>1,924,570</u>
Total Deferred Inflows of Resources	<u>\$463,177</u>	<u>\$52,227</u>	<u>\$1,807,991</u>	<u>\$2,323,395</u>

\$4,134,520 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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Year Ending December 31:	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
2020	\$2,124,946	\$2,881	\$2,006,587	\$4,134,414
2021	1,012,195	(1,765)	1,011,524	2,021,954
2022	307,099	(1,275)	1,217,706	1,523,530
2023	1,539,536	6,005	2,020,562	3,566,103
2024	0	(3,552)	135,535	131,983
Thereafter	0	(5,469)	0	(5,469)
Total	<u>\$4,983,776</u>	<u>(\$3,175)</u>	<u>\$6,391,914</u>	<u>\$11,372,515</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2018, are presented as follows:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

In October of 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change was effective beginning with the 2018 valuation.

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-

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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 previously described tables.

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the traditional pension plan, the defined benefit component of the combined plan and the annuitized accounts of the member-directed plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94 percent for 2018.

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

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

Discount Rate For 2018, the discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. For 2017, the discount rate used to measure the total pension liability was 7.5 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was

City of Solon, Ohio
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projected to be available to make all projected future benefits payments of current plan members; therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability (asset):			
OPERS Traditional Plan	\$36,030,035	\$24,389,263	\$14,715,678
OPERS Combined Plan	(35,718)	(107,947)	(160,246)

Actuarial Assumptions – OP&F

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

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2018, are presented as follows:

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
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
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

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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 Buck 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 Buck Modified 2016 Improvement Scale.

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, are summarized as follows:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income *	23.00	2.60
High Yield Fixed Income	7.00	4.80
Private Credit	5.00	7.50
U.S. Inflation Linked Bonds*	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
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 previously disclosed, 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 of 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	\$48,550,306	\$36,936,365	\$27,231,240

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Note 12 - Defined Benefit OPEB Plans

See Note 11 for a description of the net OPEB liability

Plan Description – Ohio Public Employees Retirement System

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 with a minimum age of 60, or generally 30 years of qualifying service at any age. 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 No. 75. See OPERS' annual financial report referenced later for additional information.

The Ohio Revised Code (ORC) 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 ORC.

Disclosures for the health care plan are presented separately in the OPERS' annual 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 ORC provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care was no longer being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the ORC. Active member contributions do not fund health care.

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Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. 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 2019 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 \$21,226 for 2019. Of this amount, \$2,541 is reported as an intergovernmental payable.

Plan Description – Ohio Police & Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

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

The Ohio Revised Code (ORC) 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 ORC.

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 ORC provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2019, 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.

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 \$53,728 for 2019. Of this amount, \$6,464 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, 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, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.088967%	0.4525050%	
Prior Measurement Date	<u>0.090190%</u>	<u>0.4790720%</u>	
Change in Proportionate Share	<u>-0.001223%</u>	<u>-0.0265670%</u>	
			<u>Total</u>
Proportionate Share of the Net Pension Liability	\$11,599,198	\$4,120,754	\$15,719,952
OPEB Expense	\$1,026,745	(\$20,307,603)	(\$19,280,858)

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At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$3,928	\$0	\$3,928
Changes of assumptions	373,972	2,136,000	2,509,972
Net difference between projected and actual earnings on OPEB plan investments	531,755	139,491	671,246
Changes in proportion and differences between City contributions and proportionate share of contributions	1,070	1,017,562	1,018,632
City contributions subsequent to the measurement date	<u>21,226</u>	<u>53,728</u>	<u>74,954</u>
Total Deferred Outflows of Resources	<u>\$931,951</u>	<u>\$3,346,781</u>	<u>\$4,278,732</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$31,472	\$110,404	\$141,876
Changes of assumptions	0	1,140,819	1,140,819
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>89,065</u>	<u>1,181,782</u>	<u>1,270,847</u>
Total Deferred Inflows of Resources	<u>\$120,537</u>	<u>\$2,433,005</u>	<u>\$2,553,542</u>

\$74,954 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2020	\$372,861	\$162,146	\$535,007
2021	63,194	162,146	225,340
2022	86,253	162,146	248,399
2023	267,880	204,336	472,216
2024	0	137,820	137,820
Thereafter	<u>0</u>	<u>31,454</u>	<u>31,454</u>
Total	<u>\$790,188</u>	<u>\$860,048</u>	<u>\$1,650,236</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.

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Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. 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	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	3.71 percent
Prior Measurement date	3.31 percent
Health Care Cost Trend Rate:	
Current measurement date	10.0 percent, initial
	3.25 percent, ultimate in 2029
Prior Measurement date	7.25 percent, initial
	3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age Normal

In October of 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change was effective for the 2018 valuation.

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 previously described tables.

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and

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For the Year Ended December 31, 2019

Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.6 percent for 2018.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The following table displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	100.00 %	5.16 %

Discount Rate A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 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 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 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 (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

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	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
City's proportionate share of the net OPEB liability	\$14,839,696	\$11,599,198	\$9,022,143

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 2019 is 10.00 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 actuary's 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	\$11,149,344	\$11,599,198	\$12,117,305

Actuarial Assumptions – OP&F

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

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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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 as follows:

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
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	4.66 percent
Prior measurement date	3.24 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 Buck 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 Buck Modified 2016 Improvement Scale.

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

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

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

City of Solon, Ohio
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Discount Rate For 2019, the total OPEB liability was calculated using the discount rate of 4.66 percent. For 2018, 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 of 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 4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 4.66 percent for 2018 and 3.24 percent for 2017. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2031. The long-term expected rate of return on health care investments was applied to projected costs through 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66 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 (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$5,020,201	\$4,120,754	\$3,365,742

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

Note 13 – Shared Risk Pool

The Northern Ohio Risk Management Association (NORMA) is a shared risk pool comprised of the Cities of Beachwood, Bedford Heights, Eastlake, Highland Heights, Hudson, Maple Heights, Mayfield Heights, Richmond Heights, Solon, South Euclid, University Heights and the Village of Chagrin Falls. NORMA was formed to enable its members to obtain property and liability insurance, including vehicles, and provide for a formalized, jointly administered self-insurance fund. The members formed a not-for-profit corporation known as NORMA, Inc. to administer the pool. NORMA is governed by a board of trustees that consists of the Mayor from each of the participating members.

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Each member provides operating resources to NORMA based on actuarially determined rates. In the event of losses, the first \$2,500 of any valid claim will be paid by the member. The next payment, a maximum of \$100,000 per occurrence, will come from the self-insurance pool with any excess paid from the specific stop-loss coverage carried by the pool. The self-insurance pool will pay up to \$800,000 per policy year before the aggregate stop-loss coverage takes over. If the aggregate claims paid by the pool exceed the available resources, the pool may require the members to make additional supplementary payments up to a maximum of the regular annual payment.

In 2019, the City of Solon paid \$275,032 in premiums from the general fund, which represents 17.43 percent of the total premiums paid by all members. Financial information can be obtained by contacting the board chairman, the Finance Director at the City of Mayfield Heights, 6154 Mayfield Road, Mayfield Heights, Ohio, 44124.

Note 14 – Jointly Governed Organizations

Northeast Ohio Public Energy Council

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

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives on the governing board from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Solon did not contribute to NOPEC during 2019. Financial information can be obtained by contacting Ronald McVoy, Board Chairman, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

Regional Income Tax Agency

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collection income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2019, the City paid RITA \$423,918 for income tax collection services.

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 15 – Municipal Solid Waste Landfill

GASB No. 18, “Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs” establishes standards of accounting and financial reporting for municipal solid waste landfill (MSWLF) closure and postclosure care costs that are required to be incurred by federal, state or local laws or regulations. The City of Solon is exempt from this standard since the operator of the landfill is solely responsible for all costs, expenses and fees which may arise in connection with the operation, closure and postclosure care and monitoring as required by the Ohio Environmental Protection Agency regulations and permits of the Solon Landfill as it currently exists.

Note 16 - Long-Term Obligations

The changes in long-term obligations during the year were as follows:

	Balance 12/31/18	Additions	Reductions	Balance 12/31/19	Amounts Due in One Year
Governmental Activities					
<i>OWDA Loans from Direct Borrowings</i>					
2004 \$5,861,485 - 1.45%					
Aurora Road West Draw	\$1,784,166	\$0	(\$313,939)	\$1,470,227	\$318,507
2006 \$6,329,372 - 3.00%					
Aurora East Sewer Project	3,043,045	0	(337,646)	2,705,399	349,052
Total OWDA Loans	4,827,211	0	(651,585)	4,175,626	667,559
<i>Other Long-term Obligations</i>					
Net Pension Liability					
OPERS	12,577,305	9,129,138	0	21,706,443	0
OP&F	29,402,813	7,533,552	0	36,936,365	0
Total Net Pension Liability	41,980,118	16,662,690	0	58,642,808	0
Net OPEB Liability					
OPERS	8,716,635	1,606,653	0	10,323,288	0
OP&F	27,143,547	0	(23,022,793)	4,120,754	0
Total Net OPEB Liability	35,860,182	1,606,653	(23,022,793)	14,444,042	0
Compensated Absences	4,181,887	1,674,973	(1,681,214)	4,175,646	1,573,793
Capital Leases Payable	1,059,667	267,300	(201,485)	1,125,482	427,924
Claims Payable	69,927	31,407	(52,445)	48,889	36,667
Total Other Long-term Obligations	83,151,781	20,243,023	(24,957,937)	78,436,867	2,038,384
Total General Long-term Obligations	\$87,978,992	\$20,243,023	(\$25,609,522)	\$82,612,493	\$2,705,943

City of Solon, Ohio
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	Balance 12/31/18	Additions	Reductions	Balance 12/31/19	Amounts Due in One Year
Business-type Activities					
OWDA Loans from Direct Borrowings					
2006 \$3,935,828 - 3.00%					
Trickling Filter Rehabilitation	\$2,076,285	\$0	(\$202,926)	\$1,873,359	\$209,368
2011 \$4,891,846 - 3.00%					
Anaerobic Digester and Electrical Upgrade	3,514,224	0	(222,576)	3,291,648	229,642
<i>Total OWDA Loans</i>	<u>5,590,509</u>	<u>0</u>	<u>(425,502)</u>	<u>5,165,007</u>	<u>439,010</u>
Other Long-term Liabilities					
Net Pension Liability - OPERS					
Water Reclamation	1,130,547	820,596	0	1,951,143	0
Grantwood Recreation	423,954	307,723	0	731,677	0
<i>Total Net Pension Liability</i>	<u>1,554,501</u>	<u>1,128,319</u>	<u>0</u>	<u>2,682,820</u>	<u>0</u>
Net OPEB Liability - OPERS					
Water Reclamation	783,516	144,418	0	927,934	0
Grantwood Recreation	293,819	54,157	0	347,976	0
<i>Total Net OPEB Liability</i>	<u>1,077,335</u>	<u>198,575</u>	<u>0</u>	<u>1,275,910</u>	<u>0</u>
Compensated Absences	373,385	207,418	(207,959)	372,844	219,910
<i>Total Other Long-term Liabilities</i>	<u>3,005,221</u>	<u>1,534,312</u>	<u>(207,959)</u>	<u>4,331,574</u>	<u>219,910</u>
<i>Total Business-type Activities</i>	<u>\$8,595,730</u>	<u>\$1,534,312</u>	<u>(\$633,461)</u>	<u>\$9,496,581</u>	<u>\$658,920</u>

In 2004, the City received a \$5,861,485 Ohio Water Development Authority loan for the installation of the Aurora Road West Draw Project. The loan was issued for a twenty year period with a final maturity in 2024.

In 2006, the City received a \$6,329,372 Ohio Water Development Authority loan for improvements to the Aurora East Sewer System. The loan was issued for a twenty year period with a final maturity in 2026.

In 2006, the City received a \$3,935,828 Ohio Water Development Authority loan for the Trickling Filter Rehabilitation system. The loan was issued for a twenty year period with a final maturity in 2027.

In 2011, the City received a \$4,891,846 Ohio Water Development Authority loan for the Anaerobic Digester and Electrical Upgrade project. The loan was issued for a twenty year period with a final maturity in 2031.

The City's outstanding OWDA loans from direct borrowings of \$4,175,626 related to governmental activities and \$5,165,007 related to business-type activities contain provisions that in the event of default (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within 30 days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to the OWDA, and (3) for each additional 30 days during which the charges remain unpaid, the City shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

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The OWDA loans will be paid from the general bond retirement debt service fund with property taxes and special assessments.

The OWDA enterprise fund loans are being paid from the water reclamation enterprise fund user fees. In the event that the water reclamation enterprise fund would fail to pay the OWDA loans, payment would be made by any general tax revenues collected in the general, bond retirement or capital projects funds.

Compensated absences will be paid from the general fund and the water reclamation and grantwood recreation enterprise funds. There is no repayment schedule for the net pension liability and net OPEB liability. However, employer pension and OPEB contributions are made from the following funds: general fund and the water reclamation and grantwood recreation enterprise funds. For additional information related to the net pension and net OPEB liabilities see Notes 11 and 12. The capital leases payable will be paid from the service and safety equipment capital projects fund.

The City's overall legal debt margin was \$128,528,703 with an unvoted debt margin of \$67,324,559 at December 31, 2019. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2019 are as follows:

Governmental Activities

	OWDA Loans from Direct Borrowings	
	Principal	Interest
2020	\$667,559	\$107,899
2021	683,985	91,474
2022	700,877	74,581
2023	718,250	57,209
2024	566,778	39,342
2025-2026	838,177	35,390
Total	<u>\$4,175,626</u>	<u>\$405,895</u>

Business-Type Activities

	OWDA Loans from Direct Borrowings	
	Principal	Interest
2020	\$439,010	\$154,415
2021	452,948	140,825
2022	467,329	126,803
2023	482,166	112,335
2024	497,472	97,410
2025-2029	2,188,321	258,761
2030-2031	637,761	24,103
Total	<u>\$5,165,007</u>	<u>\$914,652</u>

City of Solon, Ohio
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Note 17 - Capital Leases

In prior years the City entered into lease agreements for a street/sewer cleaning truck, a televising camera truck, a vactor truck, a rubbish truck and a rear load packer. For 2019, the City entered into lease agreement for a trash truck. The City's lease obligations meet the criteria of capital leases and have been recorded on the government-wide statements. The original amounts capitalized for the capital leases and the book values as of December 31, 2019 follow:

	Amounts
Asset:	
Vehicles	\$1,567,878
Less: Accumulated Depreciation	(470,242)
Current Book Value	\$1,097,636

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

	Year Ending December 31,	
2020		\$458,877
2021		259,246
2022		210,618
2023		210,619
2024		58,783
Total Payments		1,198,143
Less: Amount Representing Interest		(72,661)
Present Value of Minimum Lease Payments		\$1,125,482

Capital lease payments have been reclassified and reflected as debt service in the fund financial statement for the service and safety equipment capital projects fund. These expenditures are reflected as program expenditures on a budgetary basis.

Note 18 - Interfund Transfers

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

	Transfer From
Transfers To	General
Other Governmental Funds	\$2,300,000
Internal Service Fund	150,000
Total All Funds	\$2,450,000

City of Solon, Ohio
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During 2019, the general fund transferred \$2,300,000 to other governmental funds. The general fund transfer to the recreation special revenue fund is an annual subsidy to help keep program fees affordable to participants. The general fund transfers to the safety and service equipment, building construction and general capital improvements capital projects funds were an occasional subsidy for capital purchases. The general fund transfer to the medical self-insurance internal service fund was to establish a reserve balance for self-insured medical claims.

Note 19 – Joint Economic Development District

In 2006, the City entered into a contract with neighboring Bainbridge Township to form the Bainbridge-Solon Joint Economic Development District (JEDD). It is entirely located in Bainbridge Township, and its primary purpose was to promote regional growth and economic development. In December 2006, the JEDD Board levied a municipal income tax of two percent in the JEDD effective January 1, 2007. The JEDD Board also contracted with the City of Solon to administer this income tax.

The JEDD agreement requires the City of Solon and Bainbridge Township share the income tax receipts 50/50 after income tax administration costs and a five percent deduction for the JEDD's Maintenance and Improvement Fund for infrastructure related projects. Financial information for the JEDD can be obtained by contacting City of Solon Finance Department, 34200 Bainbridge Road, Solon, Ohio 44139.

Note 20 – Significant Commitments

Encumbrances

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

<i>Governmental Funds:</i>		<i>Proprietary Funds:</i>	
General Fund	\$740,062	Water Reclamation Fund	\$377,696
Infrastructure Fund	7,339,791	Grantwood Golf Fund	20,392
Other Governmental Funds	1,463,999	Internal Service Fund	4,910
Total Governmental	<u>\$9,543,852</u>	Total Proprietary	<u>\$402,998</u>

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Contractual Commitments

The following table presents the City's remaining balances on construction contracts at year end.

Vendor	Project Description	Amount Remaining on Contract
Trimor Corporation	Annual Emergency Roadway Repair	\$186,228
R.E. Warner & Associates	SOM/Cannon Intersection Design	28,693
Trax Construction Co.	Annual Sanitary & Storm Sewer Repair	193,905
GEO-SCI Laboratory, Inc.	Annual Materials Testing	17,111
Lampion Co.	Citywide Traffic Signal Upgrade	6,400
Euthenics Inc.	SOM/Aurora Intersection	7,135
Catts Construction, Inc.	SOM/Aurora Intersection	1,897,076
GPD Associates	Aurora Rd Reconstruction design	211,790
Sander Contracting, Inc.	SOM Retaining Wall & Fence	50,955
GPD Associates	Harper Rd Traffic Evaluation	152,731
S.E.T. Inc.	Derby Downs Reconstruction	173,598
MR. Excavator, Inc.	Sharondale Storm Sewer	4,561
Fabrizi Trucking and Paving	Arbordale Reconstruction	373,724
Burgess & Niple LTD	Fox Hill Storm Sewer Design	5,875
Catts Construction, Inc.	Carter Street Reconstruction	335,196
Chagrin Valley Paving	SOM Resurface 422 to Bridge - Design	117,408
Platform Cement, Inc.	City Hall Entry Plaza	7,328
S.E.T. Inc.	Indep Ct/Bunker Hill Sanitary Storm Design	44,632
Perram Electric, Inc.	Bainbridge/Nestle Crosswalk Design	23,431
GPD Associates	SOM/Pettibone Intersection Improv. Design	107,323
Burgess & Niple LTD	Solon Road Reconstruction Design	194,271
GPD Associates	Aurora Rd Reconstruction Phase 2	812,309
GPD Associates	Swagelok Crosswalk/Traffic Study	6,005
Athos Contracting	Fire Hydrant Refinishing	10,791
Burgess & Niple LTD	Miles Rd. Retaining Wall	32,963
Trimor Corporation	Fairfield Oval Reconstruction	7,205
Burgess & Niple LTD	Influent Aerial Pipe	52,115
Burgess & Niple LTD	Miles Rd. Sanitary Sewer	53,800
Greenman-Pedersen, Inc.	Construction Inspection Services	330,685
Trimor Corporation	Annual Concrete Repair Program	138,627
Chagrin Valley Paving	Annual Asphalt Repair (2018)	166,565
Barbicas Construction Co., Inc.	Annual Asphalt Repair Program	806,078
Asphalt Fabrics	Annual Preventive Maint.	16,005
Dura Mark Inc.	Annual Street Striping	16,955
Cuyahoga Soil & Water	Storm Water Plan Review	6,500
Lake County Sewer Co., Inc.	Annual Sewer Grouting Program	5,578
G & W Roofing	Fire Station 1 Roof	92,189
CCG Automation	Fire Station 1 HVAC phase 2	34,997
Park Lane Constuct. & Dev. Corp.	Service Salt Barn Addition	6,683
Platform Cement, Inc.	City Hall Entry Plaza	6,207
ES Architecture & Development	Fire Station Roof Replacement Design	8,101
Tarkett USA Inc.	Synthetic Turf - Varsity Baseball Field	324,312
Chagrin Valley Paving	Tennis Courts	38,843
Burgess & Niple LTD	Design Services for Concrete Repairs	57,426
Arcadis US, INC.	Preliminary Treatment Improv. Project	17,106
A.P. O'Horo Co., Inc.	Preliminary Treatment Improv. Project	50,000
Herbst Electric Co.	Preliminary Treatment Improv. Project	17,304
Midwest Land Clearing Inc.	Tree Removal	4,850
Barbicas Construction Co., Inc.	Northeast Pump Station	4,514
Various	Miscellaneous Traffic Signal Improvements	25,976
		\$7,290,060

Remaining commitment amounts were encumbered at year end.

City of Solon, Ohio
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Note 21 - Tax Abatement Disclosures

As of December 31, 2019, the City of Solon provides tax incentives under two programs: the Urban Jobs and Enterprise Zone (EZ) and the Community Reinvestment Area (CRA).

Real Estate Tax Abatements

Pursuant to Ohio Revised Code Chapter 5709, the City established an Enterprise Zone in 1987, and amended this in 1990, which included all land within the I-2 Industrial Manufacturing District. In 2004, the City established a Community Reinvestment Area comprised of nine parcels at the southwest corner of Solon Road and Cochran Road. Under both programs, the City of Solon authorizes incentives through passage of public ordinances, based upon each business' investment and job creation commitment, and through a contractual agreement process with each business, including proof that the improvements have been made. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of the Enterprise Zone and the Community Reinvestment Area gave the City the ability to maintain and expand business located in the City and create new jobs.

Current Tax Abatement Activity

The City of Solon currently has one active CRA abatement and one active Enterprise Zone abatement in the City. The City considers projects based on program criteria specified by the Ohio Revised Code. The City adheres to State prescribed minimum investment and job creation for determining the application of abatement for projects.

Below is the information relevant to the disclosure of those programs for the year ended December 31, 2019.

Tax Abatement Program	Total Amount of Taxes Abated (Incentives Abated) For the year 2019 (In Actual Dollars)
<i>Community Reinvestment Area (CRA)</i>	
- Manufacturing	\$530,781
<i>Enterprise Zone Agreement (EZA)</i>	
- Industrial	253,938

Enterprise Zone Revenue Sharing Agreement

The City of Solon also contracts with the Solon City School District for revenue sharing of new income tax resulting from the projects when required by Section 5709.82 of the Ohio Revised Code.

Pursuant to Section 5709.82 of the Ohio Revised Code, the City of Solon and the Solon City School District, approved an Enterprise Zone Revenue Sharing Agreement. The agreement provides for the 50/50 split of income tax revenue for new payroll in excess of \$1 million plus an additional fixed revenue sharing amount in years two through six of the agreement. The City's revenue sharing obligation for the one CRA agreement was fulfilled several years ago.

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

The following is the required amount of income tax dollars paid by the City to the Solon City School District in 2019:

Enterprise Zone Revenue Sharing	\$90,454
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Note 22 – Changes in Accounting Principle

The Governmental Accounting Standards Board (GASB) recently issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The City evaluated implementing these certain GASB pronouncements based on the guidance in GASB 95.

For 2019, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* and related guidance from (GASB) Implementation Guide No. 2019-2, *Fiduciary Activities*.

For 2019, the City also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2018-1*. These changes were incorporated in the City's 2019 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. The City reviewed its agency funds and certain funds will be reported in the new fiduciary fund classification of custodial funds, while other funds have been reclassified as governmental funds. GASB Statement 84 was incorporated into the City's 2019 financial statements; however, these changes had no effect on beginning net position/fund balance as the amounts reclassified to governmental funds were offset by corresponding liabilities.

GASB Statement 88 improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. These changes were incorporated in the City's fiscal year 2019 financial statements; however, there was no effect on beginning net position/fund balance.

The implementation of GASB Statement No. 84 had the following effect on fiduciary assets and liabilities as of December 31, 2018:

	Fiduciary Funds	
	Agency	Custodial
Net Position December 31, 2018	\$0	\$0
Adjustments:		
Assets	(712,961)	36,559
Liabilities	712,961	(36,559)
Net Position December 31, 2018	\$0	\$0

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 23 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The investments of the pension and other employee benefit plans in which the City participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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Required Supplementary Information

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

	2019	2018	2017
City's Proportion of the Net Pension Liability	0.08905100%	0.09008000%	0.08983800%
City's Proportionate Share of the Net Pension Liability	\$24,389,263	\$14,131,806	\$20,400,683
City's Covered Payroll	\$12,029,814	\$11,904,185	\$11,613,317
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	202.74%	118.71%	175.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%

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

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

See accompanying notes to the required supplementary information

2016	2015	2014
0.09708100%	0.09840800%	0.09840800%
\$16,815,653	\$11,869,151	\$11,601,065
\$12,083,657	\$12,064,925	\$12,360,838
139.16%	98.38%	93.85%
81.08%	86.45%	86.36%

City of Solon, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net Pension Asset
Ohio Public Employees Retirement System - Combined Plan
Last Two Years (1)

	2019	2018
City's Proportion of the Net Pension Asset	0.09653400%	0.08591100%
City's Proportionate Share of the Net Pension Asset	\$107,947	\$116,951
City's Covered Payroll	\$411,950	\$351,846
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	-26.20%	-33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	126.64%	137.28%

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

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

See accompanying notes to the required supplementary information.

City of Solon, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net OPEB Liability
Ohio Public Employees Retirement System - OPEB Plan
Last Three Years (1)

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.088967%	0.090190%	0.090160%
City's Proportionate Share of the Net OPEB Liability	\$11,599,198	\$9,793,970	\$9,106,466
City's Covered Payroll	\$12,904,414	\$12,774,506	\$12,460,259
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	89.89%	76.67%	73.08%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	54.04%

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

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

See accompanying notes to the required supplementary information.

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

	2019	2018	2017
City's Proportion of the Net Pension Liability	0.45250500%	0.47907200%	0.44947300%
City's Proportionate Share of the Net Pension Liability	\$36,936,365	\$29,402,813	\$28,469,169
City's Covered Payroll	\$10,074,922	\$9,826,819	\$9,514,949
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	366.62%	299.21%	299.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%

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

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

See accompanying notes to the required supplementary information.

2016	2015	2014
0.46554600%	0.46826400%	0.04682640%
\$29,948,902	\$24,258,028	\$22,805,926
\$9,269,014	\$9,113,753	\$8,880,813
323.11%	266.17%	256.80%
66.77%	71.71%	73.00%

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

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.4525050%	0.4790720%	0.4494730%
City's Proportionate Share of the Net OPEB Liability	\$4,120,754	\$27,143,547	\$21,335,472
City's Covered Payroll	\$10,074,922	\$9,826,819	\$9,514,949
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	40.90%	276.22%	224.23%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.57%	14.13%	15.96%

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

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

See accompanying notes to the required supplementary information.

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

	2019	2018	2017	2016
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$1,776,972	\$1,684,174	\$1,547,544	\$1,393,598
Contributions in Relation to the Contractually Required Contribution	<u>(1,776,972)</u>	<u>(1,684,174)</u>	<u>(1,547,544)</u>	<u>(1,393,598)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$12,692,657	\$12,029,814	\$11,904,185	\$11,613,317
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>
Net Pension Liability - Combined Plan				
Contractually Required Contribution	\$46,838	\$57,673	\$45,740	\$41,981
Contributions in Relation to the Contractually Required Contribution	<u>(46,838)</u>	<u>(57,673)</u>	<u>(45,740)</u>	<u>(41,981)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$334,557	\$411,950	\$351,846	\$349,842
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>
Net OPEB Liability - OPEB Plan (2)				
Contractually Required Contribution	\$21,226	\$18,506	\$143,299	\$259,147
Contributions in Relation to the Contractually Required Contribution	<u>(21,226)</u>	<u>(18,506)</u>	<u>(143,299)</u>	<u>(259,147)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (3)	\$13,557,864	\$12,904,414	\$12,774,506	\$12,460,259
OPEB Contributions as a Percentage of Covered Payroll	<u>0.16%</u>	<u>0.14%</u>	<u>1.12%</u>	<u>2.08%</u>

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

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

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

See accompanying notes to the required supplementary information.

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$1,450,038	\$1,447,791	\$1,606,909
<u>(1,450,038)</u>	<u>(1,447,791)</u>	<u>(1,606,909)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$12,083,657	\$12,064,925	\$12,360,838
<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>
\$52,794	\$55,689	\$57,391
<u>(52,794)</u>	<u>(55,689)</u>	<u>(57,391)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$439,950	\$464,075	\$441,469
<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Pension Liability				
Contractually Required Contribution	\$2,310,710	\$2,166,600	\$2,113,672	\$2,045,193
Contributions in Relation to the Contractually Required Contribution	<u>(2,310,710)</u>	<u>(2,166,600)</u>	<u>(2,113,672)</u>	<u>(2,045,193)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$10,745,517	\$10,074,922	\$9,826,819	\$9,514,949
Pension Contributions as a Percentage of Covered Payroll	<u>21.50%</u>	<u>21.50%</u>	<u>21.51%</u>	<u>21.49%</u>
Net OPEB Liability				
Contractually Required Contribution	\$53,728	\$50,375	\$49,134	\$47,575
Contributions in Relation to the Contractually Required Contribution	<u>(53,728)</u>	<u>(50,375)</u>	<u>(49,134)</u>	<u>(47,575)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>22.00%</u>	<u>22.00%</u>	<u>22.01%</u>	<u>21.99%</u>

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

See accompanying notes to the required supplementary information.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$1,992,084	\$1,959,654	\$1,631,979	\$1,306,875	\$1,283,206	\$1,287,816
<u>(1,992,084)</u>	<u>(1,959,654)</u>	<u>(1,631,979)</u>	<u>(1,306,875)</u>	<u>(1,283,206)</u>	<u>(1,287,816)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,269,014	\$9,113,753	\$8,880,813	\$8,565,132	\$8,385,932	\$8,433,354
<u>21.49%</u>	<u>21.50%</u>	<u>18.38%</u>	<u>15.26%</u>	<u>15.30%</u>	<u>15.27%</u>
\$46,345	\$45,569	\$321,189	\$578,147	\$566,050	\$569,251
<u>(46,345)</u>	<u>(45,569)</u>	<u>(321,189)</u>	<u>(578,147)</u>	<u>(566,050)</u>	<u>(569,251)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.50%</u>	<u>0.50%</u>	<u>3.62%</u>	<u>6.75%</u>	<u>6.75%</u>	<u>6.75%</u>
<u>21.99%</u>	<u>22.00%</u>	<u>22.00%</u>	<u>22.01%</u>	<u>22.05%</u>	<u>22.02%</u>

City of Solon, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2019

Changes in Assumptions – OPERS Pension

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and in 2016 and prior are presented below:

	2019	2018 and 2017	2016 and prior
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

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

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

City of Solon, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2019

Changes in Assumptions – OP&F Pension

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

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

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

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

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

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

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

City of Solon, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2019

Changes in Assumptions – OPERS OPEB

For 2019, the single discount rate changed from 3.85 percent to 3.96 percent and the municipal bond rate changed from 3.31 percent to 3.71 percent. For 2019, the health care cost trend rate was 10 percent, initial; 3.25 ultimate in 2029. For 2018, the health care cost trend rate was 7.25 percent, initial; 3.25 percent ultimate in 2028.

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

Changes in Assumptions – OP&F OPEB

For 2019, the single discount rate changed from 3.24 percent to 4.66 percent.

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

Changes in Benefit Terms – OP&F OPEB

For 2019, OP&F recognized a change in benefit terms. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years.

Combining and Individual Fund Statements and Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

Street Construction, Maintenance and Repair Fund - to account for and report the portion of the State gasoline tax and motor vehicle license fees that are restricted for maintenance of streets within the City.

State Highway Fund - to account for and report that portion of the State gasoline tax and motor vehicle registration fees that are restricted for maintenance of State highways within the City.

Police Pension Fund – to account for and report restricted property taxes levied for the payment of the current liabilities for police disability and pension benefits.

Fire Pension Fund - to account for and report restricted property taxes levied for the payment of the current liabilities for fire disability and pension benefits.

Cable TV Fund - to account for and report cable franchise fees committed to the Cable TV Commission including a distribution of fifty percent to the Solon City Schools.

Tree Planting Fund – to account for and report deposits from developers committed to purchasing and planting trees in the City.

Recreation Fund – to account for and report recreation activity charges and transfers committed to recreation programs.

Police Department Programs Fund - to account for and report grants restricted to the Police Department's DARE Programs.

Law Enforcement Trust Fund – to account for and report confiscation of money from law enforcement activities restricted to expenditures to support the same law enforcement activities.

Donations Trust Fund – to account for and report donations made to various City departments committed to specific program expenditures.

Economic Incentive Fund – to account for and report the receipt of grant money and transfers from the general fund used to support economic incentive/job creation programs. This fund is included with the general fund for GAAP reporting because the ordinance establishing the fund does not include a revenue source.

Police Training Fund - to account for and report the receipt of training fees collected to pay the cost of providing police and corrections training. This fund is included with the general fund for GAAP reporting because there is no restriction on these monies.

Community Improvement Corporation Fund – to account for and report the revenues used for industrial revenue bond administration. This fund is currently inactive and is included with the general fund for GAAP reporting because there is no restriction on these monies.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Capital Projects Funds

Capital projects funds are used to account and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those by proprietary funds or for assets that will be held in trust.

Safety and Service Equipment Fund – to account for and report the voter approved one half mill property tax levy restricted to the purchase of police, fire and service department vehicles and equipment.

Building Construction Fund – to account for and report transfers assigned for the construction and repair of various City buildings.

Old City Hall Renovations Fund – to account for and report grants restricted to renovating the old Solon City Hall.

General Capital Improvements Fund – to account for and report distributions from the City's Joint Economic Development District (JEDD) and recycling charges restricted to the purchase of land, buildings, vehicles and equipment.

City of Solon, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,305,047	\$3,559,741	\$5,864,788
Accrued Interest Receivable	1,602	0	1,602
Accounts Receivable	46,681	0	46,681
Intergovernmental Receivable	882,924	135,571	1,018,495
Property Taxes Receivable	2,271,784	425,967	2,697,751
<i>Total Assets</i>	<u>\$5,508,038</u>	<u>\$4,121,279</u>	<u>\$9,629,317</u>
Liabilities			
Accounts Payable	\$9,828	\$5,290	\$15,118
Accrued Wages	504	0	504
Contracts Payable	0	218,483	218,483
Intergovernmental Payable	284,561	0	284,561
Retainage Payable	0	70,774	70,774
<i>Total Liabilities</i>	<u>294,893</u>	<u>294,547</u>	<u>589,440</u>
Deferred Inflows of Resources			
Property Taxes	2,183,123	409,515	2,592,638
Unavailable Revenue	880,211	152,023	1,032,234
<i>Total Deferred Inflows of Resources</i>	<u>3,063,334</u>	<u>561,538</u>	<u>3,624,872</u>
Fund Balances			
Restricted	1,731,155	1,504,737	3,235,892
Committed	418,656	0	418,656
Assigned	0	1,760,457	1,760,457
Unassigned (Deficit)	0	0	0
<i>Total Fund Balances</i>	<u>2,149,811</u>	<u>3,265,194</u>	<u>5,415,005</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$5,508,038</u>	<u>\$4,121,279</u>	<u>\$9,629,317</u>

City of Solon, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$2,231,998	\$417,419	\$2,649,417
Intergovernmental	1,524,868	150,850	1,675,718
Investment Income	9,791	0	9,791
Fees, Licenses and Permits	183,298	0	183,298
Fines and Forfeitures	18,973	0	18,973
Rentals	4,295	0	4,295
Charges for Services	1,840	0	1,840
Contributions and Donations	65,787	125,000	190,787
Miscellaneous	22,548	0	22,548
<i>Total Revenues</i>	<u>4,063,398</u>	<u>693,269</u>	<u>4,756,667</u>
Expenditures			
Current:			
Security of Persons and Property			
Police	980,036	0	980,036
Fire	1,446,590	0	1,446,590
Leisure Time Activities	246,089	0	246,089
Transportation	1,060,000	0	1,060,000
General Government	11,518	0	11,518
Capital Outlay	0	3,321,866	3,321,866
Debt Service:			
Principal Retirement	0	201,485	201,485
Interest and Fiscal Charges	0	27,608	27,608
<i>Total Expenditures</i>	<u>3,744,233</u>	<u>3,550,959</u>	<u>7,295,192</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>319,165</u>	<u>(2,857,690)</u>	<u>(2,538,525)</u>
Other Financing Sources (Uses)			
Inception of Capital Lease	0	267,300	267,300
Transfers In	50,000	2,250,000	2,300,000
<i>Total Other Financing Sources (Uses)</i>	<u>50,000</u>	<u>2,517,300</u>	<u>2,567,300</u>
<i>Net Change in Fund Balances</i>	369,165	(340,390)	28,775
<i>Fund Balances Beginning of Year</i>	<u>1,780,646</u>	<u>3,605,584</u>	<u>5,386,230</u>
<i>Fund Balances End of Year</i>	<u><u>\$2,149,811</u></u>	<u><u>\$3,265,194</u></u>	<u><u>\$5,415,005</u></u>

City of Solon, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

	Street Construction, Maintenance and Repair	State Highway	Police Pension	Fire Pension	Cable TV
Assets					
Equity in Pooled Cash and Cash Equivalents	\$215,967	\$27,571	\$773,255	\$680,368	\$275,214
Accrued Interest Receivable	667	85	0	0	850
Accounts Receivable	0	0	0	0	46,366
Intergovernmental Receivable	710,186	57,583	46,062	69,093	0
Property Taxes Receivable	0	0	908,713	1,363,071	0
<i>Total Assets</i>	<u>\$926,820</u>	<u>\$85,239</u>	<u>\$1,728,030</u>	<u>\$2,112,532</u>	<u>\$322,430</u>
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$0	\$8,085
Accrued Wages	0	0	0	0	0
Intergovernmental Payable	0	0	111,335	173,226	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>111,335</u>	<u>173,226</u>	<u>8,085</u>
Deferred Inflows of Resources					
Property Taxes	0	0	873,249	1,309,874	0
Unavailable Revenue	594,773	48,225	81,526	122,290	33,397
<i>Total Deferred Inflows of Resources</i>	<u>594,773</u>	<u>48,225</u>	<u>954,775</u>	<u>1,432,164</u>	<u>33,397</u>
Fund Balances					
Restricted	332,047	37,014	661,920	507,142	0
Committed	0	0	0	0	280,948
<i>Total Fund Balances</i>	<u>332,047</u>	<u>37,014</u>	<u>661,920</u>	<u>507,142</u>	<u>280,948</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$926,820</u>	<u>\$85,239</u>	<u>\$1,728,030</u>	<u>\$2,112,532</u>	<u>\$322,430</u>

Tree Planting	Recreation	Police Department Programs	Law Enforcement Trust	Donations Trust	Total Nonmajor Special Revenue Funds
\$60,703	\$20,880	\$15,888	\$177,333	\$57,868	\$2,305,047
0		0	0	0	1,602
0	0	0	315	0	46,681
0	0	0	0	0	882,924
0	0	0	0	0	2,271,784
<u>\$60,703</u>	<u>\$20,880</u>	<u>\$15,888</u>	<u>\$177,648</u>	<u>\$57,868</u>	<u>\$5,508,038</u>
\$0	\$1,303	\$0	\$0	\$440	\$9,828
0	0	0	504	0	504
0	0	0	0	0	284,561
0	1,303	0	504	440	294,893
0	0	0	0	0	2,183,123
0	0	0	0	0	880,211
0	0	0	0	0	3,063,334
0	0	15,888	177,144	0	1,731,155
60,703	19,577	0	0	57,428	418,656
60,703	19,577	15,888	177,144	57,428	2,149,811
<u>\$60,703</u>	<u>\$20,880</u>	<u>\$15,888</u>	<u>\$177,648</u>	<u>\$57,868</u>	<u>\$5,508,038</u>

City of Solon, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

	Street Construction, Maintenance and Repair	State Highway	Police Pension	Fire Pension	Cable TV
Revenues					
Property Taxes	\$0	\$0	\$892,794	\$1,339,204	\$0
Intergovernmental	1,192,698	96,705	94,186	141,279	0
Investment Income	2,446	349	0	0	6,996
Fees, Licenses and Permits	0	0	0	0	183,298
Fines and Forfeitures	0	0	0	0	0
Rentals	0	0	0	0	0
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>1,195,144</u>	<u>97,054</u>	<u>986,980</u>	<u>1,480,483</u>	<u>190,294</u>
Expenditures					
Current:					
Security of Persons and Property					
Police	0	0	932,884	0	0
Fire	0	0	0	1,439,251	0
Leisure Time Activities	0	0	0	0	139,391
Transportation	985,000	75,000	0	0	0
General Government	0	0	0	0	0
<i>Total Expenditures</i>	<u>985,000</u>	<u>75,000</u>	<u>932,884</u>	<u>1,439,251</u>	<u>139,391</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	210,144	22,054	54,096	41,232	50,903
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	210,144	22,054	54,096	41,232	50,903
<i>Fund Balances Beginning of Year</i>	<u>121,903</u>	<u>14,960</u>	<u>607,824</u>	<u>465,910</u>	<u>230,045</u>
<i>Fund Balances End of Year</i>	<u><u>\$332,047</u></u>	<u><u>\$37,014</u></u>	<u><u>\$661,920</u></u>	<u><u>\$507,142</u></u>	<u><u>\$280,948</u></u>

Tree Planting	Recreation	Police Department Programs	Law Enforcement Trust	Donations Trust	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$2,231,998
0	0	0	0	0	1,524,868
0	0	0	0	0	9,791
0	0	0	0	0	183,298
0	0	0	18,973	0	18,973
0	4,295	0	0	0	4,295
1,840	0	0	0	0	1,840
0	18,000	25,600	0	22,187	65,787
0	22,548	0	0	0	22,548
1,840	44,843	25,600	18,973	22,187	4,063,398
0	0	27,336	15,799	4,017	980,036
0	0	0	0	7,339	1,446,590
0	102,255	0	0	4,443	246,089
0	0	0	0	0	1,060,000
11,518	0	0	0	0	11,518
11,518	102,255	27,336	15,799	15,799	3,744,233
(9,678)	(57,412)	(1,736)	3,174	6,388	319,165
0	50,000	0	0	0	50,000
(9,678)	(7,412)	(1,736)	3,174	6,388	369,165
70,381	26,989	17,624	173,970	51,040	1,780,646
\$60,703	\$19,577	\$15,888	\$177,144	\$57,428	\$2,149,811

City of Solon, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2019

	Safety and Service Equipment	Building Construction	Old City Hall Renovations	General Capital Improvements	Total Nonmajor Capital Projects Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$726,591	\$1,867,607	\$17,744	\$947,799	\$3,559,741
Intergovernmental Receivable	19,164	0	0	116,407	135,571
Property Taxes Receivable	425,967	0	0	0	425,967
<i>Total Assets</i>	<u>\$1,171,722</u>	<u>\$1,867,607</u>	<u>\$17,744</u>	<u>\$1,064,206</u>	<u>\$4,121,279</u>
Liabilities					
Accounts Payable	\$0	\$450	\$0	\$4,840	\$5,290
Contracts Payable	30,799	74,767	0	112,917	218,483
Retainage Payable	0	31,933	0	38,841	70,774
<i>Total Liabilities</i>	<u>30,799</u>	<u>107,150</u>	<u>0</u>	<u>156,598</u>	<u>294,547</u>
Deferred Inflows of Resources					
Property Taxes	409,515	0	0	0	409,515
Unavailable Revenue	35,616	0	0	116,407	152,023
<i>Total Deferred Inflows of Resources</i>	<u>445,131</u>	<u>0</u>	<u>0</u>	<u>116,407</u>	<u>561,538</u>
Fund Balances					
Restricted	695,792	0	17,744	791,201	1,504,737
Assigned	0	1,760,457	0	0	1,760,457
<i>Total Fund Balances</i>	<u>695,792</u>	<u>1,760,457</u>	<u>17,744</u>	<u>791,201</u>	<u>3,265,194</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,171,722</u>	<u>\$1,867,607</u>	<u>\$17,744</u>	<u>\$1,064,206</u>	<u>\$4,121,279</u>

City of Solon, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2019

	Safety and Service Equipment	Building Construction	Old City Hall Renovations	General Capital Improvements	Total Nonmajor Capital Projects Funds
Revenues					
Property Taxes	\$417,419	\$0	\$0	\$0	\$417,419
Intergovernmental	39,067	0	0	111,783	150,850
Contributions and Donations	0	0	0	125,000	125,000
<i>Total Revenues</i>	<u>456,486</u>	<u>0</u>	<u>0</u>	<u>236,783</u>	<u>693,269</u>
Expenditures					
Capital Outlay	1,120,182	988,025	0	1,213,659	3,321,866
Debt Service:					
Principal Retirement	201,485	0	0	0	201,485
Interest and Fiscal Charges	27,608	0	0	0	27,608
<i>Total Expenditures</i>	<u>1,349,275</u>	<u>988,025</u>	<u>0</u>	<u>1,213,659</u>	<u>3,550,959</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(892,789)</u>	<u>(988,025)</u>	<u>0</u>	<u>(976,876)</u>	<u>(2,857,690)</u>
Other Financing Sources (Uses)					
Inception of Capital Lease	267,300	0	0	0	267,300
Transfers In	700,000	950,000	0	600,000	2,250,000
<i>Total Other Financing Sources (Uses)</i>	<u>967,300</u>	<u>950,000</u>	<u>0</u>	<u>600,000</u>	<u>2,517,300</u>
<i>Net Change in Fund Balances</i>	74,511	(38,025)	0	(376,876)	(340,390)
<i>Fund Balances Beginning of Year</i>	<u>621,281</u>	<u>1,798,482</u>	<u>17,744</u>	<u>1,168,077</u>	<u>3,605,584</u>
<i>Fund Balances End of Year</i>	<u>\$695,792</u>	<u>\$1,760,457</u>	<u>\$17,744</u>	<u>\$791,201</u>	<u>\$3,265,194</u>

Combining Statements – Internal Service Funds

Internal service funds are used to account for and report the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Workers' Compensation Fund - To account for and report self-insurance provided by the City through a retrospective rating plan with the State of Ohio for workers' compensation.

Medical Self Insurance Fund - To account for and report claims and administration of the health care program for covered City employees and eligible dependents, and the accumulation and allocation of costs associated with health care.

City of Solon, Ohio
Combining Statement of Fund Net Position
Internal Service Funds
December 31, 2019

	Workers' Compensation	Medical Self Insurance	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$299,566	\$2,595,409	\$2,894,975
Accounts Receivable	0	768	768
Prepaid Items	31,535	0	31,535
<i>Total Assets</i>	<u>331,101</u>	<u>2,596,177</u>	<u>2,927,278</u>
Liabilities			
<i>Current Liabilities:</i>			
Accounts Payable	1,246	0	1,246
Accrued Wages	0	12,022	12,022
Claims Payable	36,667	298,504	335,171
<i>Total Current Liabilities</i>	<u>37,913</u>	<u>310,526</u>	<u>348,439</u>
<i>Long-Term Liabilities:</i>			
Claims Payable	12,222	0	12,222
<i>Total Liabilities</i>	<u>50,135</u>	<u>310,526</u>	<u>360,661</u>
Net Position			
Unrestricted	<u>\$280,966</u>	<u>\$2,285,651</u>	<u>\$2,566,617</u>

City of Solon, Ohio
*Combining Statement of Revenues,
Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2019*

	Workers' Compensation	Medical Self Insurance	Total
Operating Revenues			
Charges for Services	\$250,000	\$5,586,774	\$5,836,774
Miscellaneous	0	14,004	14,004
<i>Total Operating Revenues</i>	<u>250,000</u>	<u>5,600,778</u>	<u>5,850,778</u>
Operating Expenses			
Personal Services	0	68,735	68,735
Contractual Services	190,000	829,554	1,019,554
Claims	41,747	3,923,138	3,964,885
Change in Worker's Compensation Estimate	21,625	0	21,625
<i>Total Operating Expenses</i>	<u>253,372</u>	<u>4,821,427</u>	<u>5,074,799</u>
<i>Income (Loss) before Transfers</i>	(3,372)	779,351	775,979
Transfers In	0	150,000	150,000
<i>Change in Net Position</i>	(3,372)	929,351	925,979
<i>Net Position Beginning of Year</i>	<u>284,338</u>	<u>1,356,300</u>	<u>1,640,638</u>
<i>Net Position End of Year</i>	<u><u>\$280,966</u></u>	<u><u>\$2,285,651</u></u>	<u><u>\$2,566,617</u></u>

City of Solon, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2019

	<u>Workers'</u> <u>Compensation</u>	<u>Medical</u> <u>Self Insurance</u>	<u>Total</u>
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Interfund Services Provided	\$250,000	\$5,586,774	\$5,836,774
Cash Received from Other Sources	0	13,236	13,236
Cash Payments to Employees for Services	0	(84,935)	(84,935)
Cash Payments for Goods and Services	(141,452)	(831,043)	(972,495)
Cash Payments for Claims	(84,410)	(4,031,983)	(4,116,393)
<i>Net Cash Provided by (Used for) Operating Activities</i>	24,138	652,049	676,187
Cash Flows from Noncapital Financing Activities			
Transfers In	0	150,000	150,000
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	24,138	802,049	826,187
<i>Cash and Cash Equivalents Beginning of Year</i>	275,428	1,793,360	2,068,788
<i>Cash and Cash Equivalents End of Year</i>	<u>\$299,566</u>	<u>\$2,595,409</u>	<u>\$2,894,975</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	(\$3,372)	\$779,351	\$775,979
<i>(Increase) Decrease in Assets:</i>			
Accounts Receivable	0	(768)	(768)
Prepaid Items	47,302	0	47,302
<i>Increase (Decrease) in Liabilities</i>			
Accounts Payable	1,246	(1,489)	(243)
Accrued Wages	0	(16,200)	(16,200)
Claims Payable	(21,038)	(108,845)	(129,883)
<i>Total Adjustments</i>	27,510	(127,302)	(99,792)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$24,138</u>	<u>\$652,049</u>	<u>\$676,187</u>

Combining Statements – 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 custodial funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

Custodial Funds

JEDD Income Tax Fund – to account for amounts received as a fiscal agent by the City to be distributed to Bainbridge Township and the City of Solon.

Other Custodial – To account for traffic violation money and special assessments collected and distributed by the City to other municipalities and to others.

City of Solon, Ohio
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2019

	JEDD Income Tax
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$58,237</u>
Liabilities	
Intergovernmental Payable	<u>58,237</u>
Net Position	
Restricted for Individuals, Organizations and Other Governments	<u><u>\$0</u></u>

City of Solon, Ohio
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2019

	JEDD Income Tax	Other Custodial	Total Custodial
Additions			
Amounts Received as Fiscal Agent	\$319,923	\$0	\$319,923
Fines and Forfeitures Collections for Other Governments	0	37,060	37,060
Special Assessments Collections for Others	0	9,186	9,186
<i>Total Additions</i>	<u>319,923</u>	<u>46,246</u>	<u>366,169</u>
Deductions			
Distributions as Fiscal Agent	319,923	0	319,923
Fines and Forfeitures Distributions to Other Governments	0	37,060	37,060
Special Assessment Distributions to Others	0	9,186	9,186
<i>Total Deductions</i>	<u>319,923</u>	<u>46,246</u>	<u>366,169</u>
<i>Net Increase (Decrease) in Fiduciary Net Position</i>	0	0	0
<i>Net Position Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Position End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2019*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$1,589,486	\$1,468,500	\$1,524,329	\$55,829
Municipal Income Taxes	34,471,088	34,224,325	33,050,515	(1,173,810)
Intergovernmental	580,680	500,198	556,877	56,679
Investment Income	1,210,334	1,200,000	1,160,720	(39,280)
Fees, Licenses and Permits	864,019	835,150	878,259	43,109
Fines and Forfeitures	294,522	279,295	282,449	3,154
Rentals	4,848	4,200	4,649	449
Charges for Services	4,277,912	4,031,907	4,167,881	135,974
Contributions and Donations	386	300	370	70
Miscellaneous	628,593	497,220	524,952	27,732
Total Revenues	43,921,868	43,041,095	42,151,001	(890,094)
Expenditures				
Current:				
Security of Persons and Property				
Police				
Personal Services	7,866,816	7,830,842	7,661,064	169,778
Materials and Supplies	279,050	299,384	271,966	27,418
Contractual Services	967,946	1,007,738	945,279	62,459
Capital Outlay	101,434	116,909	88,736	28,173
Total Police	9,215,246	9,254,873	8,967,045	287,828
Fire				
Personal Services	7,930,567	7,769,311	7,720,563	48,748
Materials and Supplies	206,632	225,865	183,473	42,392
Contractual Services	137,699	147,620	134,612	13,008
Capital Outlay	395,350	391,987	384,438	7,549
Total Fire	8,670,248	8,534,783	8,423,086	111,697
Total Security of Persons and Property	17,885,494	17,789,656	17,390,131	399,525
Public Health and Welfare				
Cemetery				
Personal Services	756	750	736	14
Other	8,327	7,710	7,619	91
Total Cemetery	9,083	8,460	8,355	105
County Health District				
Contractual Services	113,689	110,670	110,670	0
Total Public Health and Welfare	122,772	119,130	119,025	105
Leisure Time Activities				
Recreation Admin				
Personal Services	595,529	581,930	581,930	0
Materials and Supplies	27,669	28,746	26,372	2,374
Contractual Services	74,069	72,915	70,108	2,807
Other	5,440	5,303	5,296	7
Total Recreation Admin	702,707	688,894	683,706	5,188
Youth and Adult Recreation Programs				
Personal Services	518,741	505,076	504,965	111
Materials and Supplies	110,356	112,543	107,782	4,761
Contractual Services	321,536	285,923	281,045	4,878
Other	1,245	1,300	1,212	88
Total Youth Recreation Programs	\$951,878	\$904,842	\$895,004	\$9,838

(continued)

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 General Fund (continued)
 For the Year Ended December 31, 2019*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Community Parks and Swimming Pools				
Personal Services	\$627,013	\$610,462	\$610,362	\$100
Materials and Supplies	117,598	123,709	110,711	12,998
Contractual Services	87,257	86,844	78,489	8,355
Total Community Parks and Swimming Pools	831,868	821,015	799,562	21,453
Community Center				
Personal Services	1,004,775	978,190	978,092	98
Materials and Supplies	148,409	148,365	142,626	5,739
Contractual Services	126,475	125,919	121,949	3,970
Capital Outlay	1,740	1,740	1,694	46
Other	10,219	10,000	9,948	52
Total Community Center	1,291,618	1,264,214	1,254,309	9,905
Center for the Arts Programs				
Personal Services	771,554	783,661	752,576	31,085
Materials and Supplies	73,554	75,535	68,541	6,994
Contractual Services	98,817	94,510	89,009	5,501
Capital Outlay	3,164	3,271	3,080	191
Other	12,900	12,557	12,557	0
Total Center for the Arts Programs	959,989	969,534	925,763	43,771
Senior Services Admin				
Personal Services	669,728	679,299	651,382	27,917
Materials and Supplies	22,892	23,227	22,691	536
Contractual Services	0	0	0	0
Total Senior Services Admin	692,620	702,526	674,073	28,453
Senior Programs				
Materials and Supplies	83,074	84,110	81,771	2,339
Contractual Services	127,120	133,632	126,425	7,207
Other	72	200	140	60
Total Senior Programs	210,266	217,942	208,336	9,606
Total Leisure Time Activities	5,640,946	5,568,967	5,440,753	128,214
Community Environment				
Planning and Zoning				
Personal Services	538,753	535,433	524,711	10,722
Materials and Supplies	2,568	6,100	3,875	2,225
Contractual Services	51,793	55,879	50,689	5,190
Capital Outlay	0	300	0	300
Total Planning and Zoning	593,114	597,712	579,275	18,437
Development Board				
Personal Services	179,727	190,709	174,954	15,755
Materials and Supplies	1,342	6,400	2,023	4,377
Contractual Services	47,341	114,940	62,459	52,481
Total Development Board	\$228,410	\$312,049	\$239,436	\$72,613

(continued)

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Building Department				
Personal Services	\$174,132	\$198,220	\$169,508	\$28,712
Materials and Supplies	3,040	6,779	4,558	2,221
Contractual Services	244,620	252,083	215,426	36,657
Capital Outlay	0	800	0	800
Other	33,131	38,960	20,132	18,828
Total Building Department	454,923	496,842	409,624	87,218
Engineering Department				
Personal Services	764,890	902,930	748,602	154,328
Materials and Supplies	16,857	24,183	17,127	7,056
Contractual Services	162,800	196,676	150,030	46,646
Capital Outlay	4,830	5,800	4,702	1,098
Other	41,084	50,000	35,000	15,000
Total Engineering Department	990,461	1,179,589	955,461	224,128
Total Community Environment	2,266,908	2,586,192	2,183,796	402,396
Basic Utility Services				
Storm Sewers				
Personal Services	487,536	486,530	474,590	11,940
Materials and Supplies	43,576	45,160	43,323	1,837
Total Storm Sewers	531,112	531,690	517,913	13,777
Trees, Leaf and Brush				
Personal Services	106,249	105,000	103,427	1,573
Materials and Supplies	2,481	2,544	2,311	233
Contractual Services	118,318	112,297	88,456	23,841
Total Trees, Leaf and Brush	227,048	219,841	194,194	25,647
Refuse Collection and Disposal				
Personal Services	814,388	806,500	792,761	13,739
Materials and Supplies	211,140	205,702	205,505	197
Contractual Services	362,062	352,619	351,376	1,243
Total Refuse Collection and Disposal	1,387,590	1,364,821	1,349,642	15,179
Total Basic Utility Services	2,145,750	2,116,352	2,061,749	54,603
Transportation				
Street Department				
Personal Services	4,245,927	4,266,109	4,133,507	132,602
Materials and Supplies	1,412,833	1,491,933	1,354,301	137,632
Contractual Services	61,165	72,275	53,139	19,136
Capital Outlay	51,851	56,046	54,243	1,803
Total Transportation	\$5,771,776	\$5,886,363	\$5,595,190	\$291,173

(continued)

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
General Government				
Council				
Personal Services	\$314,510	\$322,196	\$306,154	\$16,042
Materials and Supplies	8,111	8,558	7,777	781
Contractual Services	2,136	9,650	3,000	6,650
Total Council	324,757	340,404	316,931	23,473
Mayor				
Personal Services	301,635	298,291	294,084	4,207
Materials and Supplies	2,691	3,946	3,345	601
Total Mayor	304,326	302,237	297,429	4,808
Finance/Income Tax				
Personal Services	647,518	630,569	630,322	247
Materials and Supplies	10,092	13,669	9,673	3,996
Contractual Services	431,561	449,497	429,633	19,864
Capital Outlay	2,268	2,300	2,208	92
Total Finance/Income Tax	1,091,439	1,096,035	1,071,836	24,199
Prosecutor/Legal Department				
Personal Services	163,365	170,877	170,877	0
Contractual Services	123,997	135,195	135,195	0
Other	132,345	130,653	80,042	50,611
Total Prosecutor/Legal Department	419,707	436,725	386,114	50,611
Human Resources				
Personal Services	144,592	173,710	140,752	32,958
Materials and Supplies	671	916	750	166
Contractual Services	75,951	80,676	55,158	25,518
Capital Outlay	3,822	3,929	3,903	26
Total Human Resources	225,036	259,231	200,563	58,668
Network Administrator				
Personal Services	342,639	336,481	336,197	284
Materials and Supplies	18,933	18,600	18,500	100
Contractual Services	93,300	80,221	78,839	1,382
Capital Outlay	13,519	14,723	12,900	1,823
Total Network Administrator	468,391	450,025	446,436	3,589
Civil Service				
Personal Services	9,262	17,318	9,016	8,302
Materials and Supplies	4	600	4	596
Contractual Services	25,704	35,442	26,061	9,381
Total Civil Service	34,970	53,360	35,081	18,279
City Hall				
Personal Services	576,459	567,337	561,150	6,187
Materials and Supplies	509,595	542,916	481,700	61,216
Contractual Services	89,696	106,500	100,985	5,515
Total City Hall	1,175,750	1,216,753	1,143,835	72,918
Unclaimed Monies				
Other	\$4,108	\$5,000	\$0	\$5,000

(continued)

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
City Administration				
Personal Services	\$240,929	\$238,334	\$234,347	\$3,987
Materials and Supplies	128,257	126,788	126,788	0
Contractual Services	2,673,777	2,640,262	2,476,299	163,963
Capital Outlay	0	0	0	0
Other	191,507	192,914	184,262	8,652
Total City Administration	3,234,470	3,198,298	3,021,696	176,602
Sick Leave Reserve				
Personal Services	304,331	370,375	369,500	875
Total General Government	7,587,285	7,728,443	7,289,421	439,022
Total Expenditures	41,420,931	41,795,103	40,080,065	1,715,038
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,500,937</u>	<u>1,245,992</u>	<u>2,070,936</u>	<u>824,944</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	67,580	67,580	67,580	0
Transfers Out	(3,675,000)	(4,700,000)	(4,700,000)	0
Total Other Financing Sources (Uses)	<u>(3,607,420)</u>	<u>(4,632,420)</u>	<u>(4,632,420)</u>	<u>0</u>
Net Change in Fund Balance	(1,106,483)	(3,386,428)	(2,561,484)	824,944
Fund Balance Beginning of Year	27,790,886	27,790,886	27,790,886	0
Prior Year Encumbrances Appropriated	987,329	987,329	987,329	0
Fund Balance End of Year	<u>\$27,671,732</u>	<u>\$25,391,787</u>	<u>\$26,216,731</u>	<u>\$824,944</u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$277,235	\$323,036	\$334,813	\$11,777
Special Assessments	408,400	408,400	408,463	63
Intergovernmental	34,090	34,090	35,320	1,230
Fees, Licenses and Permits	4,000	4,000	4,119	119
<i>Total Revenues</i>	<u>723,725</u>	<u>769,526</u>	<u>782,715</u>	<u>13,189</u>
Expenditures				
Current:				
General Government				
Legislative and Executive				
Contractual Services	12,000	12,000	4,109	7,891
Debt Service:				
Principal Retirement	651,585	651,585	651,585	0
Interest and Fiscal Charges	113,516	113,516	113,516	0
<i>Total Expenditures</i>	<u>777,101</u>	<u>777,101</u>	<u>769,210</u>	<u>7,891</u>
<i>Net Change in Fund Balance</i>	(53,376)	(7,575)	13,505	21,080
<i>Fund Balance Beginning of Year</i>	<u>985,257</u>	<u>985,257</u>	<u>985,257</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$931,881</u>	<u>\$977,682</u>	<u>\$998,762</u>	<u>\$21,080</u>

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Infrastructure Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Municipal Income Taxes	\$13,302,733	\$11,409,435	\$11,016,837	(\$392,598)
Special Assessments	25,186	21,800	20,904	(896)
Intergovernmental	287,281	241,661	238,442	(3,219)
Miscellaneous	61,553	93,000	51,089	(41,911)
<i>Total Revenues</i>	<u>13,676,753</u>	<u>11,765,896</u>	<u>11,327,272</u>	<u>(438,624)</u>
Expenditures				
Current:				
Transportation				
Engineering Department				
Personal Services	341,600	341,600	328,524	13,076
Capital Outlay	<u>28,502,443</u>	<u>28,551,086</u>	<u>24,475,812</u>	<u>4,075,274</u>
<i>Total Expenditures</i>	<u>28,844,043</u>	<u>28,892,686</u>	<u>24,804,336</u>	<u>4,088,350</u>
<i>Net Change in Fund Balance</i>	(15,167,290)	(17,126,790)	(13,477,064)	3,649,726
<i>Fund Balance Beginning of Year</i>	13,316,462	13,316,462	13,316,462	0
Prior Year Encumbrances Appropriated	<u>6,000,926</u>	<u>6,000,926</u>	<u>6,000,926</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$4,150,098</u>	<u>\$2,190,598</u>	<u>\$5,840,324</u>	<u>\$3,649,726</u>

City of Solon, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Reclamation Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$5,361,800	\$5,402,000	\$5,515,009	\$113,009
Tap-In Fees	40,000	40,000	44,709	4,709
Investment Income	122,000	122,000	131,135	9,135
Sale of Capital Assets	1,645	1,645	1,645	0
Miscellaneous	42,255	42,255	44,448	2,193
<i>Total Revenues</i>	<u>5,567,700</u>	<u>5,607,900</u>	<u>5,736,946</u>	<u>129,046</u>
Expenses				
Personal Services	1,694,636	1,694,636	1,632,550	62,086
Materials and Supplies	478,473	478,473	412,090	66,383
Contractual Services	1,522,092	1,522,092	1,089,545	432,547
Other	15,000	15,000	13,643	1,357
Capital Outlay	4,403,510	4,463,510	2,336,251	2,127,259
Debt Service:				
Principal Retirement	425,502	425,502	425,502	0
Interest and Fiscal Charges	164,549	164,549	164,549	0
<i>Total Expenses</i>	<u>8,703,762</u>	<u>8,763,762</u>	<u>6,074,130</u>	<u>2,689,632</u>
<i>Net Change in Fund Equity</i>	(3,136,062)	(3,155,862)	(337,184)	2,818,678
<i>Fund Equity Beginning of Year</i>	5,128,341	5,128,341	5,128,341	0
Prior Year Encumbrances Appropriated	1,814,055	1,814,055	1,814,055	0
<i>Fund Equity End of Year</i>	<u>\$3,806,334</u>	<u>\$3,786,534</u>	<u>\$6,605,212</u>	<u>\$2,818,678</u>

City of Solon, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Grantwood Recreation Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$764,900	\$765,700	\$771,386	\$5,686
Investment Income	4,200	4,200	4,456	256
Rentals	193,400	193,400	197,637	4,237
Sale of Capital Assets	9,800	9,800	13,750	3,950
<i>Total Revenues</i>	<u>972,300</u>	<u>973,100</u>	<u>987,229</u>	<u>14,129</u>
Expenses				
Personal Services	615,033	615,033	600,961	14,072
Materials and Supplies	201,213	201,213	173,091	28,122
Contractual Services	88,633	88,633	79,009	9,624
Other	89,600	89,600	77,797	11,803
Capital Outlay	1,750	1,750	1,067	683
<i>Total Expenses</i>	<u>996,229</u>	<u>996,229</u>	<u>931,925</u>	<u>64,304</u>
<i>Net Change in Fund Equity</i>	(23,929)	(23,129)	55,304	78,433
<i>Fund Equity Beginning of Year</i>	214,442	214,442	214,442	0
Prior Year Encumbrances Appropriated	1,316	1,316	1,316	0
<i>Fund Equity End of Year</i>	<u>\$191,829</u>	<u>\$192,629</u>	<u>\$271,062</u>	<u>\$78,433</u>

City of Solon, 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, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,006,100	\$1,026,900	\$1,155,188	\$128,288
Investment Income	1,100	1,100	1,196	96
<i>Total Revenues</i>	1,007,200	1,028,000	1,156,384	128,384
Expenditures				
Current:				
Transportation				
Street Maintenance and Repair				
Personal Services	735,000	735,000	735,000	0
Materials and Supplies	250,000	250,000	250,000	0
<i>Total Expenditures</i>	985,000	985,000	985,000	0
<i>Net Change in Fund Balance</i>	22,200	43,000	171,384	128,384
<i>Fund Balance Beginning of Year</i>	44,131	44,131	44,131	0
<i>Fund Balance End of Year</i>	\$66,331	\$87,131	\$215,515	\$128,384

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 State Highway Fund
 For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$81,550	\$86,600	\$93,664	\$7,064
Investment Income	150	150	180	30
<i>Total Revenues</i>	81,700	86,750	93,844	7,094
Expenditures				
Current:				
Transportation				
State Highway				
Materials and Supplies	75,000	75,000	75,000	0
<i>Net Change in Fund Balance</i>	6,700	11,750	18,844	7,094
<i>Fund Balance Beginning of Year</i>	8,669	8,669	8,669	0
<i>Fund Balance End of Year</i>	<u>\$15,369</u>	<u>\$20,419</u>	<u>\$27,513</u>	<u>\$7,094</u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Police Pension Fund
 For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$861,636	\$861,636	\$892,794	\$31,158
Intergovernmental	90,700	90,700	94,186	3,486
<i>Total Revenues</i>	952,336	952,336	986,980	34,644
Expenditures				
Current:				
Security of Persons and Property				
Police				
Personal Services	939,575	939,575	923,708	15,867
<i>Net Change in Fund Balance</i>	12,761	12,761	63,272	50,511
<i>Fund Balance Beginning of Year</i>	709,983	709,983	709,983	0
<i>Fund Balance End of Year</i>	<u>\$722,744</u>	<u>\$722,744</u>	<u>\$773,255</u>	<u>\$50,511</u>

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$1,292,195	\$1,292,195	\$1,339,204	\$47,009
Intergovernmental	136,310	136,310	141,279	4,969
<i>Total Revenues</i>	1,428,505	1,428,505	1,480,483	51,978
Expenditures				
Current:				
Security of Persons and Property				
Fire				
Personal Services	1,434,772	1,434,772	1,427,545	7,227
<i>Net Change in Fund Balance</i>	(6,267)	(6,267)	52,938	59,205
<i>Fund Balance Beginning of Year</i>	627,430	627,430	627,430	0
<i>Fund Balance End of Year</i>	<u>\$621,163</u>	<u>\$621,163</u>	<u>\$680,368</u>	<u>\$59,205</u>

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Cable TV Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment Income	\$4,600	\$4,600	\$4,904	\$304
Fees, Licenses and Permits	193,200	193,200	183,539	(9,661)
<i>Total Revenues</i>	<u>197,800</u>	<u>197,800</u>	<u>188,443</u>	<u>(9,357)</u>
Expenditures				
Current:				
Leisure Time Activities				
Cable TV				
Materials and Supplies	8,200	8,200	448	7,752
Contractual Services	159,010	159,010	150,960	8,050
Capital Outlay	3,200	3,200	0	3,200
<i>Total Expenditures</i>	<u>170,410</u>	<u>170,410</u>	<u>151,408</u>	<u>19,002</u>
<i>Net Change in Fund Balance</i>	27,390	27,390	37,035	9,645
<i>Fund Balance Beginning of Year</i>	212,377	212,377	212,377	0
Prior Year Encumbrances Appropriated	11,210	11,210	11,210	0
<i>Fund Balance End of Year</i>	<u>\$250,977</u>	<u>\$250,977</u>	<u>\$260,622</u>	<u>\$9,645</u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Tree Planting Fund
 For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$2,070	\$2,070	\$1,840	(\$230)
Expenditures				
Current:				
General Government				
Tree Planting				
Contractual Services	57,307	57,307	14,363	42,944
<i>Net Change in Fund Balance</i>	(55,237)	(55,237)	(12,523)	42,714
<i>Fund Balance Beginning of Year</i>	63,074	63,074	63,074	0
Prior Year Encumbrances Appropriated	7,307	7,307	7,307	0
<i>Fund Balance End of Year</i>	<u>\$15,144</u>	<u>\$15,144</u>	<u>\$57,858</u>	<u>\$42,714</u>

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Rentals	\$4,700	\$4,700	\$4,295	(\$405)
Contributions and Donations	16,500	16,500	18,000	1,500
Miscellaneous	37,500	24,500	22,548	(1,952)
<i>Total Revenues</i>	<u>58,700</u>	<u>45,700</u>	<u>44,843</u>	<u>(857)</u>
Expenditures				
Current:				
Leisure Time Activities				
Recreation Programs				
Materials and Supplies	30,554	30,554	28,345	2,209
Contractual Services	98,344	83,344	76,790	6,554
<i>Total Expenditures</i>	<u>128,898</u>	<u>113,898</u>	<u>105,135</u>	<u>8,763</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(70,198)	(68,198)	(60,292)	7,906
Other Financing Sources (Uses)				
Transfers In	50,000	50,000	50,000	0
<i>Net Change in Fund Balance</i>	(20,198)	(18,198)	(10,292)	7,906
<i>Fund Balance Beginning of Year</i>	23,074	23,074	23,074	0
Prior Year Encumbrances Appropriated	8,098	8,098	8,098	0
<i>Fund Balance End of Year</i>	<u>\$10,974</u>	<u>\$12,974</u>	<u>\$20,880</u>	<u>\$7,906</u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Police Department Programs Fund
 For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions and Donations	\$39,700	\$29,700	\$25,226	(\$4,474)
Expenditures				
Current:				
Security of Persons and Property				
Police				
DARE program				
Personal Services	31,500	31,500	20,408	11,092
Materials and Supplies	7,700	7,700	6,928	772
Contractual Services	1,300	1,300	0	1,300
<i>Total Expenditures</i>	<u>40,500</u>	<u>40,500</u>	<u>27,336</u>	<u>13,164</u>
<i>Net Change in Fund Balance</i>	(800)	(10,800)	(2,110)	8,690
<i>Fund Balance Beginning of Year</i>	<u>17,624</u>	<u>17,624</u>	<u>17,624</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$16,824</u>	<u>\$6,824</u>	<u>\$15,514</u>	<u>\$8,690</u>

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Trust Fund
For the Year Ended December 31, 2019

	<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	<u>\$14,017</u>	<u>\$19,550</u>	<u>\$19,986</u>	<u>\$436</u>
Expenditures				
Current:				
Security of Persons and Property				
Police				
OMVI				
Personal Services	16,098	19,700	13,330	6,370
Materials and Supplies	500	500	145	355
Total OMVI	<u>16,598</u>	<u>20,200</u>	<u>13,475</u>	<u>6,725</u>
Miscellaneous				
Personal Services	0	0	0	0
Materials and Supplies	29,315	36,180	0	36,180
Other	2,320	2,320	2,320	0
Total Miscellaneous	<u>31,635</u>	<u>38,500</u>	<u>2,320</u>	<u>36,180</u>
<i>Total Expenditures</i>	<u>48,233</u>	<u>58,700</u>	<u>15,795</u>	<u>42,905</u>
<i>Net Change in Fund Balance</i>	(34,216)	(39,150)	4,191	43,341
<i>Fund Balance Beginning of Year</i>	<u>173,142</u>	<u>173,142</u>	<u>173,142</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$138,926</u></u>	<u><u>\$133,992</u></u>	<u><u>\$177,333</u></u>	<u><u>\$43,341</u></u>

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Donations Trust Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions and Donations	<u>\$15,774</u>	<u>\$22,000</u>	<u>\$22,187</u>	<u>\$187</u>
Expenditures				
Current:				
Security of Persons and Property				
Police				
Materials and Supplies	8,421	10,150	4,017	6,133
Fire				
Materials and Supplies	6,031	7,340	7,339	1
Leisure Time Activities				
Senior Services Donations				
Other	<u>15,176</u>	<u>17,940</u>	<u>4,447</u>	<u>13,493</u>
<i>Total Expenditures</i>	<u>29,628</u>	<u>35,430</u>	<u>15,803</u>	<u>19,627</u>
<i>Net Change in Fund Balance</i>	(13,854)	(13,430)	6,384	19,814
<i>Fund Balance Beginning of Year</i>	48,600	48,600	48,600	0
Prior Year Encumbrances Appropriated	<u>2,440</u>	<u>2,440</u>	<u>2,440</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$37,186</u>	<u>\$37,610</u>	<u>\$57,424</u>	<u>\$19,814</u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Economic Incentive Fund
 For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$10,400	\$10,400	\$2,000	(\$8,400)
Expenditures				
Current:				
Community Environment				
Enterprise Zone Monitoring				
Other	<u>2,660,270</u>	<u>2,835,270</u>	<u>2,628,904</u>	<u>206,366</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,649,870)	(2,824,870)	(2,626,904)	197,966
Other Financing Sources (Uses)				
Transfers In	<u>1,250,000</u>	<u>2,250,000</u>	<u>2,250,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,399,870)	(574,870)	(376,904)	197,966
<i>Fund Balance Beginning of Year</i>	<u>1,912,504</u>	<u>1,912,504</u>	<u>1,912,504</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$512,634</u></u>	<u><u>\$1,337,634</u></u>	<u><u>\$1,535,600</u></u>	<u><u>\$197,966</u></u>

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Training Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$14,260	\$760	\$600	(\$160)
Expenditures				
Current:				
Security of Persons and Property				
Police				
Police Training				
Materials and Supplies	2,300	2,300	525	1,775
Contractual Services	14,500	14,500	0	14,500
<i>Total Expenditures</i>	<u>16,800</u>	<u>16,800</u>	<u>525</u>	<u>16,275</u>
<i>Net Change in Fund Balance</i>	(2,540)	(16,040)	75	16,115
<i>Fund Balance Beginning of Year</i>	<u>42,938</u>	<u>42,938</u>	<u>42,938</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$40,398</u></u>	<u><u>\$26,898</u></u>	<u><u>\$43,013</u></u>	<u><u>\$16,115</u></u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Community Improvement Corporation Fund
 For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	4,000	4,000	4,000	0
<i>Fund Balance End of Year</i>	<u>\$4,000</u>	<u>\$4,000</u>	<u>\$4,000</u>	<u>\$0</u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Safety and Service Equipment Fund
 For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$402,744	\$402,744	\$417,419	\$14,675
Intergovernmental	37,650	37,650	39,067	1,417
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>440,394</u>	<u>440,394</u>	<u>456,486</u>	<u>16,092</u>
Expenditures				
Capital Outlay	1,372,864	1,488,864	1,404,535	84,329
Debt Service:				
Principal Retirement	201,485	201,485	201,485	0
Interest and Fiscal Charges	27,608	27,608	27,608	0
<i>Total Expenditures</i>	<u>1,601,957</u>	<u>1,717,957</u>	<u>1,633,628</u>	<u>84,329</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,161,563)	(1,277,563)	(1,177,142)	100,421
Other Financing Sources (Uses)				
Transfers In	700,000	700,000	700,000	0
<i>Net Change in Fund Balance</i>	(461,563)	(577,563)	(477,142)	100,421
<i>Fund Balance Beginning of Year</i>	275,549	275,549	275,549	0
Prior Year Encumbrances Appropriated	464,561	464,561	464,561	0
<i>Fund Balance End of Year</i>	<u>\$278,547</u>	<u>\$162,547</u>	<u>\$262,968</u>	<u>\$100,421</u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Building Construction Fund
 For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay	<u>2,547,948</u>	<u>1,474,048</u>	<u>1,303,253</u>	<u>170,795</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,547,948)	(1,474,048)	(1,303,253)	170,795
Other Financing Sources (Uses)				
Transfers In	<u>950,000</u>	<u>950,000</u>	<u>950,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,597,948)	(524,048)	(353,253)	170,795
<i>Fund Balance Beginning of Year</i>	1,527,191	1,527,191	1,527,191	0
Prior Year Encumbrances Appropriated	<u>287,103</u>	<u>287,103</u>	<u>287,103</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$216,346</u></u>	<u><u>\$1,290,246</u></u>	<u><u>\$1,461,041</u></u>	<u><u>\$170,795</u></u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Old City Hall Renovations Fund
 For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>17,744</u>	<u>17,744</u>	<u>17,744</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$17,744</u></u>	<u><u>\$17,744</u></u>	<u><u>\$17,744</u></u>	<u><u>\$0</u></u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 General Capital Improvements Fund
 For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$82,500	\$90,500	\$136,978	46,478
Contributions and Donations	0	125,000	125,000	0
<i>Total Revenues</i>	82,500	215,500	261,978	46,478
Expenditures				
Capital Outlay	1,598,204	1,897,864	1,612,507	285,357
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,515,704)	(1,682,364)	(1,350,529)	331,835
Other Financing Sources (Uses)				
Transfers In	600,000	600,000	600,000	0
<i>Net Change in Fund Balance</i>	(915,704)	(1,082,364)	(750,529)	331,835
<i>Fund Balance Beginning of Year</i>	961,021	961,021	961,021	0
Prior Year Encumbrances Appropriated	196,054	196,054	196,054	0
<i>Fund Balance End of Year</i>	<u>\$241,371</u>	<u>\$74,711</u>	<u>\$406,546</u>	<u>\$331,835</u>

City of Solon, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Workers' Compensation Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$250,000	\$250,000	\$250,000	\$0
Miscellaneous	\$935	\$935	\$0	(\$935)
Expenses				
Contractual Services	120,836	147,124	146,362	762
Claims	71,008	84,720	84,410	310
<i>Total Expenses</i>	<u>191,844</u>	<u>231,844</u>	<u>230,772</u>	<u>1,072</u>
<i>Net Change in Fund Equity</i>	59,091	19,091	19,228	137
<i>Fund Equity Beginning of Year</i>	273,584	273,584	273,584	0
Prior Year Encumbrances Appropriated	<u>1,844</u>	<u>1,844</u>	<u>1,844</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$334,519</u></u>	<u><u>\$294,519</u></u>	<u><u>\$294,656</u></u>	<u><u>\$137</u></u>

City of Solon, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Medical Self Insurance Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$5,466,695	\$5,366,695	\$5,586,774	\$220,079
Miscellaneous	12,500	12,500	13,236	736
<i>Total Revenues</i>	<u>5,479,195</u>	<u>5,379,195</u>	<u>5,600,010</u>	<u>220,815</u>
Expenses				
Personal Services	111,629	89,314	84,935	4,379
Contractual Services	1,092,231	873,887	831,043	42,844
Claims	5,301,317	4,241,976	4,031,983	209,993
<i>Total Expenses</i>	<u>6,505,177</u>	<u>5,205,177</u>	<u>4,947,961</u>	<u>257,216</u>
<i>Income (Loss) before Transfers</i>	(1,025,982)	174,018	652,049	478,031
Other Financing Sources				
Transfers In	150,000	150,000	150,000	0
<i>Net Change in Fund Equity</i>	(875,982)	324,018	802,049	478,031
<i>Fund Equity Beginning of Year</i>	1,791,234	1,791,234	1,791,234	0
Prior Year Encumbrances Appropriated	2,126	2,126	2,126	0
<i>Fund Equity End of Year</i>	<u>\$917,378</u>	<u>\$2,117,378</u>	<u>\$2,595,409</u>	<u>\$478,031</u>

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Comprehensive Annual
**Financial
Report**



Statistical Section

**For The Year Ended
December 31, 2019**

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2 - S11
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the municipal income tax.	S12 - S13
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S14 - S19
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S20- S23
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.	S24 - S29

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

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

	2019	2018 (1)	2017	2016
Governmental Activities				
Net Investment in Capital Assets	\$144,187,667	\$136,926,999	\$136,564,165	\$136,356,122
Restricted:				
Capital Projects	18,151,915	26,125,940	22,116,192	19,842,142
Debt Service	3,046,249	3,432,786	3,833,030	4,238,412
Street Construction, Maintenance and Repair	926,820	517,141	515,734	558,702
Landfill Improvement	0	0	0	0
Other Purposes	1,699,924	1,552,333	1,449,675	1,298,179
Unrestricted (Deficit)	<u>(25,723,699)</u>	<u>(40,545,969)</u>	<u>(38,369,322)</u>	<u>(10,244,131)</u>
Total Governmental Activities				
<i>Net Position</i>	<u>\$142,288,876</u>	<u>\$128,009,230</u>	<u>\$126,109,474</u>	<u>\$152,049,426</u>
Business Type - Activities				
Net Investment in Capital Assets	\$61,625,677	\$59,272,280	\$54,926,993	\$53,270,749
Unrestricted	<u>5,514,567</u>	<u>5,755,527</u>	<u>9,355,376</u>	<u>10,349,489</u>
Total Business-Type Activities				
<i>Net Position</i>	<u>\$67,140,244</u>	<u>\$65,027,807</u>	<u>\$64,282,369</u>	<u>\$63,620,238</u>
Primary Government				
Net Investment in Capital Assets	\$205,813,344	\$196,199,279	\$191,491,158	\$189,626,871
Restricted	23,824,908	31,628,200	27,914,631	25,937,435
Unrestricted	<u>(20,209,132)</u>	<u>(34,790,442)</u>	<u>(29,013,946)</u>	<u>105,358</u>
Total Primary Government				
<i>Net Position</i>	<u>\$209,429,120</u>	<u>\$193,037,037</u>	<u>\$190,391,843</u>	<u>\$215,669,664</u>

(1) In 2018, The City implemented GASB 75 which affected net position for 2017.

(2) In 2015, The City implemented GASB 68 which affected net position for 2014.

(3) The City implemented GASB 54 in 2010, causing the classification of net position to change.

2015 (2)	2014 (3)	2013 (3)	2012 (3)	2011 (3)	2010 (3)
\$134,680,020	\$132,982,006	\$129,835,381	\$131,699,509	\$116,112,789	\$117,330,135
15,834,281	15,842,874	14,110,621	9,310,451	6,925,143	5,006,205
4,730,040	5,218,753	5,029,412	5,437,648	7,219,254	7,642,496
576,184	758,805	932,586	1,012,409	1,070,267	1,108,641
0	0	126,143	405,313	641,520	922,799
1,241,761	4,489,465	2,440,106	924,004	1,102,110	988,518
(9,313,888)	(10,005,809)	17,480,395	15,590,196	13,281,133	10,607,262
<u>\$147,748,398</u>	<u>\$149,286,094</u>	<u>\$169,954,644</u>	<u>\$164,379,530</u>	<u>\$146,352,216</u>	<u>\$143,606,056</u>
\$54,911,896	\$53,710,234	\$53,266,832	\$53,582,076	\$52,758,649	\$52,548,182
9,243,031	9,232,600	9,479,041	7,845,110	6,906,080	4,735,569
<u>\$64,154,927</u>	<u>\$62,942,834</u>	<u>\$62,745,873</u>	<u>\$61,427,186</u>	<u>\$59,664,729</u>	<u>\$57,283,751</u>
\$189,591,916	\$186,692,240	\$183,102,213	\$185,281,585	\$168,871,438	\$169,878,317
22,382,266	26,309,897	22,638,868	17,089,825	16,958,294	15,668,659
(70,857)	(773,209)	26,959,436	23,435,306	20,187,213	15,342,831
<u>\$211,903,325</u>	<u>\$212,228,928</u>	<u>\$232,700,517</u>	<u>\$225,806,716</u>	<u>\$206,016,945</u>	<u>\$200,889,807</u>

City of Solon, Ohio
Changes in Net Position
Last Ten Years
(Accrual Basis of Accounting)

	2019	2018 (2)	2017	2016
Program Revenues				
Governmental Activities:				
Charges for Services:				
Security of Persons and Property				
Police	\$1,116,551	\$1,096,397	\$998,579	\$971,822
Fire	1,527,559	1,474,418	1,351,809	1,356,148
Prosecutor (1)	0	0	0	0
Public Health and Welfare	14,637	13,356	12,279	12,448
Leisure Time Activities	844,400	847,509	814,787	802,420
Community Environment	276,462	232,863	203,710	204,366
Basic Utility Services	252,296	253,210	251,580	221,201
Transportation	687,703	568,334	414,007	403,944
General Government	814,705	790,794	1,181,022	1,308,267
Operating Grants and Contributions	1,806,527	1,350,466	1,370,182	1,391,073
Capital Grants, Contributions and Assessments	3,013,349	422,830	1,082,903	1,292,479
<i>Total Governmental Activities</i>				
<i>Program Revenues</i>	<u>10,354,189</u>	<u>7,050,177</u>	<u>7,680,858</u>	<u>7,964,168</u>
Business-Type Activities:				
Charges for Services:				
Water Reclamation	5,717,912	5,874,922	5,412,445	5,470,471
Grantwood Recreation	969,527	924,502	931,038	952,342
Operating Grants and Contributions	0	0	0	0
Capital Grants	0	0	0	0
<i>Total Business-Type Activities</i>				
<i>Program Revenues</i>	<u>6,687,439</u>	<u>6,799,424</u>	<u>6,343,483</u>	<u>6,422,813</u>
<i>Total Primary Government</i>				
<i>Program Revenues</i>	<u>17,041,628</u>	<u>13,849,601</u>	<u>14,024,341</u>	<u>14,386,981</u>
Expenses				
Governmental Activities:				
Security of Persons and Property				
Police	4,093,882	11,933,398	9,696,575	9,698,435
Fire	(1,018,701)	11,648,401	9,202,443	9,044,688
Prosecutor (1)	0	0	0	0
Public Health and Welfare	119,025	108,236	93,367	95,638
Leisure Time Activities	7,094,705	6,476,806	6,073,088	5,635,865
Community Environment	5,253,855	3,471,353	2,927,294	2,945,530
Basic Utility Services	3,576,263	3,182,746	3,136,684	2,700,942
Transportation	16,100,717	13,021,105	11,525,898	12,913,892
General Government	8,182,190	7,654,588	10,345,336	11,267,584
Interest and Fiscal Charges	137,422	144,951	156,092	157,870
<i>Total Governmental Activities Expenses</i>	<u>43,539,358</u>	<u>57,641,584</u>	<u>53,156,777</u>	<u>54,460,444</u>
Business-Type Activities				
Water Reclamation	6,856,546	5,187,947	4,870,073	5,946,619
Grantwood Recreation	1,149,863	1,051,938	1,093,075	1,108,103
<i>Total Business-Type Activities Expenses</i>	<u>8,006,409</u>	<u>6,239,885</u>	<u>5,963,148</u>	<u>7,054,722</u>
<i>Total Primary Government</i>				
<i>Program Expenses</i>	<u>51,545,767</u>	<u>63,881,469</u>	<u>59,119,925</u>	<u>61,515,166</u>
Net (Expense)/Revenue				
Governmental Activities	(33,185,169)	(50,591,407)	(45,475,919)	(46,496,276)
Business-Type Activities	(1,318,970)	559,539	380,335	(631,909)
<i>Total Primary Government</i>				
<i>Net Expense</i>	<u>(\$34,504,139)</u>	<u>(\$50,031,868)</u>	<u>(\$45,095,584)</u>	<u>(\$47,128,185)</u>

2015 (3)	2014	2013	2012	2011	2010
\$506,861	\$378,418	\$332,192	\$457,894	\$354,441	\$398,302
977,231	792,556	778,753	811,123	711,236	338,162
0	0	11,105	13,582	10,242	13,810
6,492	4,795	4,259	5,209	3,391	4,434
2,413,658	3,095,565	3,155,533	3,195,633	3,165,390	3,131,685
108,610	74,866	64,887	171,619	124,986	159,952
131,537	107,745	89,937	117,275	73,489	96,456
219,444	179,665	164,649	265,769	201,984	289,778
797,517	479,069	435,208	287,796	237,449	257,817
1,384,483	1,397,904	1,342,871	1,396,049	1,407,239	1,512,849
765,240	4,424,025	612,187	1,587,921	149,004	241,789
7,311,073	10,934,608	6,991,581	8,309,870	6,438,851	6,445,034
5,432,617	6,128,207	6,676,379	6,419,239	7,797,724	5,659,317
993,270	1,005,682	1,041,292	1,093,922	951,371	978,466
0	0	0	0	158,528	0
0	0	52,843	0	0	0
6,425,887	7,133,889	7,770,514	7,513,161	8,907,623	6,637,783
13,736,960	18,068,497	14,762,095	15,823,031	15,346,474	13,082,817
8,559,644	8,237,667	8,007,356	9,007,166	8,501,513	8,673,149
7,819,699	7,615,180	7,334,283	8,248,104	8,137,648	8,075,434
0	0	251,821	246,888	258,477	255,132
92,425	93,873	96,589	94,691	85,571	81,915
5,584,774	5,301,362	5,676,149	6,588,533	6,594,011	6,347,442
2,529,159	2,508,436	2,349,548	3,087,942	2,793,632	2,994,824
2,750,465	2,998,985	2,963,992	2,921,098	2,668,113	2,758,637
11,007,744	11,674,750	10,795,448	13,093,694	14,847,835	10,227,176
11,358,095	9,881,256	9,642,905	5,857,841	5,426,644	4,592,923
181,061	198,713	217,759	440,111	533,090	641,829
49,883,066	48,510,222	47,335,850	49,586,068	49,846,534	44,648,461
5,428,605	5,502,840	5,439,254	5,302,029	5,265,324	5,910,432
1,044,679	1,054,277	1,074,235	1,191,495	1,048,003	927,306
6,473,284	6,557,117	6,513,489	6,493,524	6,313,327	6,837,738
56,356,350	55,067,339	53,849,339	56,079,592	56,159,861	51,486,199
(42,571,993)	(37,575,614)	(40,344,269)	(41,276,198)	(43,407,683)	(38,203,427)
(47,397)	576,772	1,257,025	1,019,637	2,594,296	(199,955)
<u>(\$42,619,390)</u>	<u>(\$36,998,842)</u>	<u>(\$39,087,244)</u>	<u>(\$40,256,561)</u>	<u>(\$40,813,387)</u>	<u>(\$38,403,382)</u>

(continued)

City of Solon, Ohio
Changes in Net Position (continued)
Last Ten Years
(Accrual Basis of Accounting)

	2019	2018 (2)	2017	2016
General Revenues and Other Changes in Net Position				
Governmental Activities				
Property Taxes Levied For:				
General Purposes	\$1,528,401	\$1,395,261	\$1,397,663	\$1,412,703
Debt Service	334,193	314,629	312,624	309,818
Police Pension	891,141	838,985	833,618	826,217
Fire Pension	1,336,726	1,258,440	1,250,403	1,239,300
Service and Safety Equipment	416,708	410,978	407,020	402,273
Municipal Income Taxes levied for:				
General Purposes	32,419,796	34,660,499	33,154,459	33,557,318
Infrastructure	10,806,597	11,604,180	11,051,486	11,332,440
General Capital Improvements	0	73,864	110,080	106,435
Grants and Entitlements not Restricted to Specific Programs	644,963	532,235	466,778	559,695
Unrestricted Contributions	370	5,342	18,508	37
Investment Income	1,610,064	956,232	522,685	232,429
Gain on Sale of Capital Assets	58,884	23,284	45,460	33,087
Miscellaneous	612,255	483,933	363,966	803,141
Total Governmental Activities General Revenues	50,660,098	52,557,862	49,934,750	50,814,893
Special Item - Bainbridge Road Improvements Transfers	0 (3,195,283)	0 (66,699)	0 (1,135,226)	0 (17,589)
Total Governmental Activities	47,464,815	52,491,163	48,799,524	50,797,304
Business-Type Activities				
Investment Income	194,691	97,748	111,384	38,721
Gain on Sale of Capital Assets	0	0	0	0
Miscellaneous	41,433	21,452	21,134	40,910
Total Business-Type Activities General Revenues	236,124	119,200	132,518	79,631
Transfers	3,195,283	66,699	1,135,226	17,589
Total Business-Type Activities	3,431,407	185,899	1,267,744	97,220
Total Primary Government General Revenues and Other Changes in Net Position	50,896,222	52,677,062	50,067,268	50,894,524
Change in Net Position				
Governmental Activities	14,279,646	1,899,756	3,323,605	4,301,028
Business-Type Activities	2,112,437	745,438	1,648,079	(534,689)
Total Primary Government Change in Net Position	\$16,392,083	\$2,645,194	\$4,971,684	\$3,766,339

(1) In 2014, the Prosecutor Department was combined with the Legal Department and reported as a General Government expenditure.

(2) Expenses are first impacted by the implementation of GASB Statement No.75 beginning in 2018.

(3) Expenses are first impacted by the implementation of GASB Statement No.68 beginning in 2015.

2015 (3)	2014	2013	2012	2011	2010
\$1,367,077	\$1,800,977	\$2,027,253	\$1,358,974	\$1,338,758	\$847,731
295,964	386,528	576,082	1,282,647	1,419,400	1,928,116
789,297	779,430	403,397	403,221	407,280	411,492
1,183,923	603,692	583,335	604,834	610,920	616,532
396,031	389,085	387,456	388,325	389,788	393,218
26,802,677	30,826,373	29,856,263	30,796,894	29,071,231	28,336,758
9,080,861	10,262,562	9,999,877	9,791,741	9,524,829	9,120,696
91,791	83,629	85,948	76,524	78,167	69,329
588,171	797,599	1,452,480	1,896,700	1,846,601	1,772,443
0	0	0	0	0	0
312,338	366,629	(55,709)	171,550	607,074	895,577
82,178	66,285	32,754	65,299	47,632	13,894
1,213,331	1,064,259	570,247	834,994	522,228	814,795
42,203,639	47,427,048	45,919,383	47,671,703	45,863,908	45,220,581
0	0	0	12,223,401	0	0
(1,169,342)	(637,298)	0	(591,592)	289,935	(214,075)
41,034,297	46,789,750	45,919,383	59,303,512	46,153,843	45,006,506
56,418	59,949	(3,627)	52,757	0	0
4,500	1,270	0	55,950	0	0
29,230	38,532	65,289	42,521	76,617	38,576
90,148	99,751	61,662	151,228	76,617	38,576
1,169,342	637,298	0	591,592	(289,935)	214,075
1,259,490	737,049	61,662	742,820	(213,318)	252,651
42,293,787	47,526,799	45,981,045	60,046,332	45,940,525	45,259,157
(1,537,696)	9,214,136	5,575,114	18,027,314	2,746,160	6,803,079
1,212,093	1,313,821	1,318,687	1,762,457	2,380,978	52,696
(\$325,603)	\$10,527,957	\$6,893,801	\$19,789,771	\$5,127,138	\$6,855,775

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

	2019	2018	2017	2016
General Fund				
Nonspendable	\$1,018,776	\$1,084,738	\$861,423	\$881,664
Restricted	0	0	0	0
Committed	527,224	652,201	512,701	516,465
Assigned	2,892,005	3,543,075	2,777,126	3,940,992
Unassigned	25,846,574	26,944,145	25,996,199	22,452,316
Total General Fund	<u>30,284,579</u>	<u>32,224,159</u>	<u>30,147,449</u>	<u>27,791,437</u>
All Other Governmental Funds				
Restricted	17,480,218	24,934,602	22,028,619	18,854,940
Committed	418,656	378,455	337,159	380,959
Assigned	1,760,457	0	0	0
Unassigned (Deficit)	0	0	0	0
Total All Other Governmental Funds	<u>19,659,331</u>	<u>25,313,057</u>	<u>22,365,778</u>	<u>19,235,899</u>
Total Governmental Funds	<u><u>\$49,943,910</u></u>	<u><u>\$57,537,216</u></u>	<u><u>\$52,513,227</u></u>	<u><u>\$47,027,336</u></u>

Note: The City implemented GASB 54 in 2010.

2015	2014	2013	2012	2011	2010
\$973,400	\$1,045,014	\$892,677	\$912,423	\$732,687	\$555,472
0	0	0	0	377	96,972
259,789	208,801	188,187	557,390	1,003,676	1,182,073
6,860,864	1,477,408	1,971,534	911,372	909,960	359,302
19,853,352	27,905,155	23,790,512	22,232,615	20,646,611	19,479,061
<u>27,947,405</u>	<u>30,636,378</u>	<u>26,842,910</u>	<u>24,613,800</u>	<u>23,293,311</u>	<u>21,672,880</u>
15,874,447	16,355,734	15,447,234	11,107,256	9,577,187	8,408,663
652,048	1,101,454	1,281,567	925,688	1,012,836	1,188,298
0	0	0	0	0	0
0	0	0	0	0	(2,125)
<u>16,526,495</u>	<u>17,457,188</u>	<u>16,728,801</u>	<u>12,032,944</u>	<u>10,590,023</u>	<u>9,594,836</u>
<u>\$44,473,900</u>	<u>\$48,093,566</u>	<u>\$43,571,711</u>	<u>\$36,646,744</u>	<u>\$33,883,334</u>	<u>\$31,267,716</u>

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

	2019	2018	2017	2016
Revenues				
Property Taxes	\$4,514,953	\$4,201,895	\$4,189,477	\$4,175,821
Municipal Income Taxes	44,141,686	45,618,936	43,223,204	42,913,756
Special Assessments	430,061	351,465	361,666	379,417
Intergovernmental	4,078,715	2,148,331	3,552,717	2,470,259
Investment Income	1,610,064	956,232	522,685	322,429
Fees, Licenses and Permits	1,066,061	884,906	882,786	965,827
Fines and Forfeitures	313,167	325,438	308,255	339,901
Rentals	8,944	21,168	23,976	25,522
Charges for Services	4,176,279	4,007,464	3,986,920	3,977,983
Contributions and Donations	191,157	52,810	91,313	62,456
Miscellaneous	596,578	527,193	347,190	995,495
<i>Total Revenues</i>	<u>61,127,665</u>	<u>59,095,838</u>	<u>57,490,189</u>	<u>56,538,866</u>
Expenditures				
Current:				
Security of Persons and Property				
Police	9,935,749	9,457,806	8,214,938	8,239,576
Fire	9,854,824	8,824,637	7,805,118	7,279,576
Prosecutor (1)	0	0	0	0
Public Health and Welfare	119,025	108,236	93,367	95,638
Leisure Time Activities	5,584,748	5,373,466	4,953,838	4,815,387
Community Environment	4,778,538	3,291,668	2,628,519	2,829,943
Basic Utility Services	2,066,538	2,026,723	1,895,966	1,701,869
Transportation	6,623,456	5,604,925	4,289,130	4,282,843
General Government	7,018,657	6,570,720	9,284,825	10,319,191
Capital Outlay	21,930,122	12,077,651	11,596,976	14,090,264
Debt Service:				
Principal Retirement	853,070	799,839	684,821	765,143
Interest and Fiscal Charges	141,124	152,673	155,260	165,696
<i>Total Expenditures</i>	<u>68,905,851</u>	<u>54,288,344</u>	<u>51,602,758</u>	<u>54,585,126</u>
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	<u>(7,778,186)</u>	<u>4,807,494</u>	<u>5,887,431</u>	<u>1,953,740</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	67,580	34,793	45,460	45,650
Inception of Capital Lease	267,300	181,702	620,700	554,046
Transfers In	2,300,000	2,598,000	1,084,000	4,767,512
Transfers Out	<u>(2,450,000)</u>	<u>(2,598,000)</u>	<u>(2,151,700)</u>	<u>(4,767,512)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>184,880</u>	<u>216,495</u>	<u>(401,540)</u>	<u>599,696</u>
<i>Net Change in Fund Balances</i>	<u><u>(\$7,593,306)</u></u>	<u><u>\$5,023,989</u></u>	<u><u>\$5,485,891</u></u>	<u><u>\$2,553,436</u></u>
Debt Service as a Percentage of Noncapital Expenditures	1.8%	2.1%	1.9%	2.0%

(1) In 2014, the Prosecutor Department was combined with the Legal Department and reported as a General Government expenditure.

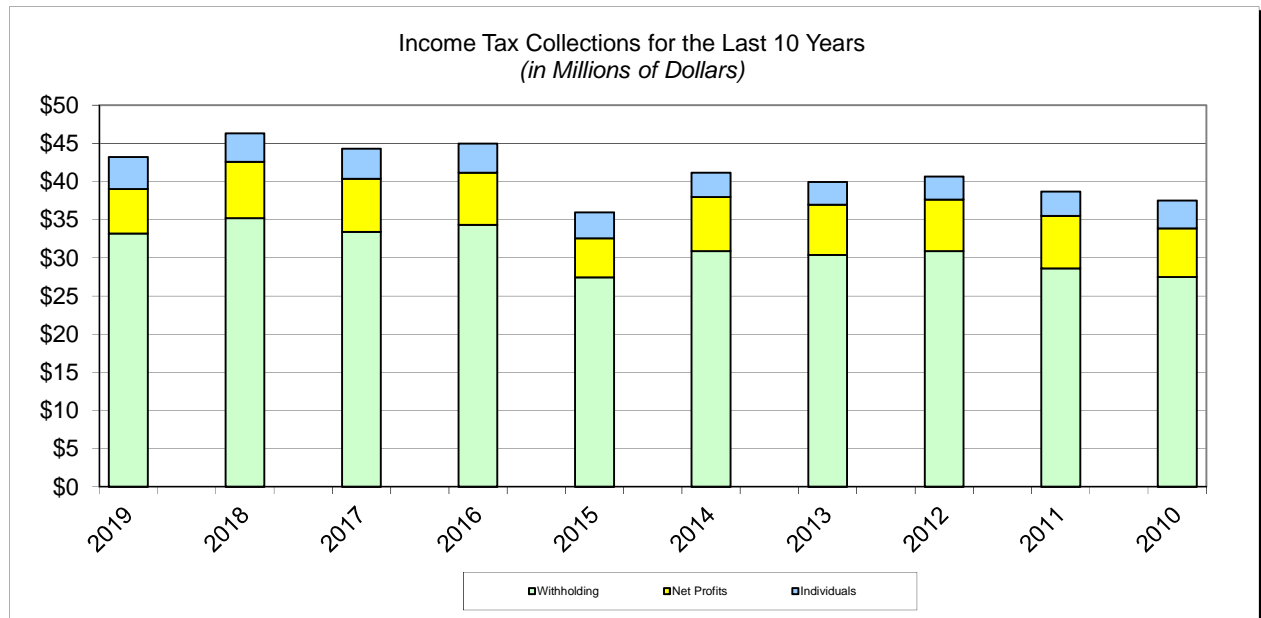
2015	2014	2013	2012	2011	2010
\$4,022,407	\$3,975,911	\$3,990,357	\$4,084,821	\$4,175,477	\$4,200,659
36,289,382	41,225,082	39,837,052	40,209,345	38,635,456	37,011,203
359,689	607,313	601,538	708,400	722,102	812,268
2,764,421	5,075,368	3,267,683	4,734,703	3,369,326	3,418,929
312,338	366,629	(55,709)	171,550	607,074	895,577
1,034,147	995,024	712,763	1,079,485	722,408	772,364
305,412	341,694	364,383	372,559	397,909	342,265
24,796	29,605	31,187	25,319	31,134	23,083
3,711,139	3,746,356	3,928,190	3,848,537	3,741,157	3,562,684
77,262	91,552	137,481	156,356	98,588	99,555
1,008,383	1,061,743	574,959	844,994	522,228	814,795
<u>49,909,376</u>	<u>57,516,277</u>	<u>53,389,884</u>	<u>56,236,069</u>	<u>53,022,859</u>	<u>51,953,382</u>
7,873,259	7,738,602	7,563,495	8,538,190	8,077,151	8,264,487
7,111,110	7,036,681	6,960,704	7,877,662	7,444,523	7,429,107
0	0	251,157	246,909	257,217	252,624
92,425	93,873	96,589	94,691	85,571	81,915
4,822,756	4,784,990	5,009,856	5,952,381	6,023,319	5,669,661
2,506,900	2,503,875	2,313,356	3,075,063	2,838,647	3,001,106
1,917,474	2,123,557	2,064,763	2,002,298	1,894,005	1,890,447
4,410,331	4,886,506	4,875,931	5,983,241	6,181,872	6,429,141
10,747,164	8,926,410	9,116,673	4,649,342	4,966,488	4,327,183
13,260,578	14,044,012	7,134,614	9,245,520	10,388,586	14,549,895
701,923	714,860	884,521	5,415,516	2,070,153	1,995,556
189,953	207,341	230,001	469,946	546,106	657,129
<u>53,633,873</u>	<u>53,060,707</u>	<u>46,501,660</u>	<u>53,550,759</u>	<u>50,773,638</u>	<u>54,548,251</u>
<u>(3,724,497)</u>	<u>4,455,570</u>	<u>6,888,224</u>	<u>2,685,310</u>	<u>2,249,221</u>	<u>(2,594,869)</u>
104,831	66,285	36,743	78,100	66,462	112,607
0	0	0	0	0	0
3,072,067	2,105,000	3,002,761	5,300,000	4,363,775	7,529,125
<u>(3,072,067)</u>	<u>(2,105,000)</u>	<u>(3,002,761)</u>	<u>(5,300,000)</u>	<u>(4,063,840)</u>	<u>(7,601,298)</u>
<u>104,831</u>	<u>66,285</u>	<u>36,743</u>	<u>78,100</u>	<u>366,397</u>	<u>40,434</u>
<u>(\$3,619,666)</u>	<u>\$4,521,855</u>	<u>\$6,924,967</u>	<u>\$2,763,410</u>	<u>\$2,615,618</u>	<u>(\$2,554,435)</u>
2.0%	2.1%	2.7%	12.4%	5.7%	6.4%

City of Solon, Ohio
Income Tax Revenue Base and Collections
Last Ten Years

Tax Year (1)	Tax Rate (2)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2019	2.00 %	\$43,226,393	\$33,205,672	76.82%	\$5,814,871	13.45%	\$4,205,850	9.73%
2018	2.00	46,338,543	35,206,650	75.98	7,391,788	15.95	\$3,740,105	8.07
2017	2.00	44,316,025	33,422,279	75.42	6,963,256	15.17	3,930,490	8.87
2016	2.00	44,996,193	34,349,591	76.34	6,826,711	15.17	3,819,891	8.49
2015	2.00	35,975,329	27,463,566	76.34	5,104,899	14.19	3,406,864	9.47
2014	2.00	41,172,564	30,915,983	75.09	7,065,014	17.16	3,191,567	7.75
2013	2.00	39,942,088	30,410,326	76.13	6,585,577	16.49	2,946,185	7.38
2012	2.00	40,665,159	30,887,176	75.96	6,758,924	16.62	3,019,059	7.42
2011	2.00	38,674,227	28,643,077	74.06	6,882,485	17.80	3,148,665	8.14
2010	2.00	37,526,783	27,519,770	73.33	6,341,666	16.90	3,665,347	9.77

(1) 2010 through 2019 are on a full accrual basis.

(2) Rates may only be raised by obtaining the approval of a majority of the voters at a public election.



City of Solon, Ohio
Principal Income Taxpayers
Current Year and Nine Years Ago

The following are the principal income taxpayers in the City; ranked in order of payroll withholding.

2019 Taxpayers	Ranking
Swagelok Manufacturing Co. LLC	1
Nestle USA Inc.	2
Solon Board of Education	3
Erico International Corp. (1)	4
MRI Software LLC	5
The Cleveland Clinic Foundation	6
Caremark LLC	7
City of Solon	8
Tarkett USA Inc.	9
Group Management Services Inc.	10

2010 Taxpayers	Ranking
Swagelok Manufacturing Co. LLC	1
Nestle USA Inc.	2
Keithley Instruments Inc.	3
Solon Board of Education	4
Erico International Corp. (1)	5
City of Solon	6
National Enterprise Systems Inc.	7
Friction Products Company	8
LPS Management LLC	9
Aclara RF Systems	10

Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of withholding.

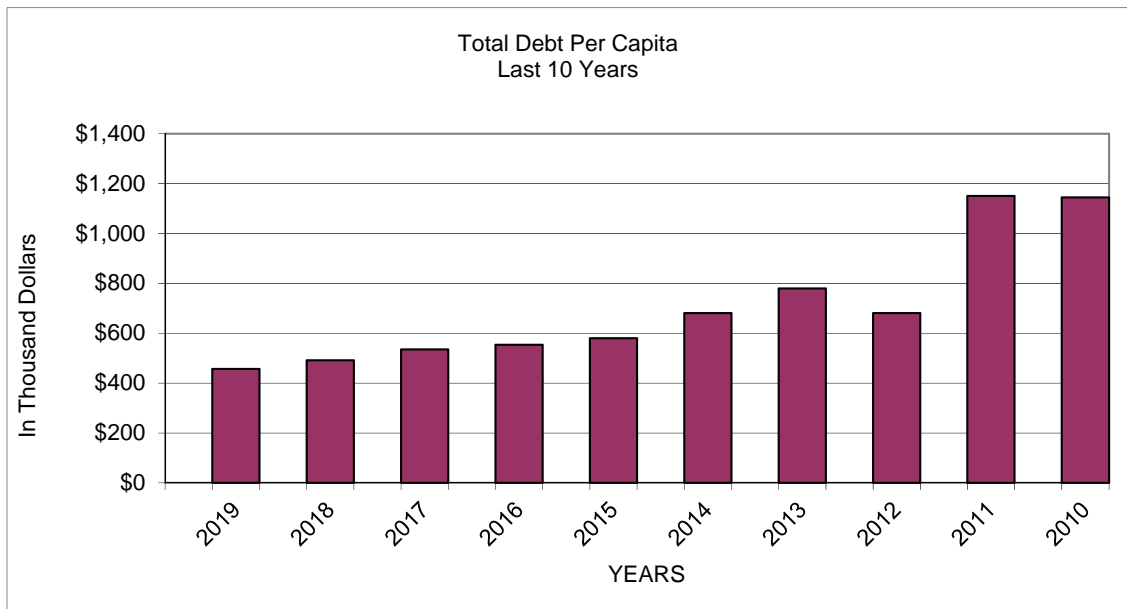
(1) Erico International Corp. operates under the business name nVent

Source: Information provided by City's Finance Department.

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

Year	Governmental Activities					General Obligation Bond Anticipation Notes
	General Obligation Bonds	Special Assessment Bonds	OWDA Loans	OPWC Loans	Capital Leases	
2019	\$0	\$0	\$4,175,626	\$0	\$1,125,482	\$0
2018	0	0	4,827,211	0	1,059,667	0
2017	0	0	5,463,259	0	1,041,756	0
2016	0	0	6,084,196	0	484,940	0
2015	0	0	6,780,233	0	0	0
2014	0	0	7,458,349	23,807	0	0
2013	0	0	8,119,077	77,939	0	0
2012	0	0	8,942,950	138,587	0	0
2011	4,470,000	84,895	9,742,923	199,235	0	0
2010	5,620,000	167,497	10,519,826	259,883	0	0

(1) Personal income and population are located on S22.



Business-Type
Activities

<u>OWDA Loans</u>	<u>Total Debt</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
\$5,165,007	\$10,466,115	0.90%	\$457
5,590,509	11,477,387	1.05	492
6,002,917	12,507,932	1.14	536
6,362,737	12,931,873	1.18	554
6,758,641	13,538,874	1.24	580
8,416,870	15,899,026	1.45	681
10,025,013	18,222,029	1.67	780
11,541,487	20,623,024	1.89	681
12,381,524	26,878,577	2.46	1,151
10,171,586	26,738,792	2.44	1,145

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

<u>Year</u>	<u>Population (1)</u>	<u>Estimated True Values of Taxable Property (2)</u>	<u>Bonded Debt (3)</u>	<u>Ratio of Bonded Debt to Estimated True Values of Taxable Property</u>	<u>Bonded Debt Per Capital</u>
2019	22,911	\$3,450,566,988	\$0	0.00 %	\$0.00
2018	22,911	3,267,531,014	0	0.00 %	0.00
2017	23,348	3,269,408,477	0	0.00	0.00
2016	23,348	3,256,873,494	0	0.00	0.00
2015	23,348	3,117,668,606	0	0.00	0.00
2014	23,348	3,125,680,192	0	0.00	0.00
2013	23,348	3,112,770,336	0	0.00	0.00
2012	23,348	3,223,292,544	4,470,000	0.14	191.45
2011	23,348	3,232,882,651	5,620,000	0.17	240.71
2010	21,802	3,235,164,518	6,720,000	0.21	308.23

Sources:

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

(2) Cuyahoga County Fiscal Officer

(3) Includes all general obligation bonded debt.

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

City of Solon, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2019

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Solon
Direct - City of Solon			
OWDA Loans	\$4,175,626	100.00%	\$4,175,626
Capital Leases	1,125,482	100.00%	1,125,482
<i>Total Direct</i>	<u>5,301,108</u>		<u>5,301,108</u>
Overlapping			
Solon City School District			
General Obligation Bonds	3,605,000	97.86%	3,527,853
Orange School District			
General Obligation Bonds	12,747,541	2.14%	272,797
Capital Lease Obligations	99,632	2.14%	2,132
Cuyahoga County (2)			
General Obligation Bonds	259,469,382	3.87%	10,041,465
Revenue Bonds	596,158,206	3.87%	23,071,323
Certificates of Participation	223,265,971	3.87%	8,640,393
Loans Payable	1,345,885	3.87%	52,086
Capital Lease Obligations	307,766,236	3.87%	11,910,553
Greater Cleveland Regional Transit Authority	<u>103,467,645</u>	3.87%	<u>4,004,198</u>
<i>Total Overlapping Debt</i>	<u>1,507,925,498</u>		<u>61,522,800</u>
Total	<u><u>\$1,513,226,606</u></u>		<u><u>\$66,823,908</u></u>

(1) The percentage of gross indebtedness of the City's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

(2) The special taxing districts' debt (which includes the Cleveland Metropolitan Park District, Cuyahoga Community College and the Cleveland-Cuyahoga Port Authority) is included in the County total.

Source: Cuyahoga County Fiscal Officer

City of Solon, Ohio
Ratios of Bonded Debt Outstanding and Legal Debt Margin
Last Ten Years

	2019	2018	2017	2016
Population	22,911	22,911	23,348	23,348
Total Assessed Property Value	<u>\$1,224,082,890</u>	<u>\$1,159,280,190</u>	<u>\$1,158,870,930</u>	<u>\$1,153,594,870</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$0	\$0	\$0	\$0
Special Assessment Bonds	0	0	0	0
OPWC Loans	0	0	0	0
OWDA Loans	<u>9,340,633</u>	<u>10,417,720</u>	<u>11,466,176</u>	<u>12,446,933</u>
Total Gross Indebtedness	9,340,633	10,417,720	11,466,176	12,446,933
Less:				
Special Assessment Bonds	0	0	0	0
OWDA Loans	(9,340,633)	(10,417,720)	(11,466,176)	(12,446,933)
General Obligation Bond Retirement Fund Balance (1)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Debt Applicable to Debt Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>128,528,703</u>	<u>121,724,420</u>	<u>121,681,448</u>	<u>121,127,461</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$128,528,703</u>	<u>\$121,724,420</u>	<u>\$121,681,448</u>	<u>\$121,127,461</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$67,324,559</u>	<u>\$63,760,410</u>	<u>\$63,737,901</u>	<u>\$63,447,718</u>
Total Gross Indebtedness	9,340,633	10,417,720	11,466,176	12,446,933
Less:				
Voted General Obligation Bonds	0	0	0	0
Special Assessment Bonds	0	0	0	0
OWDA Loans	(9,340,633)	(10,417,720)	(11,466,176)	(12,446,933)
General Obligation Bond Retirement Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Debt Within 5 ½ % Limitations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$67,324,559</u>	<u>\$63,760,410</u>	<u>\$63,737,901</u>	<u>\$63,447,718</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%

Source: City Financial Records

(1) 2012 through 2019, the Bond Retirement Fund Balance was limited to the outstanding balance of OPWC debt

2015	2014	2013	2012	2011	2010
23,348	23,348	23,348	23,348	23,348	23,348
<u>\$1,104,634,310</u>	<u>\$1,106,828,600</u>	<u>\$1,101,210,810</u>	<u>\$1,138,853,530</u>	<u>\$1,141,833,370</u>	<u>\$1,138,422,059</u>
\$0	\$0	\$0	\$0	\$4,470,000	\$5,620,000
0	0	0	0	84,895	167,497
0	23,807	77,939	138,587	199,235	259,883
<u>13,538,874</u>	<u>15,875,219</u>	<u>18,144,090</u>	<u>20,484,437</u>	<u>22,124,447</u>	<u>20,691,412</u>
13,538,874	15,899,026	18,222,029	20,623,024	26,878,577	26,738,792
0	0	0	0	(84,895)	(167,497)
<u>(13,538,874)</u>	<u>(15,875,219)</u>	<u>(18,144,090)</u>	<u>(20,484,437)</u>	<u>(22,124,447)</u>	<u>(20,691,412)</u>
0	(23,807)	(77,939)	(138,587)	(2,114,990)	(1,800,852)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,554,245</u>	<u>4,079,031</u>
115,986,603	116,217,003	115,627,135	119,579,621	119,892,504	119,534,316
<u>\$115,986,603</u>	<u>\$116,217,003</u>	<u>\$115,627,135</u>	<u>\$119,579,621</u>	<u>\$117,338,259</u>	<u>\$115,455,285</u>
100.00%	100.00%	100.00%	100.00%	97.87%	96.59%
\$60,754,887	\$60,875,573	\$60,566,595	\$62,636,944	\$62,800,835	\$62,613,213
13,538,874	15,899,026	18,222,029	20,623,024	26,878,577	26,738,792
0	0	0	0	(240,000)	(465,000)
0	0	0	0	(84,895)	(167,497)
<u>(13,538,874)</u>	<u>(15,875,219)</u>	<u>(18,144,090)</u>	<u>(20,484,437)</u>	<u>(22,124,447)</u>	<u>(20,691,412)</u>
0	(23,807)	(77,939)	(138,587)	(2,114,990)	(1,800,852)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,314,245</u>	<u>3,614,031</u>
<u>\$60,754,887</u>	<u>\$60,875,573</u>	<u>\$60,566,595</u>	<u>\$62,636,944</u>	<u>\$60,486,590</u>	<u>\$58,999,182</u>
100.00%	100.00%	100.00%	100.00%	96.31%	94.23%

City of Solon, Ohio
Principal Employers
Current Year and Nine Years Ago

2019		
Employer	W-2's	Percentage of Total City W-2's
Swagelok Manufacturing Co LLC	3,547	11.19 %
Nestle USA Inc.	2,373	7.49
City of Solon	876	2.76
The Cleveland Clinic Foundation	767	2.42
Caremark LLC	732	2.31
Erico International Corp.	689	2.17
Solon Board of Education	662	2.09
MRI Software LLC	523	1.65
National Enterprise Systems	498	1.57
Interdesign Inc.	450	1.42
Total	11,117	35.07 %
Total W-2's Received	31,700	

2010		
Employer	W-2's	Percentage of Total City W-2's
Swagelok Company	2,897	6.59 %
Nestle USA Inc.	1,763	4.01
Solon Board of Education	1,063	2.42
National Enterprise Systems	882	2.01
City of Solon	848	1.93
Erico International Corp. (1)	535	1.22
The Cleveland Clinic Foundation	446	1.02
Keithley Instruments Inc.	356	0.81
L'Oreal USA Products, Inc.	328	0.75
Datavantage	321	0.73
Total	9,439	21.49 %
Total W-2's Received	43,929	

Note: Current year W2 data is for tax year 2019 as provided by the Regional Incc

(1) Erico International Corp. operates under the business name nVent

Source: Information provided by City's Finance Department.

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City of Solon, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2019	22,911	\$1,163,558,046	\$50,786	\$104,625	44
2018	22,911	1,163,558,046	50,786	104,625	44
2017	23,348	1,185,751,528	50,786	104,625	44
2016	23,348	1,185,751,528	50,786	104,625	44
2015	23,348	1,185,751,528	50,786	104,625	44
2014	23,348	1,185,751,528	50,786	104,625	44
2013	23,348	1,093,853,800	46,850	95,881	43
2012	23,348	1,093,853,800	46,850	95,881	43
2011	23,348	1,093,853,800	46,850	95,881	43
2010	23,348	1,093,853,800	46,850	95,881	43

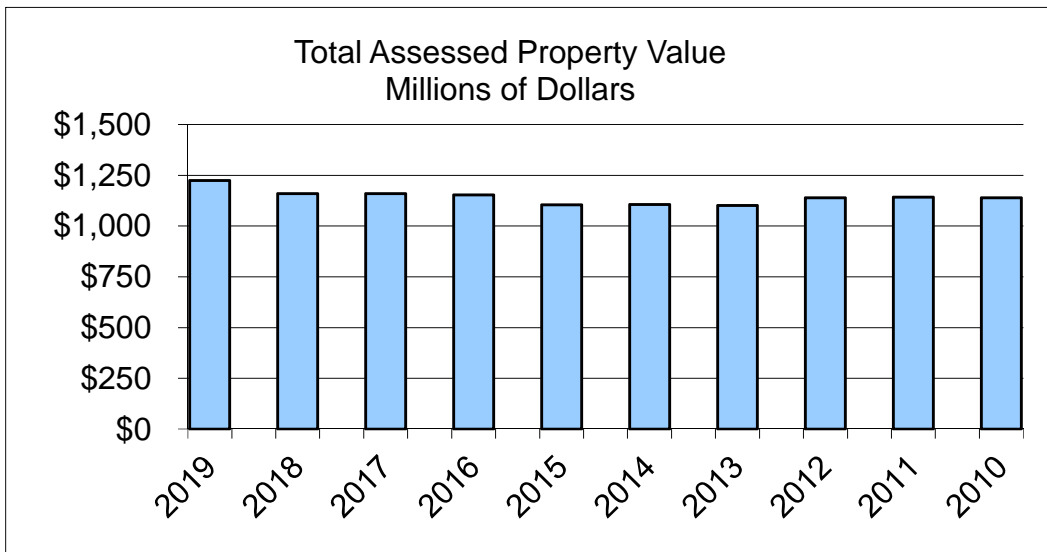
(1) Source: U.S. Census

(2) Source: Ohio Dept of Education Website: "<http://education.ohio.gov>"

(3) Ohio Labor Market Website: "<http://ohiolmi.com/>"

(4) Cuyahoga County Fiscal Office

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



<u>Educational Attainment: Bachelor's Degree or Higher (1)</u>	<u>School Enrollment (2)</u>	<u>Cuyahoga County Unemployment Rate (3)</u>	<u>Total Assessed Property Value (4)</u>
61.3%	4,533	4.2%	\$1,224,082,890
61.3	4,527	4.8	1,159,280,190
61.3	4,585	5.6	1,158,870,930
61.3	4,645	5.4	1,153,594,870
61.3	4,717	5.1	1,104,634,310
61.3	4,854	6.2	1,106,828,600
57.0	4,975	7.0	1,101,210,810
57.0	5,077	6.8	1,138,853,530
57.0	5,171	7.6	1,141,833,370
57.0	5,171	8.6	1,138,422,059

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

Function/Program	2019	2018	2017	2016
Security of Persons and Property				
Police	49.00	46.00	46.00	46.00
Dispatch and Clerks	8.00	8.00	7.00	8.00
Corrections	10.00	10.00	10.00	11.00
Fire	62.00	59.00	59.00	59.00
Leisure Time Activities				
Recreation	13.00	13.00	13.00	13.00
Senior Services	7.00	7.00	6.00	5.00
Arts Center	4.00	4.00	4.00	4.00
Grantwood Golf Course	6.00	6.00	6.00	6.00
Community Environment				
Planning	6.00	7.00	7.00	7.00
Building	2.00	2.00	2.00	2.00
Engineering	10.00	10.00	11.00	10.00
Public Works	1.00	0.00	0.00	0.00
Business Development	1.00	0.00	0.00	0.00
Basic Utility Services				
Water Reclamation	17.00	17.00	17.00	17.00
Transportation				
Service	67.00	66.00	68.00	68.00
General Government				
City Council	2.00	2.00	2.00	2.00
Mayors Office	2.00	2.00	2.00	2.00
Finance	6.00	6.00	6.00	7.00
Income Tax	0.00	0.00	0.00	0.00
Prosecutor Clerk	0.00	0.00	0.00	0.00
Human Resources	1.00	1.00	1.00	2.00
Network Administrator	3.00	3.00	2.00	3.00
City Hall Custodial	3.00	2.00	1.00	1.00
Receptionist	1.00	1.00	1.00	1.00
Totals:	<u>281.00</u>	<u>272.00</u>	<u>271.00</u>	<u>274.00</u>

Source: City of Solon, Ohio Payroll Department W2 Audit Listing

Method: Using 1.0 for each full-time employee at December 31.
 No part-time or seasonal employees are included.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
47.00	46.00	46.00	46.00	44.00	46.00
17.00	18.00	17.00	17.00	18.00	17.00
10.00	10.00	10.00	10.00	7.00	8.00
59.00	59.00	57.00	57.00	58.00	60.00
11.00	11.00	12.00	12.00	12.00	13.00
4.00	4.00	4.00	4.00	4.00	5.00
4.00	4.00	3.00	2.00	4.00	4.00
4.00	5.00	5.00	5.00	5.00	5.00
6.00	6.00	6.00	6.00	6.00	6.00
3.00	3.00	3.00	3.00	3.00	4.00
11.00	9.00	8.00	9.00	10.00	11.00
0.00	0.00	0.00	0.00	0.00	1.00
0.00	0.00	0.00	0.00	0.00	0.00
17.00	17.00	17.00	18.00	17.00	23.00
65.00	65.00	68.00	69.00	68.00	66.00
2.00	2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00	2.00
10.00	11.00	10.00	9.00	10.00	11.00
0.00	2.00	4.00	4.00	4.00	4.00
0.00	0.00	1.00	1.00	1.00	1.00
2.00	2.00	1.00	2.00	2.00	2.00
3.00	3.00	3.00	3.00	3.00	3.00
2.00	2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00	1.00
<u>280.00</u>	<u>282.00</u>	<u>282.00</u>	<u>284.00</u>	<u>283.00</u>	<u>297.00</u>

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

Function/Program	2019	2018	2017	2016
Security of Persons & Property				
<i>Police</i>				
Number of traffic citations issued	3,527	3,892	3,526	3,660
DUI Arrests	113	131	133	115
Prisoners Processed	2,166	2,451	2,248	2,275
<i>Fire</i>				
Fire Responses	1,049	753	771	629
EMS Calls	2,275	2,368	2,338	2,268
Safety Inspections	2,044	2,183	2,169	2,582
Plan Reviews	441	156	132	118
Leisure Time Activities				
<i>Parks and Recreation</i>				
Community Center Memberships (3)	6,896	6,758	7,228	7,314
Summer Camp Participants	1,292	1,272	1,187	1,195
Baseball/Softball Teams	36	35	35	48
<i>Senior Services</i>				
Program Attendance (2)	70,126	68,922	69,666	63,812
<i>Arts Center</i>				
Class Registrations	4,746	4,795	3,813	3,650
Percentage of Solon Residents	85%	83%	81%	80%
<i>Grantwood Golf Course</i>				
Rounds Played (18 holes)	14,903	14,104	13,670	14,008
Rounds Played (9 holes)	15,299	13,102	12,878	13,997
Range Balls	16,194	14,852	15,330	52,213
Community Environment				
<i>Building</i>				
Building Permits Issued	1,677	1,506	1,527	2,136
Basic Utility Services				
<i>Waste Water Treatment</i>				
Average Daily Flow (millions of gallons)	3,727	3,926	3,062.000	3.318
Transportation				
<i>Service</i>				
Tons of Salt Purchased	10,530	10,529	9,108	10,229
Tons of Rubbish Collected	7,528	7,441	6,082	6,911
Yards of Leaves Collected (1)	11,971	15,520	14,188	16,125
Tons of Recycling Materials Collected	1,834	1,979	1,747	2,065
General Government				
<i>City Council</i>				
Ordinances or Resolutions Introduced	226	304	227	231
<i>Finance</i>				
Accounts Payable Checks Processed	7,534	7,486	7,661	7,718
Purchase Orders Issued	3,180	3,102	3,519	2,958
<i>Network Administration</i>				
Computer Workstations	275	260	260	255

- (1) Indicator changed from prior year reports and new indicator data not available prior to 2012.
(2) Indicator does not include Silver Sneakers members. Silver Sneakers has increased each year and is pay as you go for seniors.

Source: Information provided by various departments at the City of Solon

2015	2014	2013	2012	2011	2010
3,376	3,927	3,768	3,893	3,744	4,673
131	132	131	151	132	118
1,900	1,905	1,927	1,819	1,732	1,521
742	772	715	671	746	737
2,191	2,067	2,104	1,737	1,726	1,789
2,646	2,095	1,794	2,480	1,529	1,589
171	324	617	393	247	150
6,681	6,876	7,417	7,811	8,341	8,495
1,223	1,138	1,186	1,129	1,201	1,248
45	55	56	64	81	99
60,191	47,664	40,292	37,912	36,817	31,678
3,512	3,056	2,906	3,204	3,160	3,274
80%	82%	81%	77%	79%	81%
11,978	12,497	9,918	10,256	14,025	12,021
15,689	15,957	17,152	16,768	10,967	17,148
43,864	45,340	45,704	44,795	34,082	35,292
2,104	1,241	988	927	793	819
3.470	3.567	3.526	3.452	4.131	3.733
11,372	12,785	9,996	9,318	10,119	16,000
7,062	7,607	7,654	7,473	7,835	7,868
13,153	14,625	12,293	13,653	n/a	n/a
2,058	1,664	1,453	1,394	1,422	1,334
262	281	273	302	255	286
8,176	8,545	9,216	10,052	9,333	9,547
3,333	3,250	3,986	4,425	4,829	4,355
265	260	257	256	237	235

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

Function/Program	2019	2018	2017	2016
Security of Persons and Property				
<i>Police</i>				
Square Footage of Station	37,168	37,168	37,168	37,168
Vehicles	35	35	29	30
<i>Fire</i>				
Square Footage of Station #1	37,168	37,168	37,168	37,168
Square Footage of Station #2	16,200	16,200	16,200	16,200
Square Footage of Station #3	9,610	9,610	9,610	9,610
Vehicles	19	20	20	18
Leisure Time Activities				
<i>Parks and Recreation</i>				
Square Footage of Community Center	92,500	92,500	92,500	92,500
Vehicles	6	6	6	5
<i>Senior Services</i>				
Vehicles	4	4	4	4
<i>Arts Center</i>				
Square Footage of Building	15,000	15,000	15,000	15,000
<i>Grantwood Golf Course</i>				
Square Footage of Clubhouse	7,200	7,200	7,200	7,200
Square Footage of Maintenance Building	5,000	5,000	5,000	5,000
Vehicles	1	1	1	1
Community Environment				
<i>Planning Department</i>				
Vehicles	1	1	1	2
<i>Building Department</i>				
Vehicles	1	2	2	3
<i>Engineering Department</i>				
Vehicles	7	6	6	9
Basic Utility Services				
<i>Waste Water Treatment</i>				
Square Footage of Buildings	56,000	56,000	56,000	56,000
Vehicles	7	9	9	7
Transportation				
<i>Service</i>				
Square Footage of Building	70,461	70,461	70,461	70,461
Vehicles	71	70	71	70
General Government				
<i>City Hall</i>				
Square Footage of Building	55,950	55,950	55,950	55,950
Mayor's Vehicle	1	1	1	1
Tax/Finance's Vehicle	0	0	0	0
Network Administration's Vehicle	0	0	0	1
City Hall Vehicle	1	1	1	2

Source: Information provided by various departments at the City of Solon

2015	2014	2013	2012	2011	2010
37,168 27	37,168 29	37,168 26	37,168 29	37,168 28	37,168 27
37,168 16,200 9,610 18	37,168 16,200 9,610 19	37,168 16,200 9,610 19	37,168 16,200 9,610 20	37,168 16,200 9,610 19	37,168 16,200 9,610 21
92,500 4	92,500 7	92,500 7	92,500 8	92,500 7	92,500 7
4	5	4	4	4	4
15,000	15,000	15,000	15,000	15,000	15,000
7,200 5,000 1	7,200 5,000 1	7,200 5,000 1	7,200 5,000 1	7,200 5,000 1	7,200 5,000 1
2	2	2	2	2	2
3	3	4	3	4	4
8	8	7	8	9	8
56,000 7	56,000 6	56,000 9	56,000 10	56,000 12	56,000 12
70,461 72	70,461 73	70,461 73	70,461 73	70,461 71	70,461 70
55,950 1 1 0 2	55,950 1 1 0 2	55,950 1 1 1 2	55,950 1 1 1 2	55,950 1 1 1 1	55,950 1 1 1 1

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Comprehensive Annual
**Financial
Report**



Edward H. Kraus, Mayor

34200 Bainbridge Road
Solon, OH 44139

www.solonohio.org

OHIO AUDITOR OF STATE KEITH FABER



CITY OF SOLON

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 9/1/2020

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

This report is a matter of public record and is available online at
www.ohioauditor.gov