



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

CITY OF NORTH OLMSTED, OHIO
CUYAHOGA COUNTY
REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2021

OHIO AUDITOR OF STATE
KEITH FABER



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Members of Council
City of North Olmsted
5200 Dover Center Road
North Olmsted, Ohio, 44070

We have reviewed the *Independent Auditors' Report* of the City of North Olmsted, Cuyahoga County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2021 through December 31, 2021. 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 North Olmsted 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 12, 2022

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TABLE OF CONTENTS

Independent Auditors' Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards* 1 - 2

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

INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of City Council
City of North Olmsted 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, business-type activities, each major fund, and the aggregate remaining fund information of the City of North Olmsted, Ohio (the "City") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2022.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City'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 or significant deficiencies may exist that have not been identified.

Report on 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 grants agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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.

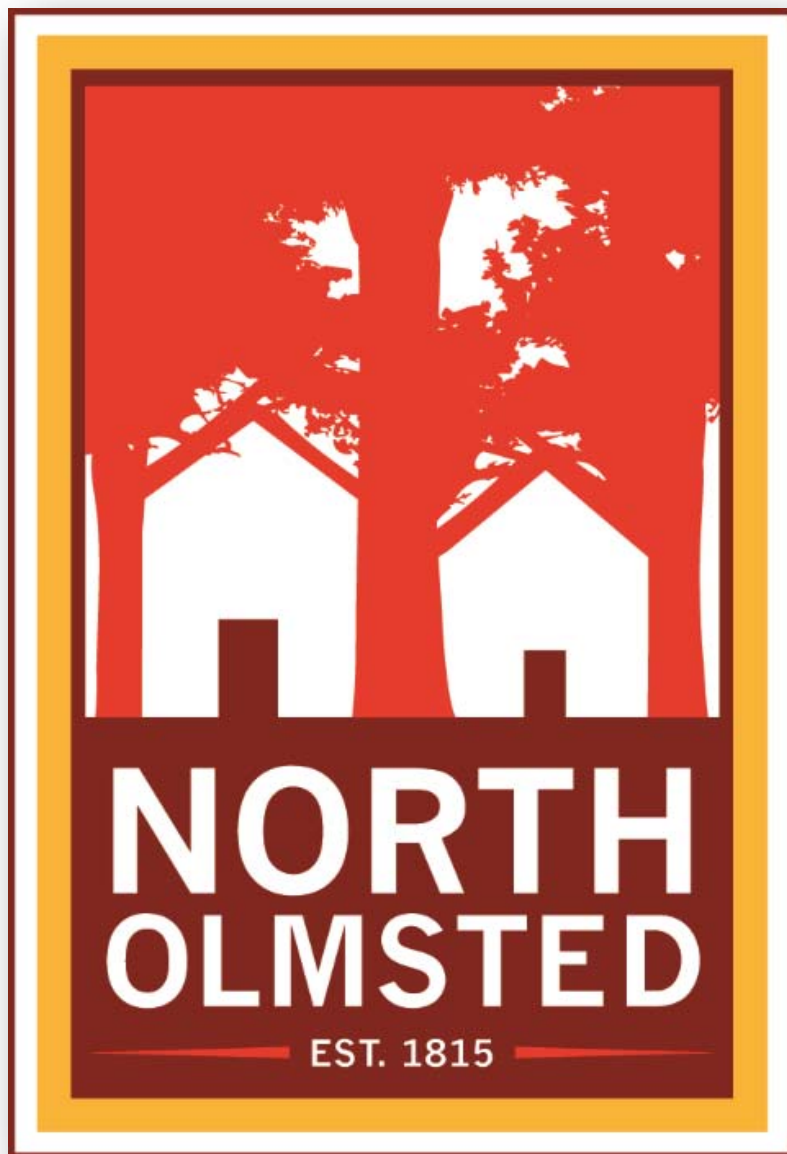
Clark, Schaefer, Hackett & Co.

Columbus, Ohio
June 30, 2022

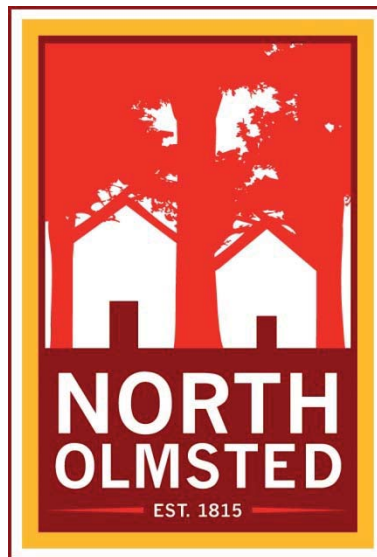
Annual Comprehensive Financial Report

NORTH OLMSTED, OHIO

For the Year Ended December 31, 2021



City of North Olmsted, Ohio
Annual Comprehensive Financial Report
For the Fiscal Year Ended
December 31, 2021



Issued by: Department of Finance
Carrie B. Coper, CPA, Director of Finance
Keith J. Sperling, Assistant Director of Finance

City of North Olmsted, Ohio

Annual Comprehensive Financial Report For the Year Ended December 31, 2021

Table of Contents	Page
I. Introductory Section	
Title Page	i
Table of Contents	ii
Letter of Transmittal	vii
Organization Chart	xiii
Principal City Officials	xiv
GFOA Certificate of Achievement	xv
II. Financial Section	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis (unaudited)	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	20
Statement of Activities.....	22
Fund Financial Statements:	
Balance Sheet – Governmental Funds	24
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Statement of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – General Fund.....	29
Statement of Fund Net Position – Proprietary Funds.....	30
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds.....	32
Statement of Cash Flows – Proprietary Funds	33
Statement of Fiduciary Net Position – Fiduciary Funds	35
Statement of Change in Fiduciary Net Position – Fiduciary Funds	36

City of North Olmsted, Ohio

Annual Comprehensive Financial Report For the Year Ended December 31, 2021

Table of Contents	Page
Notes to the Basic Financial Statements	37
Required Supplementary Information:	
Schedule of the City’s Proportionate Share of the Net Pension Liability Ohio Public Employee Retirement System – Traditional Plan.....	99
Schedule of the City’s Proportionate Share of the Net Pension Asset Ohio Public Employee Retirement System – Combined Plan.....	100
Schedule of the City’s Proportionate Share of the Net Pension Liability Ohio Police and Fire Pension Fund	101
Schedule of the City’s Contributions Ohio Public Employee Retirement System – Traditional Plan.....	102
Schedule of the City’s Contributions Ohio Public Employee Retirement System – Combined Plan.....	103
Schedule of the City’s Contributions Ohio Police and Fire Pension Fund	104
Schedule of the City’s Proportionate Share of the Net OPEB Liability (Asset) Ohio Public Employee Retirement System.....	105
Schedule of the City’s Proportionate Share of the Net OPEB Liability Ohio Police and Fire Pension Fund	106
Schedule of the City’s OPEB Contributions Ohio Public Employee Retirement System.....	107
Schedule of the City’s OPEB Contributions Ohio Police and Fire Pension Fund	108
Notes to Required Supplementary Information	109
Other Supplementary Information:	
Combining Statements and Individual Fund Schedules:	
Combining Statements – Non-Major Funds:	
Fund Descriptions	115
Combining Balance Sheet – Non-Major Governmental Funds.....	120

City of North Olmsted, Ohio

Annual Comprehensive Financial Report For the Year Ended December 31, 2021

Table of Contents	Page
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	121
Combining Balance Sheet – Non-Major Special Revenue Funds.....	122
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Special Revenue Funds	126
Combining Balance Sheet – Non-Major Debt Service Funds.....	130
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Debt Service Funds	131
Combining Balance Sheet – Non-Major Capital Projects Funds	132
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Capital Projects Funds.....	133
Combining Statement of Fund Net Position – Internal Service Funds	134
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds	135
Combining Statement of Cash Flows – Internal Service Funds.....	136
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balances/Equities – Budget (Non-GAAP Basis) and Actual:	
Major Funds:	
General Fund	138
Separation Pay Fund.....	143
27 th Pay Fund.....	145
General Obligation Bond Retirement Fund.....	146
Non-Major Funds:	
Casualty Loss Fund	147
CDBG Fund.....	148
Alcohol Education Fund.....	149
Economic Development Fund	150
FEMA Grant Fund.....	151
Federal Grants Fund	152
Local Coronavirus Relief Fund	153
Sidewalk Improvement Fund.....	154
Motor Vehicle License Tax Fund	155
Recreation Fund.....	156
Clague Park Fund	157
Hotel/Motel Tax Fund	158
Emergency Medical Services Fund	159

City of North Olmsted, Ohio

Annual Comprehensive Financial Report For the Year Ended December 31, 2021

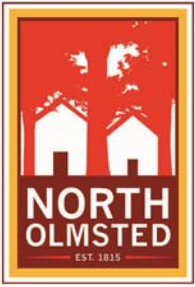
Table of Contents	Page
State Highway Fund	160
Street Maintenance Fund	161
Great Northern TIF Fund.....	162
Court Computerization Fund	163
Solid Waste and Recycling Fund.....	164
Community Diversion Fund	165
Drug Enforcement Fund	166
Endowment and Grant Fund.....	167
Fair Capacity Housing Fund	168
Local Fiscal Recovery Fund	169
Fire Pension Fund.....	170
Law Enforcement Fund	171
STOP Program Fund	172
Police Pension Fund	173
Senior Center Fund.....	174
Title III Fund	175
Public Way Management Fund	176
Deposit Fund	177
Library Bond Retirement Fund.....	178
Fire Station Bond Retirement Fund.....	179
Permanent Improvement Fund	180
Capital Improvements Fund	181
Building and Land Acquisition and Improvement Fund	183
Springvale Golf Course and Ballroom Fund	184
Sewer Revenue Fund.....	185
Hospitalization Fund.....	186
Workers' Compensation Self-Insurance Fund	187
Financial Statement – Fiduciary Fund:	
Fund Description.....	188
Combining Statement of Fiduciary Net Position – Fiduciary Funds.....	189
Combining Statement of Change in Fiduciary Net Position – Fiduciary Funds.....	190
III. Statistical Section	
Net Position by Component – Last Ten Years	S2
Changes in Net Position – Last Ten Years.....	S3
Fund Balances, Governmental Funds – Last Ten Years	S7

City of North Olmsted, Ohio

Annual Comprehensive Financial Report For the Year Ended December 31, 2021

Table of Contents	Page
Changes in Fund Balances, Governmental Funds – Last Ten Years	S8
Assessed Valuations and Estimated Actual Values of Taxable Property – Last Ten Years	S10
Income Tax Revenue Collections (Cash Basis) – Last Ten Years	S11
Property Tax Rates – Direct and Overlapping Governments – (Per \$1,000 of Assessed Valuation) – Last Ten Years.....	S12
Real Property Tax Levies and Collections – Last Ten Years.....	S13
Principal Taxpayers – Real Estate Tax – 2021 and 2012.....	S14
Ratio of Outstanding Debt to Total Personal Income and Debt per Capita – Last Ten Years	S15
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita – Last Ten Years.....	S16
Computation of Direct and Overlapping Debt	S18
Legal Debt Margin – Last Ten Years.....	S19
Principal Employers – Last Ten Years.....	S20
Demographic and Economic Statistics – Last Ten Years	S21
Full Time City Employees by Function or Program – Last Ten Years	S22
Operating Indicators by Function/Program – Last Ten Years	S23
Capital Assets Statistics by Function/Program – Last Ten Years	S26
Capital Assets by Function – Last Ten Years	S27

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CITY of NORTH OLMSTED

Carrie B. Copfer, CPA | Director, Department of Finance

A 5200 Dover Center Road | North Olmsted, Ohio 44070 P 440-716-4144 F 440-716-4235

June 30, 2022

Honorable Nicole Dailey Jones
Citizens of North Olmsted, Ohio
And Members of City Council

Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(B) requires that all cities file annual financial reports prepared on a GAAP (Generally Accepted Accounting Principles) basis with the Auditor of State within 150 days of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended December 31, 2021.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that the City 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.

Clark Schaefer Hackett, an independent auditor, has issued an unmodified (“clean”) opinion on the City of North Olmsted’s financial statements for the year ended December 31, 2021. The Independent Auditor’s Report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

Basic Information

North Olmsted was once a part of the Connecticut Western Reserve, claimed by the state of Connecticut. Investors bought land from the state, sight unseen, and went west to divide it up and sell it to settlers. Aaron Olmstead was one of the early landowners, but he never lived here. His son, Charles Olmstead, owned much of the land along Butternut Ridge and sold plots to the pioneer settlers beginning in 1815. In 1820, Charles Olmstead offered his father’s library of 500 books to the community, then called Lenox, if they would change the name to Olmstead. They agreed, and the books, brought by oxcart from Connecticut, were used as a circulating library. The remaining 153 books are on display in the City’s library. Over the course of the years, the “a” was omitted and the city became known as “North Olmsted.”

In 1908, the residents voted to incorporate, becoming a village. In 1951, North Olmsted became a city because it had a population of over 5,000 people. The rapid growth was attributed to returning World War II veterans looking to provide a suburban living for their families. At one time the City was considered the fastest growing city in Ohio because it more than doubled in size from 1950 to 1960 and doubled again in 1970. Since the 1970 census, the population of North Olmsted has stayed relatively constant. The 2020 census was 32,442, which represents a less than one percent decline from the 2010 census.

The City is a suburban community located in Cuyahoga County in Northeastern Ohio, approximately 13 miles southwest of the downtown area of the City of Cleveland and approximately 18 miles southeast of the City of Lorain. The City is served by diversified transportation facilities. There is immediate access to three State and U.S. highways and interstate highways I-80 (the Ohio Turnpike) and I-480, with access to interstate highways I-90 and I-71 within five miles of the City. The City is served by Cleveland Hopkins International Airport, located within five miles of the City, and is adjacent to areas served by CSX and Amtrak railroads.

The City of North Olmsted's primary government consists of all funds and departments, which are not legally separate from the City and provide a full range of services including:

- ◆ Police, Emergency Medical Services and Fire Protection
- ◆ Parks and Recreational Activities and Facilities
- ◆ 18-hole Golf Course and Historic Ballroom
- ◆ Senior Center and Related Programs
- ◆ Local Human Services - ministering to youth, disabled, seniors and needy families
- ◆ Planning and Zoning Committees
- ◆ Building Code Enforcement
- ◆ Waste Water Treatment Plant Processing of Sanitary Sewage
- ◆ Maintenance and Improvement of City Roads and Infrastructure
- ◆ Maintenance and Improvement of Storm and Sanitary Sewer Systems
- ◆ Administrative and Legislative functions including Council, Law, Finance, Human Resources and Information Technology

The City of North Olmsted operates under and is governed by its Charter, first adopted by the voters in 1959. The Charter has been and may be amended by the voters from time to time. The City is also subject to some general laws applicable to all cities. Under the Ohio Constitution, the City may exercise all powers of local self-government, and police powers to the extent not in conflict with applicable general laws. The Charter provides for a mayor-council form of government.

Legislative authority is vested in a seven-member Council, of whom three members are at-large and four members are from wards, all elected to four-year terms. The Council sets compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the President of Council, elected specifically to that office by the voters for a four-year term. The President of Council has no vote except in the event of a tie. The Charter establishes certain administrative departments and the Council may establish divisions of those departments or additional departments and has exercised that authority.

The City's chief executive and administrative officer is the Mayor, elected by the voters specifically to that office for a four-year term. The other elected City officials are the Director of Finance and the Director of Law, each elected to a four-year term. All elected officials, except the Mayor and Director of Finance, serve part-time.

The Mayor has authority to appoint the directors of Public Safety, Public Service, Human Resources, Economic and Community Development, Recreation and Public Engagement, certain City employees and members of a number of City boards and commissions. The Mayor generally may remove, without the concurrence of Council and in accordance with civil service and collective bargaining agreement requirements, all officers and employees he has appointed, except that directors of the aforementioned departments may only be removed with the concurrence of two-thirds of the members of Council. The Mayor may not remove officers and employees of Council, Finance or the Law departments.

The Mayor may veto any legislation passed by Council. A veto may be overridden by a two-thirds vote of all members of Council.

Budgetary Process

A temporary appropriation resolution to control expenditures may be passed on or around January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. Appropriations by fund must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriations at any level of control. Any revisions that alter the appropriations at the legal level of budgetary control must first be approved by City Council. Council may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources. The City maintains budgetary control on a cash basis by department for salaries, other expenditures and debt service. Estimated expenditure amounts must be encumbered prior to the release of purchase orders to vendors or finalization of other contracts. Encumbrances that would exceed the available appropriation level are identified on an ongoing basis and are not approved or recorded until City Council authorizes additional appropriations or transfers. Unencumbered appropriations lapse at the end of each calendar year.

Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions. Permanent appropriations are adopted by Council and are amended throughout the year by supplemental appropriations, which either reallocate or increase the original appropriated amounts. During the year, supplemental appropriation measures were legally enacted; however, none of these amendments were significant. The budgetary figures, which appear in the statement of budgetary comparisons, represent the original permanent appropriation and the final appropriations amounts, including all amendments and modifications.

FACTORS AFFECTING FINANCIAL CONDITION

Summary of Local Economy

The City is a suburban residential community and a commercial center for the western portion of the County and adjacent Lorain County. The City has actively promoted commercial, residential and light industrial development, and has established a City-wide community reinvestment area and participated in an enterprise zone within the County for that purpose, as hereinafter discussed in more detail.

The largest commercial development in the City includes the Great Northern Mall and the adjacent Great Northern Shopping Center, together constituting a 2.0 million square foot retail complex with approximately 225 stores, professional and medical offices and restaurants; the Great Northern Corporate Center I, II and III, a 267,000 square foot executive office complex; and the Great Northern Technology Center, a 144,000 square foot office complex. All of this development is located adjacent to an interchange on interstate highway I-480. The properties have been developed in phases over the past 40 years, and the businesses located in them now provide employment for approximately 4,800 persons. The local economy has developed and redeveloped around this area.

Based on employer payments of business profits and employee wage and salary withholding income taxes, one taxpayer accounted for approximately 7.10% of the City income taxes collected in Fiscal Year 2021. No other taxpayer contributed more than 5% of the City income taxes collected in Fiscal Year 2021. Additionally, the City, which currently offers residents 100% credit on up to two percent for municipal income taxes paid to their workplace city, can adjust that credit through an ordinance of Council.

The City continues to adapt with the effects of COVID on the economy and the City's budgets. The hybrid work model will impact income tax revenues. The continued labor shortages, supply chain delays, rising fuel costs, and the rapid increase of inflation has caused increases and delays in obtaining necessary goods and services and has negatively impacted the City's 2022 budget. The American Rescue Plan Act is expected to help address negative economic impacts experienced by the City, including the residents and businesses and aid in the economy's recovery.

Relevant Financial Policies

Internal Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the government are protected from loss, theft or misuse and adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

All internal controls are designed within the above framework. Accordingly, we believe the City's system of internal controls is adequate to safeguard assets and provide reasonable assurance of proper recording of transactions.

Basis of Accounting

This is the eighteenth year the City has prepared financial statements following GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. GASB 34 creates basic financial statements for reporting the City's financial activities as follows:

Government-wide financial statements - These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Fund financial statements - These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the governmental-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statements of budgetary comparisons - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

Debt Administration

The debt service funds account for the accumulation of resources for the payment of general long-term obligations. Revenue sources for these funds include receipts from property taxes and transfers from other funds consisting of income taxes, hotel/motel taxes, sewer user charges and golf user charges.

The Mayor and her administration prioritize capital projects for which borrowings are required. City Council approves such borrowings for these purposes. Both the Administration and Council have been committed to borrowing for the prioritized list of current capital needs at an amount less than the City is retiring each year in general obligation debt so that each year the City's total general obligation debt is declining. This is a general policy with the Mayor's and City Council's consideration of the impact of voted tax issues and self-supporting enterprise fund debt.

In April of 2006, the City of North Olmsted received a rating increase to an A1 rating from Moody's Investor Service Inc. for limited tax and an Aa3 rating for unlimited tax. Fitch IBCA affirmed the City's A+ rating in April 2006, and again in August 2009. In April of 2010, under pressure from the federal government, all three rating agencies adjusted the way municipal debts were rated basing it on the likelihood of default, which is the standard for corporate debt. This will increase the market of potential municipal buyers, and theoretically, reduce the cost of borrowing due to the increased competition. Moody's Investor Services raised the City's rating to Aa2 on all outstanding debt, due to the recalibration, while Fitch raised the rating to AA-. Moody's affirmed that rating in July 2010, January 2013, November 2015, January 2017, and February 2021 for the general obligation bond issue and all of the City's outstanding bonded debt.

Fitch reaffirmed the current rating in July 2013 and again in June 2015 during standard surveillance reviews. Fitch withdrew the rating in January 2017 as the remaining portion of the debt they rated was refunded.

Major Initiatives and Capital Improvements

In response to the Covid-19 pandemic, the City received the first of two tranches of \$1.64 million in 2021 through the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program which was established under the American Rescue Plan Act. The first tranche of federal funding is expected to be spent in 2022 as follows:

- ◆ Renovating the Senior Center and Community Cabin kitchens, repaving the Senior Center parking lot, updating bathrooms, installing security cameras, and upgrades to improve access for those with disabilities;
- ◆ Establishing a Security Camera Registration and Mapping (SCRAM) Program to provide an opportunity for residents and business owners to help officers solve local crimes, develop leads, and conclude investigations through video evidence, captured by private surveillance systems;
- ◆ Providing grants of up to \$20,000 for the renovation of retail storefronts;
- ◆ Creating a strategic economic development plan to guide the post-pandemic economic recovery of the City;
- ◆ Establishing the Home Repair Revolving Loan Fund for low and moderate income home owners;
- ◆ Improving City services by creating an open data citizen centered geographic information system (GIS), establishing a data driven pavement condition rating system for streets and sidewalks, transitioning to cloud based services for paperless permitting and payment processing, and upgrading information systems to better facilitate data integration capabilities; and
- ◆ Committing to fund two additional police officers each year through 2024 to ensure that we maintain our Police forces through the wave of anticipated retirements over the next three years.

The City's annual street rating program identifies the roads needing the most repair. The City resurfaced 7 streets during 2021, including Canterbury Road, Elm Road, Lynhaven Drive, Park Ridge Drive, Pebblebrook Lane, Sandpiper Lane and Walnut Lane. In total, over 789,000 square feet of road was improved citywide in 2021. It was also the fourth year of the City's rejuvenation program which focuses on pavement maintenance so roads will not need to be completely resurfaced as often.

The City was awarded \$150,000 in Community Development Block Grant (CDBG) funding for roadway improvements and other rehabilitation work on Elm Road. The total cost of the project was approximately \$300,000 with the City responsible for the costs exceeding the CDBG grant award.

The final phase of the Country Club Boulevard project was completed. The project includes street resurfacing between Great Northern Boulevard and Columbia Road and adding a center median with landscaping and street lighting. Funding from the City's tax increment financing (TIF) program was used to pay for the improvements.

The City identified an area along the south interceptor line in the southwest quadrant of the City as requiring urgent action to preserve property values and mitigate loss of personal property due to flooding. The City began the South Interceptor Equalization Tank Project in 2021 to add storage volume to the South Interceptor system to regulate flow to the Waste Water Treatment Plant during heavy rain events. The City acquired a 7.12-acre parcel west of Spruce School to accommodate an approximately 1.5-million-gallon tank. The engineering design will be completed in 2022 and the project will be publicly bid.

The City purchased a new combination jet/vacuum vehicle to be used on the City's storm water system which is composed of larger pipes. The vehicle will come with training provided to employees and will be used exclusively by the City's Storm Crew to help relieve flooding issues for residents. Due to supply chain issues the delivery will not occur until 2022.

The City began the Clague Park Restroom and Walking Path Project. The cost of the project is approximately \$165,000 with a net cost to the City of \$65,000 after a \$100,000 grant. The restrooms consist of a modular building consisting of one men's and one women's restroom. The upgrade will include an additional 1,000 linear feet to complete a loop for the park's walking path that will be finished in 2022.

Long-term Financial Planning

The City does not have a formal long-term capital plan; however, the Mayor and her administration have developed a five-year capital plan and are utilizing it for planning and budgeting purposes.

The City, through Council ordinance, has established a reserve balance account for the purpose of budget stabilization. The amount reserved may not exceed 5% of the General Fund's revenues in the prior year. Council may appropriate expenditures out of the reserve account to stabilize the City's budget. The City has also established both separation and 27th pay funds to reduce the spikes in an operating budget when these benefits are paid out in future years. The 2021 budget included continued funding of these reserves.

The City's long-term investment strategy is to invest public funds in a manner that will provide the highest investment return with maximum security, safety, and preservation of principal. The City typically limits investments to certificates of deposit (CD's), U.S. federal agency notes and bonds, municipal bonds, the investment pool managed by the State Treasurer of Ohio, and money market savings accounts. As investments mature, they are reinvested for anywhere from one to five years allowing the City to maximize returns while still meeting cash flow needs.

The City has continued to use Tax Increment Financing (TIF) as an economic development tool for the area around Great Northern Boulevard and Country Club Boulevard business corridor. Owners of parcels of real property included in the TIF area will make payments in lieu of taxes on improvements they made on their property into the TIF. These funds will be utilized for future infrastructure improvements that will benefit the TIF business corridor. The improvements will consist of pavement, curbs, drainage facilities, extension, installation, acquisition, relocation of utilities, sidewalks, bike paths, landscaping, lighting, signalization, signage, and other public infrastructure improvements in or near the roadway.

AWARDS AND ACKNOWLEDGEMENTS

GFOA Certificate of Achievement

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 North Olmsted for its annual comprehensive financial report for the fiscal year ended December 31, 2020. This was the twenty-second consecutive year that the city has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual 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 Annual 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.

Acknowledgments

The 2021 Annual Comprehensive Financial Report was prepared by the Finance Department with cooperation from all city departments. We would like to express our appreciation to Ciuni & Panichi, Inc. for their guidance in the preparation of this report. We would also like to thank the Mayor and members of City Council for supporting the preparation of this report, which expresses their commitment to financial integrity. In closing, we are grateful to the residents and taxpayers of the City of North Olmsted for entrusting us with the fiscal administration of their local government.

Respectfully submitted,

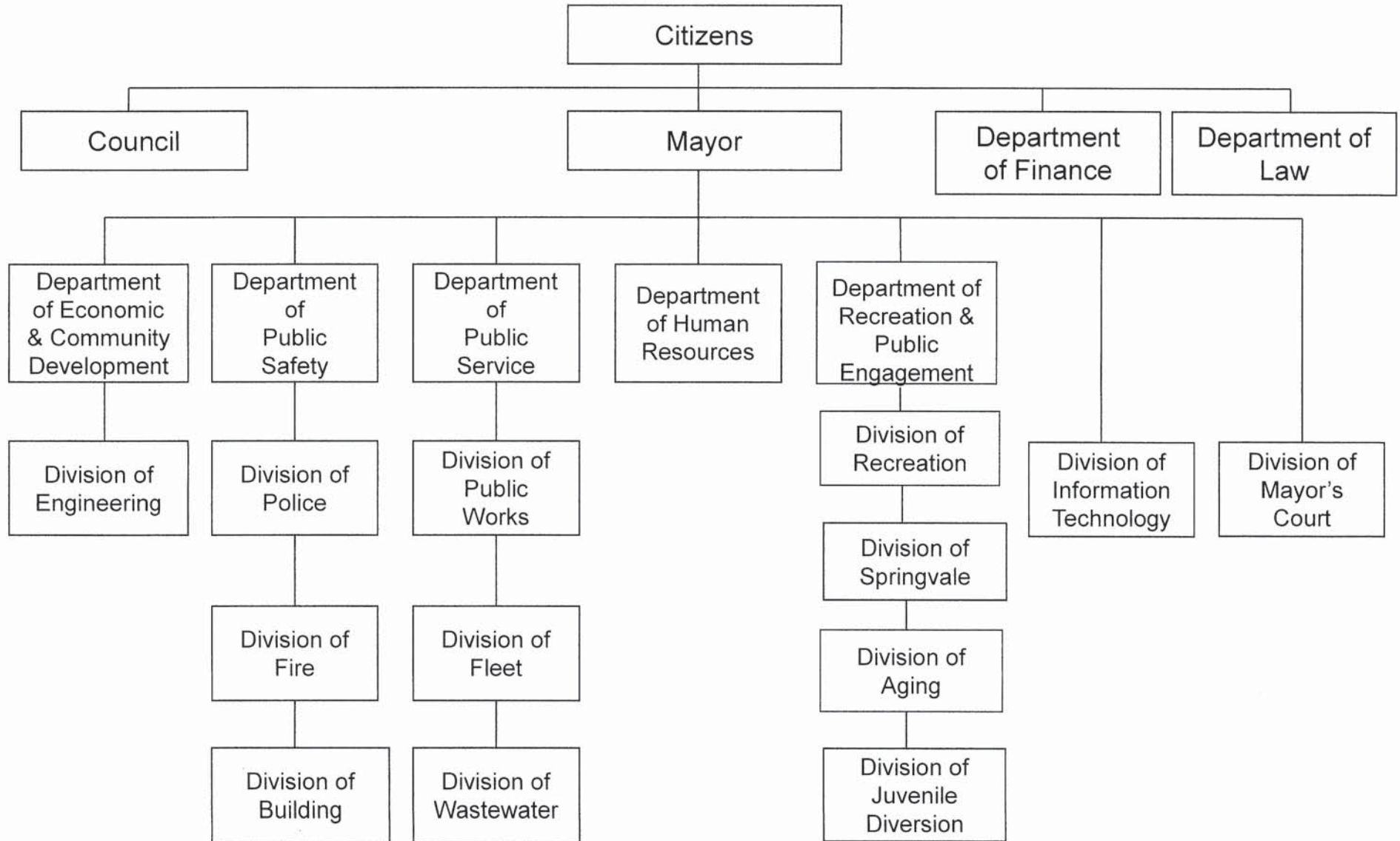


Carrie B. Copfer, CPA
Director of Finance



Keith Sperling
Assistant Director of Finance

CITY OF NORTH OLMSTED ORGANIZATIONAL CHART DEPARTMENTS & DIVISIONS



City of North Olmsted, Ohio

Principal City Officials

December 31, 2021

Elected Officials

Kevin M. Kennedy through December 31, 2021	Mayor
Nicole Dailey Jones effective January 1, 2022	Mayor
Michael R. Gareau, Jr.....	Director of Law
Carrie B. Copfer	Director of Finance
Nicole Dailey Jones through December 31, 2021	President of Council
Louis Brossard effective January 1, 2022	President of Council
Louis Brossard through December 31, 2021	Council Ward 1
Christopher Scarl effective January 1, 2022	Council Ward 1
Chris Glassburn.....	Council Ward 2
Paul Schumann through December 31, 2021	Council Ward 3
Mary Gilchrist effective January 1, 2022.....	Council Ward 3
Mary Ellen Hemann	Council Ward 4
Patrick Kelly.....	Council-At-Large
Duane Limpert	Council-At-Large
Angela Williamson.....	Council-At-Large

Appointed Officials

Marie Gallo through December 31, 2021.....	Director of Human Resources
Lisa Kidd effective January 26, 2022.....	Director of Human Resources
Position Vacant through December 31, 2021.....	Director of Public Safety and Service
Jennifer Scofield effective January 31, 2022	Director of Public Safety
Kimberly Lieber through December 31, 2021	Director of Planning Development
Max Upton effective January 17, 2022	Director of Economic and Community Development
Timothy Pinchek effective April 11, 2022.....	Director of Recreation and Public Engagement
Kevin Kearney effective February 7, 2022	Director of Service



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of North Olmsted
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO

INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of North Olmsted, Ohio:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of North Olmsted, Ohio (the "City"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor and individual fund financial statements are presented for purposes of additional analysis and are 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

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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022 on our consideration of the City of North Olmsted's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of North Olmsted's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
June 30, 2022

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City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2021

The Management's Discussion and Analysis of the City of North Olmsted's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

◆ Key financial highlights for 2021 are as follows:

- In 2020, OPERS approved several changes to the health care plan offered to Medicare and non-Medicare retirees. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020. These changes were adjusted through expenses in the current year.
- In 2021, the City received \$1,641,501 in American Rescue Plan Act funding.
- The total assets and deferred outflows of resources of the City exceeded total liabilities and deferred inflows of resources at the close of 2021 by \$63,309,452. This is an increase of \$13,048,958 over the 2020 net position. Net position of the City's governmental activities increased \$9,795,478 from 2020, while net position of the business-type activities increased \$3,253,480.
- Total assets increased by \$4,508,151 and deferred outflows of resources decreased by \$1,772,426. The main factor affecting the total assets was the increase in cash and cash equivalents (up \$5,650,249). The main fluctuation in deferred outflows of resources related to the pension and OPEB (down \$1,740,355).
- Total liabilities decreased by \$15,190,993 and deferred inflows of resources increased by \$4,877,760 from 2020. The main factors affecting the total liabilities was a decrease in the net pension and OPEB liabilities (down \$11,989,547) during 2021. The deferred inflows of resources were up in 2021 with the pension/OPEB being the biggest contributor (up \$3,476,049).
- The General Fund reported a fund balance of \$11,227,516 at the end of the 2021, which is an increase of \$949,639 from 2020. The General Fund expenditures and other financing uses increased \$2,000,072 from 2020 to 2021 and revenues and other financing sources increased \$2,008,314.

Using This Annual Comprehensive Financial Report

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

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2021

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

Reporting the City of North Olmsted as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole considers all financial transactions and measures how the City did financially during fiscal year 2021. The *Statement of Net Position* includes assets, deferred outflows of resources, liabilities and deferred inflows of resources and the *Statement of Activities* includes revenues and expenses; however, they both use the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- Assets
- Deferred outflows of resources
- Liabilities
- Deferred inflows of resources
- Net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources)
- Program expenses and revenues
- General revenues
- Net position beginning and end of year

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2021

Reporting the City of North Olmsted's Most Significant Funds

Fund Financial Statements

The presentation of the City's major funds begins on page 24. Fund financial reports provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds which account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of North Olmsted, the major governmental funds are the General Fund and the General Obligation Bond Retirement Fund and the major enterprise funds are the Springvale Golf Course and Ballroom Fund and Sewer Revenue Fund.

Governmental Funds

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

Proprietary Funds

The City of North Olmsted maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities. The City uses enterprise funds to account for the operations of its golf course and ballroom and sanitary sewer plant and system. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains this type of fund for its self-insurance of health related employee benefits and self-insurance of workers' compensation. Because this predominately affects governmental rather than business functions, it has been included within the governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found beginning on page 30 of this report.

Fiduciary Funds

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

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2021

Notes to the Basic Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 37 of this report.

Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the combining statements referred to earlier in connection with non-major governmental funds are presented, as well as individual detailed budgetary comparisons for all funds. This information can be found starting on page 115 of this report.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2021

The City of North Olmsted as a Whole

The *Statement of Net Position* looks at the City as a whole. Table 1 provides a summary of the City's net position for 2021 compared to 2020.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	\$ 60,152,594	\$ 53,153,327	\$ 10,389,056	\$ 10,163,927	\$ 70,541,650	\$ 63,317,254
Capital assets, net	52,442,050	54,116,473	66,563,738	68,778,354	119,005,788	122,894,827
Net pension asset	231,321	148,350	73,653	47,236	304,974	195,586
Net OPEB asset	806,594	-	256,812	-	1,063,406	-
<i>Total assets</i>	<u>113,632,559</u>	<u>107,418,150</u>	<u>77,283,259</u>	<u>78,989,517</u>	<u>190,915,818</u>	<u>186,407,667</u>
Deferred outflows of resources:						
Deferred charge on refunding	41,092	59,816	-	13,347	41,092	73,163
Pension	3,973,258	4,665,436	321,068	472,628	4,294,326	5,138,064
OPEB	2,457,471	3,142,952	129,897	341,033	2,587,368	3,483,985
<i>Total deferred outflows of resources</i>	<u>6,471,821</u>	<u>7,868,204</u>	<u>450,965</u>	<u>827,008</u>	<u>6,922,786</u>	<u>8,695,212</u>
Liabilities:						
Current liabilities	3,780,819	3,050,872	778,920	864,967	4,559,739	3,915,839
Long-term liabilities:						
Due within one year	5,228,751	4,619,831	3,172,531	3,320,757	8,401,282	7,940,588
Due within more than one year:						
Other amounts	19,943,346	21,201,031	44,969,475	48,017,830	64,912,821	69,218,861
Net pension liability	28,458,447	31,093,233	2,094,873	2,970,494	30,553,320	34,063,727
Net OPEB liability	3,400,432	9,781,322	-	2,098,250	3,400,432	11,879,572
<i>Total liabilities</i>	<u>60,811,795</u>	<u>69,746,289</u>	<u>51,015,799</u>	<u>57,272,298</u>	<u>111,827,594</u>	<u>127,018,587</u>
Deferred inflows of resources:						
Property taxes	10,147,771	9,052,138	-	-	10,147,771	9,052,138
Payments in lieu of taxes	657,844	351,766	-	-	657,844	351,766
Pension	5,886,626	5,067,607	1,061,248	681,897	6,947,874	5,749,504
OPEB	4,090,731	2,354,419	857,338	315,971	4,948,069	2,670,390
<i>Total deferred inflows of resources</i>	<u>20,782,972</u>	<u>16,825,930</u>	<u>1,918,586</u>	<u>997,868</u>	<u>22,701,558</u>	<u>17,823,798</u>
Net position:						
Net investment in capital assets	35,306,616	34,655,527	19,062,204	17,954,236	54,368,820	52,609,763
Restricted	25,257,481	22,745,998	-	-	25,257,481	22,745,998
Unrestricted	(22,054,484)	(28,687,390)	5,737,635	3,592,123	(16,316,849)	(25,095,267)
<i>Total net position</i>	<u>\$ 38,509,613</u>	<u>\$ 28,714,135</u>	<u>\$ 24,799,839</u>	<u>\$ 21,546,359</u>	<u>\$ 63,309,452</u>	<u>\$ 50,260,494</u>

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2021

The City follows Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27* and GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to pensions and other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension/OPEB, the net pension/OPEB liability to the reported net position and subtracting deferred outflows related to pension/OPEB and the net pension/OPEB asset.

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

GASB 68 and GASB 75 require the net pension/OPEB liability (asset) to equal the City's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension/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/OPEB. 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 liability. In Ohio, the employee shares the obligation of funding benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2021

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/OPEB liability. As explained above, changes in pension 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/OPEB liability is satisfied, these liabilities are separately identified within the long-term liability section of the Statement of Net Position.

Net position may serve over time as a useful indicator of a government's financial position. For the City of North Olmsted, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$63,309,452 as of December 31, 2021, which is a \$13,048,958 increase from the prior year. At the end of the current year, the City of North Olmsted is able to report positive balances in the net investment in capital assets and restricted net position. Unrestricted net position is negative as a result of GASB 68 and GASB 75.

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

Total assets for 2021 increased \$4,508,151 when compared to 2020 and deferred outflows of resources decreased by \$1,772,426. The main factor affecting the total assets was the increase in cash and cash equivalents (up \$5,650,249). Cash and cash equivalents increased as the City issued \$2,000,000 in new money bonds as well as received American Rescue Plan Act funding in 2021. The main fluctuation in deferred outflows of resources related to net pension/OPEB (down \$1,740,355) due to changes in the pension/OPEB plans.

Total liabilities decreased by \$15,190,993 and deferred inflows of resources increased by \$4,877,760 from 2020. The main factors affecting the total liabilities was a decrease net pension and net OPEB liability (down \$11,989,547) during 2021, due to changes in assumptions and changes in benefits. The deferred inflows of resources related to pension/OPEB were up in 2021 due to changes in the pension/OPEB plans.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2021

In order to further understand what makes up the changes in net position for the current year, Table 2 provides further details regarding the results of activities for the current year compared to the prior year.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services and sales	\$ 5,377,225	\$ 4,465,099	\$ 11,795,705	\$ 11,629,310	\$ 17,172,930	\$ 16,094,409
Operating grants and contributions	2,370,820	2,324,235	-	-	2,370,820	2,324,235
Capital grants and contributions	391,888	241,040	79,471	61,937	471,359	302,977
Total program revenues	<u>8,139,933</u>	<u>7,030,374</u>	<u>11,875,176</u>	<u>11,691,247</u>	<u>20,015,109</u>	<u>18,721,621</u>
General revenues:						
Property taxes and other taxes	9,721,089	9,603,241	-	-	9,721,089	9,603,241
Municipal income taxes	17,879,082	15,162,859	-	-	17,879,082	15,162,859
Grants and entitlements	2,637,699	4,530,927	-	-	2,637,699	4,530,927
Other	54,221	658,911	-	-	54,221	658,911
Total general revenues	<u>30,292,091</u>	<u>29,955,938</u>	<u>-</u>	<u>-</u>	<u>30,292,091</u>	<u>29,955,938</u>
Total revenues	<u>38,432,024</u>	<u>36,986,312</u>	<u>11,875,176</u>	<u>11,691,247</u>	<u>50,307,200</u>	<u>48,677,559</u>
Program expenses:						
General government	3,220,199	6,838,897	-	-	3,220,199	6,838,897
Security of persons and property	15,058,401	16,496,198	-	-	15,058,401	16,496,198
Public health and welfare	137,349	605,662	-	-	137,349	605,662
Transportation	4,858,200	6,664,108	-	-	4,858,200	6,664,108
Basic utility services	2,573,383	2,513,654	-	-	2,573,383	2,513,654
Leisure time activities	1,817,301	2,108,986	-	-	1,817,301	2,108,986
Economic development	395,305	504,106	-	-	395,305	504,106
Interest and fiscal charges	627,048	560,489	-	-	627,048	560,489
Springvale Golf Course and Ballroom	-	-	1,361,509	1,599,374	1,361,509	1,599,374
Sewer revenue	-	-	7,209,547	9,238,957	7,209,547	9,238,957
Total program expenses	<u>28,687,186</u>	<u>36,292,100</u>	<u>8,571,056</u>	<u>10,838,331</u>	<u>37,258,242</u>	<u>47,130,431</u>
Change in net position before transfers	9,744,838	694,212	3,304,120	852,916	13,048,958	1,547,128
Transfers	<u>50,640</u>	<u>60,706</u>	<u>(50,640)</u>	<u>(60,706)</u>	<u>-</u>	<u>-</u>
Change in net position	9,795,478	754,918	3,253,480	792,210	13,048,958	1,547,128
Net position, beginning of year	<u>28,714,135</u>	<u>27,959,217</u>	<u>21,546,359</u>	<u>20,754,149</u>	<u>50,260,494</u>	<u>48,713,366</u>
Net position, end of year	\$ <u>38,509,613</u>	\$ <u>28,714,135</u>	\$ <u>24,799,839</u>	\$ <u>21,546,359</u>	\$ <u>63,309,452</u>	\$ <u>50,260,494</u>

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2021

Effects of GASB 68 and 75

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

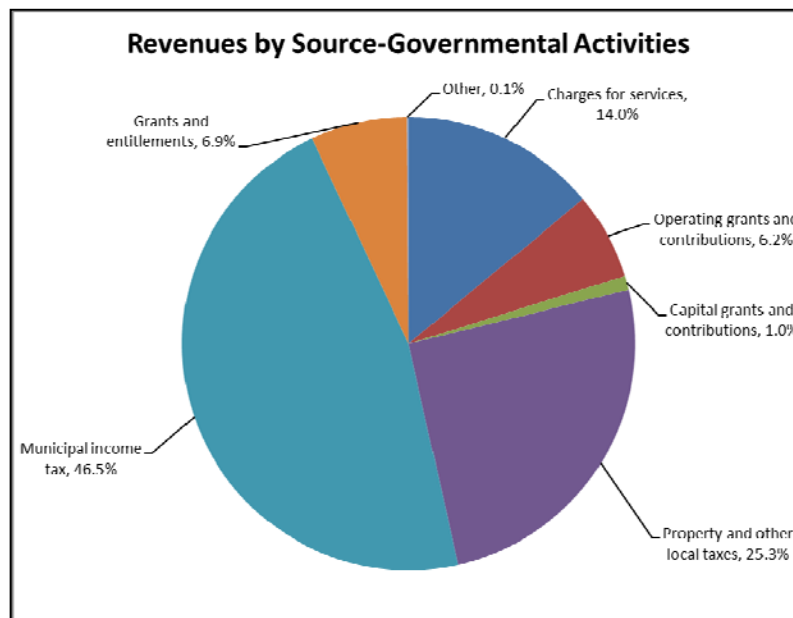
Under GASB 68, pension expense represents additional amounts earned based on a proportionate share of the net pension liability adjusted by a corresponding proportionate share of deferred outflows and inflows. Under GASB 68, the pension expense for 2021 is \$1,323,962, while in 2020 pension expense was \$4,639,522.

Under GASB 75, OPEB expense represents additional amounts earned based on a proportionate share of the net OPEB liability adjusted by a corresponding proportionate share of deferred outflows and inflows. Under GASB 75, the OPEB expense for 2021 is \$(6,316,089), while in 2020 OPEB expense was \$1,273,555.

Governmental Activities

Overall, total governmental activities revenues increased by \$1,445,712. Program revenues represent 21% of the total governmental activities revenues. This includes charges for services and sales and both operating and capital grants. Program revenues increased in 2021 by \$1,109,559, primarily as a result of an increase in charges for services related to leisure time activities as the recreation center was able to bounce back from the pandemic.

General revenues represent the other 79% of total governmental activities with municipal income taxes at 47%, property and other local taxes at 25% and grants, entitlements and other miscellaneous revenues representing 7%. General revenues also experienced an increase as municipal income taxes increased \$2,716,223. This increase was offset by a decrease in grants and entitlements as the City received over two million in COVID relief funding in 2020.



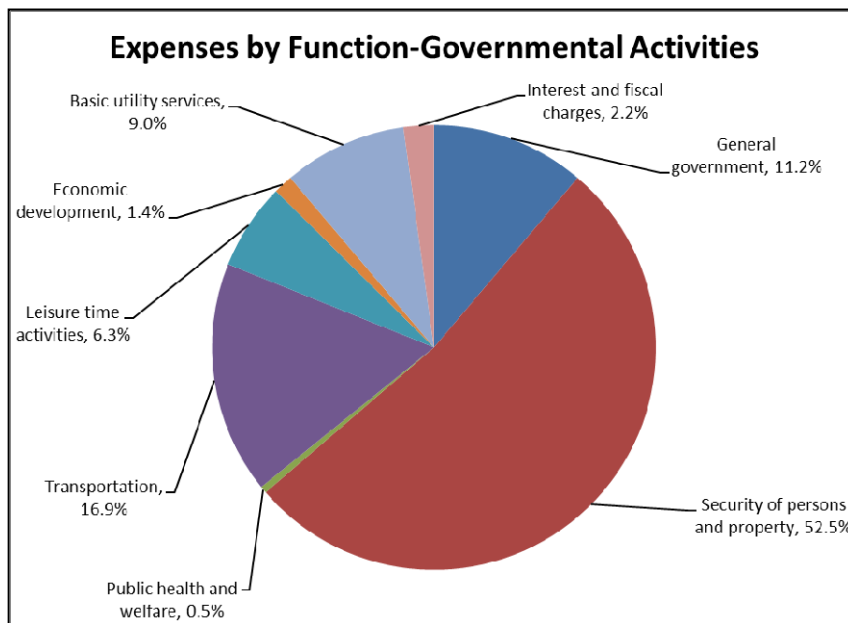
City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2021

In total, the City's governmental activities experienced a decrease in expenses of \$7,604,914. The majority of the decrease was due changes in assumption and benefit terms related to OPERS OPEB in the current year that caused a significant reduction in expenses in 2021.

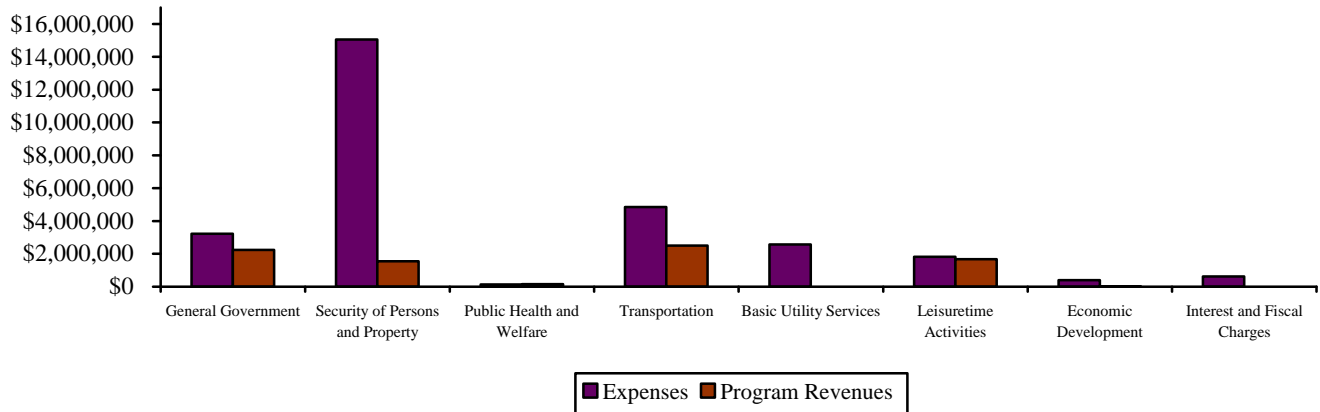
The City's expenses are categorized by function. The largest program function, security of persons and property, represented 53% of program expenses in 2021. This includes the cost of providing police, dispatch, fire, and paramedic services. General government represents 11% of program expenses. This includes all the general governmental expenses used by the entire City such as council, mayor, administration, finance, law, human resources, information technologies, building, engineering, etc. General governmental decreased \$3,618,698 due to changes in assumption and benefit terms related to OPERS OPEB in the current year that caused a significant reduction in expenses. Transportation, which represents 17% of program expenses in 2021. This includes the cost of providing all public works services such as street and storm channel maintenance and improvements, public property maintenance, snow removal, brush removal and equipment maintenance.



City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2021

As can be seen in the chart below, program revenues cover a small portion of expenses and all programs have a heavy reliance on general revenues, with the majority of total 2021 revenues coming from general revenues.

Expenses and Program Revenues Governmental Activities



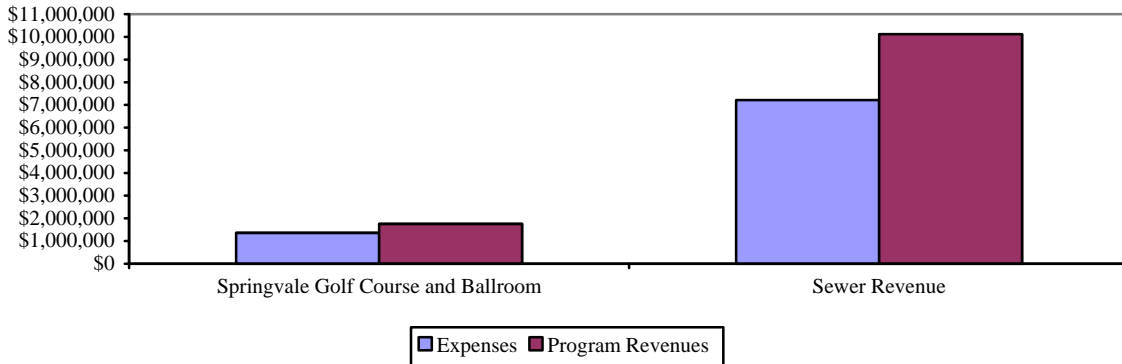
Business-Type Activities

Overall, total business-type activities revenue increased \$183,929 in 2021. Charges for services and sales are the primary source of program revenues for the business-type activities. The Springvale Golf Course and Ballroom (Springvale) has both golf and event revenues. The sewer plant and collection system operations (WWTP) represent the largest share of the charges for services and sale. Sewer charges for services increased slightly year over year. Springvale charges for services and sales increased in 2021, which was primarily due to an increase in golf outings and rentals.

Business-type activities expense decreased in 2021 by \$2,267,275, from the prior year due changes in assumption and benefit terms related to OPERS OPEB in the current year that caused a significant reduction in expenses in 2021.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2021

Expenses and Program Revenues Business-Type Activities



Financial Analysis of the City's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Information about the City's governmental funds begins on page 24. These funds are accounted for by using the modified accrual basis of accounting.

As of December 31, 2021, the City's governmental funds reported combined ending fund balances of \$38,328,601. Of that amount, \$36,447,273 constitutes fund balances in a spendable form. The remaining \$1,881,328 fund balance is reported as nonspendable to indicate that it is not available for spending because it cannot be used to liquidate future liabilities because it will not be in a spendable form in the next year.

All governmental funds had total revenues of \$39,062,041 and expenditures of \$45,195,107, resulting in expenditures over revenues of \$6,133,066. After consideration of \$11,861,268 in net other financing sources, the current year net change in fund balance was \$5,728,202.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2021

The General Fund is the most significant fund as it is the source for providing a significant portion of major governmental activities such as police, fire, service, legislative and administrative functions. In 2021, the General Fund had total revenues of \$24,110,229 and expenditures of \$23,265,294, resulting in an increase in fund balance of \$949,639 after consideration of \$104,704 in net other financing sources, for an ending fund balance at December 31, 2021 of \$11,227,516. General Fund revenues and other financing sources increased \$2,008,314 from 2020, while expenditures and other financing uses increased by \$2,000,072. The increase in General Fund revenues was due to an increase in municipal income taxes. The increase in General Fund expenditures was due to an increase in security of persons and property.

The General Obligation Bond Retirement Fund accounts for resources that are used for payments of principal and interest and fiscal charges on general obligation debt. In 2021, the General Obligation Bond Retirement Fund had total revenues of \$1,454,031 and expenditures of \$2,516,246 resulting in an increase in fund balance of \$1,094,035 after consideration of \$2,156,250 in net other financing sources, for an ending fund balance at December 31, 2021 of \$10,748,820. The General Obligation Bond Retirement Fund revenues and other financing sources increased due to premiums associated with the 2021 bond issuance. The expenditures are set by the bond, note and loan payments and decreased from the prior year based on the amortizations schedules of the City's debt.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. The City amended its General Fund budget at various times throughout fiscal year 2021. All recommendations for budget amendments are initially presented to the Finance Committee of City Council for review before they are presented to the whole City Council for Ordinance enactment on the change. Budgetary modifications between the legal level of control categories may only be made by resolution of the City Council.

The City allows intra-department budget modifications if they are within the same legal level of control category. The General Fund supports many of the City's major activities such as the police, fire and service departments, as well as most legislative and administrative activities. The General Fund is monitored closely, looking for possible revenue shortfalls or potential overspending by individual departments.

For the General Fund, the original budgeted revenues and other financing sources were \$20,638,377. The final budgeted revenues and other financing sources were \$22,096,109. Final budget revenues increased compared to the original budget due to higher expectations of municipal income taxes. The City actually received \$23,503,797 in 2021. While the excess was a result of greater than anticipated revenues across several revenue types, the more significant variance was municipal income taxes. The City's revenues were greater than expected due to the City receiving \$984,704 more in municipal income taxes.

The original appropriations, including other financing uses for the General Fund were \$25,107,543. The final appropriations, including other financing uses, were \$26,017,666. Actual expenditures, including other financing uses ended \$2,133,553 below the final budgeted amount. Security of persons and property expenditures were less than budgeted across all areas in 2021, but the greatest variance was for salaries and benefits. Revenues exceeded expenditures by \$473,169 before \$853,485 in net other financing uses. This resulted in a net decrease of the General Fund balance of \$380,316.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2021

Capital Assets and Debt Administration

Capital Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 4,664,882	\$ 4,664,882	\$ 2,340,714	\$ 2,340,714	\$ 7,005,596	\$ 7,005,596
Construction in progress	3,704,263	7,660,959	111,574	1,712,850	3,815,837	9,373,809
Other non-depreciable assets	33,000	23,000	-	-	33,000	23,000
Land improvements	1,204,162	1,261,195	2,021,302	2,185,898	3,225,464	3,447,093
Buildings and improvements	17,027,257	14,746,502	32,475,520	31,794,752	49,502,777	46,541,254
Furniture and fixtures	103,436	104,179	8,210	8,992	111,646	113,171
Vehicles and equipment	5,060,384	5,092,787	22,891,870	23,695,862	27,952,254	28,788,649
Infrastructure	<u>20,644,666</u>	<u>20,562,969</u>	<u>6,714,548</u>	<u>7,039,286</u>	<u>27,359,214</u>	<u>27,602,255</u>
Total	<u>\$ 52,442,050</u>	<u>\$ 54,116,473</u>	<u>\$ 66,563,738</u>	<u>\$ 68,778,354</u>	<u>\$ 119,005,788</u>	<u>\$ 122,894,827</u>

Total governmental activities capital assets, net of depreciation, as of December 31, 2021, were \$52,442,050, which was \$1,674,423 lower than December 31, 2020 as depreciation outpaced additions.

Business-type activities net capital assets decreased by \$2,214,616 from 2020 as depreciation outpaced additions. Additional information concerning the City's capital assets can be found in Notes 8 to the basic financial statements.

Debt and Other Long-Term Obligations

As of December 31, 2021, the City of North Olmsted had \$107,267,855 in total debt and other long-term obligations outstanding with \$8,401,282 due within one year.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
General obligation bonds	\$ 19,723,951	\$ 10,314,016	\$ 5,250,869	\$ 4,359,815	\$ 24,974,820	\$ 14,673,831
OWDA loan	-	-	42,449,511	45,010,676	42,449,511	45,010,676
Police pension liability	53,402	57,894	-	-	53,402	57,894
Long-term notes	-	9,730,000	-	1,480,000	-	11,210,000
Compensated absences	4,762,543	5,157,561	438,057	488,096	5,200,600	5,645,657
Claims payable	475,671	516,391	-	-	475,671	516,391
Asset retirement obligations	47,112	45,000	-	-	47,112	45,000
Capital lease payable	109,418	-	3,569	-	112,987	-
Net pension liability	28,458,447	31,093,233	2,094,873	2,970,494	30,553,320	34,063,727
Net OPEB liability	<u>3,400,432</u>	<u>9,781,322</u>	<u>-</u>	<u>2,098,250</u>	<u>3,400,432</u>	<u>11,879,572</u>
Total	<u>\$ 57,030,976</u>	<u>\$ 66,695,417</u>	<u>\$ 50,236,879</u>	<u>\$ 56,407,331</u>	<u>\$ 107,267,855</u>	<u>\$ 123,102,748</u>

The general obligation bonds are comprised of many various purposes which include street and storm improvements, sanitary sewer improvements, equipment, computerization, golf course purchase and improvements, recreation center and parks improvements, city building improvements and new library and fire station construction. Many revenue sources assist in the payment of debt service.

The City has two OWDA loans outstanding for the WWTP and collection system improvements with the debt service being paid with user charges.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2021

The State of Ohio statute limits the amount of general obligation debt a governmental entity may issue to 10.5% of the total assessed valuation. The City's overall legal debt margin was \$89,396,526 at December 31, 2021. This represents the aggregate principal amount of additional voted and unvoted debt which the City may issue over and above what the City currently has outstanding without exceeding the limitation. This calculation does not take into account the City's ability to repay such debt levels within current resources. Additional information concerning the City's long-term obligations can be found in Notes 9, 10, 12, 13, 14 and 22 to the basic financial statements.

Economic Factors and Next Year's Budget

In 2021, the effects from the COVID-19 pandemic and state of emergency declaration continued to impact the City's budget. The income tax revenues continued to be uncertain, especially because of pending litigation and State legislative action dealing with those employees working from home due to the pandemic emergency. Additionally, with extended, federally supplemented unemployment continuing for at least half of 2021, many businesses were having difficulty hiring enough employees to reopen and move forward. The City negotiated essentially a zero percent cost of living adjustment in 2021 for its employees to help offset the continued declines in revenues. The local housing market remained strong with increases in both the volume of homes sold and the average sales price. The County performed the sexennial reappraisal of property and the assessed valuation increased by 13.6% thus impacting the 2021 tax rates that will be collected in 2022. By the end of 2021, County and State unemployment rates were down to 6.5% and 5.2%, respectively. The City received the first tranch of the American Rescue Plan Act with distributions received in mid-2021. The second tranch will be received in mid-2022. The City is looking in 2022 to utilize a portion of those one-time resources to help address some of the negative economic impacts experienced by the City, including the residents and businesses.

In 2022, the world continues to deal with the effects of the Coronavirus pandemic (COVID-19) and its many variants. Disruptions to operations, including government mandated actions, employee, and supplier related challenges have impacted many entities. Government policies on fossil fuel, labor shortages, continued supply chain shortages as well as the rapid increase in inflation has caused the price of goods and services to increase dramatically so far in 2022. This has slowed the housing sales market, decreased the disposable income of consumers and reduced business net profits, which could impact income tax collections later in 2022. Additionally, to settle litigation, the state amended the municipal income tax law requiring employers in 2022 to withhold employees working a hybrid schedule at the location where they are working. While initial projections by our income tax agency show it will have little impact on our stream in total, it is too early in 2022 to determine its effect.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends, or invests. If you have any questions about this report or need financial information, contact the Director of Finance, City of North Olmsted, 5200 Dover Center Road, North Olmsted, Ohio, 44070; telephone 440-777-8000 or e-mail at finance@north-olmsted.com.

City of North Olmsted, Ohio

Statement of Net Position

December 31, 2021

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 32,831,416	\$ 15,788,403	\$ 48,619,819
Accounts receivable	273,260	-	273,260
Accrued interest receivable	27,693	-	27,693
Materials and supplies inventory	404,643	225,942	630,585
Prepaid items	142,411	87,237	229,648
Internal balances	7,586,313	(7,586,313)	-
Intergovernmental receivable	2,716,267	1,873,787	4,590,054
Income taxes receivable	4,823,307	-	4,823,307
Taxes receivable - property and other	10,707,752	-	10,707,752
Non-depreciable capital assets	8,402,145	2,452,288	10,854,433
Depreciable capital assets, net	44,039,905	64,111,450	108,151,355
Net pension asset	231,321	73,653	304,974
Net OPEB asset	806,594	256,812	1,063,406
Restricted assets:			
Restricted cash and cash equivalents	639,532	-	639,532
Total assets	113,632,559	77,283,259	190,915,818
Deferred outflows of resources:			
Deferred charge on refunding	41,092	-	41,092
Pension	3,973,258	321,068	4,294,326
OPEB	2,457,471	129,897	2,587,368
Total deferred outflows or resources	6,471,821	450,965	6,922,786
Liabilities:			
Accounts and contracts payable	415,306	113,443	528,749
Accrued wages and benefits	914,441	120,456	1,034,897
Intergovernmental payable	57,195	520	57,715
Matured compensated absences	61,342	-	61,342
Unearned revenues	1,641,501	-	1,641,501
Deposits held and due to others	639,532	-	639,532
Accrued interest payable	51,502	544,501	596,003
Long-term liabilities:			
Due within one year	5,228,751	3,172,531	8,401,282
Due in more than one year:			
Other amounts due in more than one year	19,943,346	44,969,475	64,912,821
Net pension liability	28,458,447	2,094,873	30,553,320
Net OPEB liability	3,400,432	-	3,400,432
Total liabilities	60,811,795	51,015,799	111,827,594

(continued)

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Net Position (continued)

December 31, 2021

	Governmental Activities	Business-Type Activities	Total
Deferred inflows of resources:			
Property taxes	10,147,771	-	10,147,771
Payments in lieu of taxes	657,844	-	657,844
Pension	5,886,626	1,061,248	6,947,874
OPEB	4,090,731	857,338	4,948,069
Total deferred inflows of resources	<u>20,782,972</u>	<u>1,918,586</u>	<u>22,701,558</u>
Net position:			
Net investment in capital assets	35,306,616	19,062,204	54,368,820
Restricted for:			
Debt service	10,113,717	-	10,113,717
Capital projects	5,116,483	-	5,116,483
Highways and streets	5,402,916	-	5,402,916
Public safety	1,388,378	-	1,388,378
Solid waste and recycling	2,154,919	-	2,154,919
Federal and other grants	406,201	-	406,201
Recreation	674,867	-	674,867
Unrestricted	<u>(22,054,484)</u>	<u>5,737,635</u>	<u>(16,316,849)</u>
Total net position	<u>\$ 38,509,613</u>	<u>\$ 24,799,839</u>	<u>\$ 63,309,452</u>

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Activities

For the Year Ended December 31, 2021

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 3,220,199	\$ 2,190,495	\$ 4,500	\$ 40,704
Security of persons and property	15,058,401	1,324,647	222,307	-
Public health and welfare	137,349	1,900	62,328	94,005
Transportation	4,858,200	162,973	2,077,085	257,179
Basic utility services	2,573,383	-	4,600	-
Leisure time activities	1,817,301	1,678,334	-	-
Economic development	395,305	18,876	-	-
Interest and fiscal charges	627,048	-	-	-
Total governmental activities	<u>28,687,186</u>	<u>5,377,225</u>	<u>2,370,820</u>	<u>391,888</u>
Business-type activities:				
Springvale golf course and ballroom	1,361,509	1,752,958	-	-
Sewer revenue	<u>7,209,547</u>	<u>10,042,747</u>	<u>-</u>	<u>79,471</u>
Total business-type activities	<u>8,571,056</u>	<u>11,795,705</u>	<u>-</u>	<u>79,471</u>
Total	<u>\$ 37,258,242</u>	<u>\$ 17,172,930</u>	<u>\$ 2,370,820</u>	<u>\$ 471,359</u>

General revenues:

Property and other taxes levied for:

- General purposes
- Recreation
- Fire pension
- Police pension
- Debt service

Municipal income taxes levied for:

- General purposes
- Solid waste and recycling
- Capital outlay

Grants and entitlements not restricted
to specific programs

- Loss on investments
- Gain on sale of 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

The accompanying notes are an integral part of these financial statements

Net (Expense) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (984,500)	\$ -	\$ (984,500)
(13,511,447)	-	(13,511,447)
20,884	-	20,884
(2,360,963)	-	(2,360,963)
(2,568,783)	-	(2,568,783)
(138,967)	-	(138,967)
(376,429)	-	(376,429)
(627,048)	-	(627,048)
(20,547,253)	-	(20,547,253)
-	391,449	391,449
-	2,912,671	2,912,671
-	3,304,120	3,304,120
(20,547,253)	3,304,120	(17,243,133)
6,745,387	-	6,745,387
914,814	-	914,814
228,698	-	228,698
231,220	-	231,220
1,600,970	-	1,600,970
12,515,358	-	12,515,358
2,681,862	-	2,681,862
2,681,862	-	2,681,862
2,637,699	-	2,637,699
(26,015)	-	(26,015)
25,978	-	25,978
54,258	-	54,258
30,292,091	-	30,292,091
50,640	(50,640)	-
30,342,731	(50,640)	30,292,091
9,795,478	3,253,480	13,048,958
28,714,135	21,546,359	50,260,494
\$ 38,509,613	\$ 24,799,839	\$ 63,309,452

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Balance Sheet – Governmental Funds

December 31, 2021

	General	General Obligation Bond Retirement	Non-major Governmental Funds	Total Governmental Funds
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 7,559,565	\$ 3,943,863	\$ 17,093,769	\$ 28,597,197
Income taxes receivable	3,376,315	-	1,446,992	4,823,307
Taxes receivable - property and other	7,274,805	1,484,676	1,948,271	10,707,752
Intergovernmental receivable	897,161	81,273	1,737,833	2,716,267
Accounts receivable	256,857	-	16,403	273,260
Interfund receivable	248,000	-	230,000	478,000
Materials and supplies inventory	298,198	-	106,445	404,643
Prepaid items	112,740	-	29,671	142,411
Accrued interest receivable	27,693	-	-	27,693
Advances to other funds	1,334,274	6,804,957	-	8,139,231
Restricted assets:				
Restricted cash and cash equivalents	-	-	639,532	639,532
Total assets	\$ 21,385,608	\$ 12,314,769	\$ 23,248,916	\$ 56,949,293
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts and contracts payable	\$ 136,864	\$ -	\$ 277,987	\$ 414,851
Accrued wages and benefits	830,785	-	83,656	914,441
Intergovernmental payable	43,420	-	2,920	46,340
Unearned revenues	-	-	1,641,501	1,641,501
Interfund payable	-	-	478,000	478,000
Deposits held and due to others	-	-	639,532	639,532
Matured compensated absences	61,342	-	-	61,342
Total liabilities	1,072,411	-	3,123,596	4,196,007
Deferred inflows or resources:				
Property taxes	6,910,577	1,411,087	1,826,107	10,147,771
Payments in lieu of taxes	-	-	657,844	657,844
Unavailable revenues	2,175,104	154,862	1,289,104	3,619,070
Total deferred inflows of resources	9,085,681	1,565,949	3,773,055	14,424,685
Fund balances:				
Nonspendable	1,745,212	-	136,116	1,881,328
Restricted	-	10,748,820	15,803,691	26,552,511
Committed	67,430	-	555,872	623,302
Assigned	6,203,658	-	-	6,203,658
Unassigned	3,211,216	-	(143,414)	3,067,802
Total fund balances	11,227,516	10,748,820	16,352,265	38,328,601
Total liabilities, deferred inflows of resources, and fund balances	\$ 21,385,608	\$ 12,314,769	\$ 23,248,916	\$ 56,949,293

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

December 31, 2021

Total governmental funds balances	\$	38,328,601	
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			52,442,050
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.			
Property and other local taxes	\$	528,109	
Municipal income taxes		1,457,751	
Intergovernmental		1,574,941	
Charges for services and sales		58,269	
Total		<u>3,619,070</u>	3,619,070
In the Statement of Activities, interest is accrued on outstanding long-term obligations, whereas in governmental funds, an interest expenditure is reported when due.			(51,502)
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.			
Police pension liability		(53,402)	
Capital lease		(109,418)	
General obligation bonds		(19,723,951)	
Asset retirement obligations		(47,112)	
Deferred charge on refunding		41,092	
Compensated absences		(4,762,543)	
Total		<u>(24,655,334)</u>	(24,655,334)
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.			
Net position		3,747,238	
Internal balances		(552,918)	
Total		<u>3,194,320</u>	3,194,320
The net pension asset / liability is not due in the current period; therefore, the asset / liability and related deferred outflows / inflows are not reported in governmental funds.			
Net pension asset		231,321	
Deferred outflows		3,973,258	
Net pension liability		(28,458,447)	
Deferred inflows		(5,886,626)	
Total		<u>(30,140,494)</u>	(30,140,494)
The net OPEB asset/liability is not due in the current period; therefore, the asset/liability and related deferred outflows / inflows are not reported in governmental funds.			
Net OPEB asset		806,594	
Deferred outflows		2,457,471	
Net OPEB liability		(3,400,432)	
Deferred inflows		(4,090,731)	
Total		<u>(4,227,098)</u>	(4,227,098)
<i>Net position of governmental activities</i>	\$		<u><u>38,509,613</u></u>

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For the Year Ended December 31, 2021

	General	General Obligation Bond Retirement	Non-major Governmental Funds	Total Governmental Funds
Revenues:				
Property and other local taxes	\$ 6,317,630	\$ 1,290,732	\$ 2,088,014	\$ 9,696,376
Municipal income taxes	12,913,663	-	5,534,424	18,448,087
Payments in lieu of taxes	-	-	317,847	317,847
Charges for services and sales	1,415,019	-	2,110,322	3,525,341
Fines, licenses and permits	1,369,473	-	374,361	1,743,834
Intergovernmental	2,065,736	162,545	2,954,721	5,183,002
Special assessments	-	-	40,989	40,989
(Loss) earnings on investments	(30,351)	754	7,413	(22,184)
Miscellaneous	59,059	-	69,690	128,749
Total revenues	<u>24,110,229</u>	<u>1,454,031</u>	<u>13,497,781</u>	<u>39,062,041</u>
Expenditures:				
Current:				
General government	4,839,684	-	129,079	4,968,763
Security of persons and property	14,198,385	-	1,215,543	15,413,928
Public health and welfare	491,880	-	49,209	541,089
Transportation	3,278,243	-	2,763,265	6,041,508
Basic utility services	-	-	2,573,383	2,573,383
Leisure time activities	11,506	-	2,456,284	2,467,790
Economic development	421,221	-	21,372	442,593
Capital outlay	-	-	4,809	4,809
Debt service:				
Principal	21,962	1,715,000	10,007,629	11,744,591
Interest and fiscal charges	2,413	596,989	192,994	792,396
Issuance costs	-	204,257	-	204,257
Total expenditures	<u>23,265,294</u>	<u>2,516,246</u>	<u>19,413,567</u>	<u>45,195,107</u>
Excess (deficiency) of revenues over (under) expenditures	<u>844,935</u>	<u>(1,062,215)</u>	<u>(5,915,786)</u>	<u>(6,133,066)</u>
Other financing sources (uses):				
Issuance of bonds	-	-	9,795,000	9,795,000
Premium on issuance of bonds	-	1,826,105	-	1,826,105
Sale of assets	35,006	-	-	35,006
Inception of capital lease	69,798	-	84,719	154,517
Transfers - in	65,200	1,585,145	1,471,287	3,121,632
Transfers - out	(65,300)	(1,255,000)	(1,750,692)	(3,070,992)
Total other financing sources (uses)	<u>104,704</u>	<u>2,156,250</u>	<u>9,600,314</u>	<u>11,861,268</u>
Net change in fund balances	949,639	1,094,035	3,684,528	5,728,202
Fund balances, beginning of year	<u>10,277,877</u>	<u>9,654,785</u>	<u>12,667,737</u>	<u>32,600,399</u>
Fund balances, end of year	<u>\$ 11,227,516</u>	<u>\$ 10,748,820</u>	<u>\$ 16,352,265</u>	<u>\$ 38,328,601</u>

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2021

Net change in fund balances – total governmental funds \$ 5,728,202

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

Governmental funds report capital outlay as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which capital outlays differed from depreciation in the current period.

Capital outlay	\$ 1,580,127	
Depreciation expense	<u>(3,245,522)</u>	
Total		(1,665,395)

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.

(9,028)

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

Property and other local taxes	37,982	
Municipal income taxes	(569,005)	
Charges for services and sales	(100,351)	
Intergovernmental	<u>(24,621)</u>	
Total		(655,995)

Other financing sources in the governmental funds increase long-term liabilities in the Statement of Net Position.

General obligation bonds	(9,795,000)	
Premium on general obligation bonds	(1,826,105)	
Capital leases	<u>(154,517)</u>	
Total		(11,775,622)

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

General obligation bonds	1,965,000	
Long-term notes payable	9,730,000	
Police-pension liability	4,492	
Capital leases	<u>45,099</u>	
Total		11,744,591

(continued)

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities (continued)

For the Year Ended December 31, 2021

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.

Accrued interest on bonds	142,159	
Compensated absences	395,018	
Asset retirement obligations	(2,112)	
Amortization of premium	246,170	
Amortization of deferred charge on funding	<u>(18,724)</u>	
Total		762,511

Internal service funds used by management to charge the costs of insurance to individual funds are not reported in the entity-wide Statement of Activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among governmental activities.

Change in net position	(350,536)	
Internal balances	<u>44,499</u>	
Total		(306,037)

Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.

2,633,867

Except for amounts reported as deferred outflows/inflows, changes in the net pension/OPEB asset/liability are reported as pension/OPEB expense in the Statement of Activities.

3,338,384

Change in net position of governmental activities

\$ 9,795,478

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual – General Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 9,758,000	\$ 11,236,620	\$ 12,221,324	\$ 984,704
Property and other local taxes	6,177,000	6,177,000	6,312,689	135,689
Charges for services and sales	1,374,500	1,368,500	1,440,595	72,095
Fees, licenses and permits	1,136,000	1,136,000	1,132,631	(3,369)
Fines and forfeitures	220,000	220,000	216,882	(3,118)
Intergovernmental	1,607,877	1,717,989	1,931,030	213,041
Investment income	350,000	220,000	153,507	(66,493)
Miscellaneous	10,000	15,000	24,479	9,479
Total revenues	<u>20,633,377</u>	<u>22,091,109</u>	<u>23,433,137</u>	<u>1,342,028</u>
Expenditures:				
Current:				
General government	5,295,170	5,490,314	4,872,640	617,674
Security of persons and property	13,593,388	14,080,109	13,152,893	927,216
Public health and welfare	527,930	507,017	465,270	41,747
Transportation	4,529,207	4,501,503	4,010,270	491,233
Basic utility services	35,197	48,997	37,940	11,057
Economic development	416,551	431,626	420,955	10,671
Total expenditures	<u>24,397,443</u>	<u>25,059,566</u>	<u>22,959,968</u>	<u>2,099,598</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(3,764,066)</u>	<u>(2,968,457)</u>	<u>473,169</u>	<u>3,441,626</u>
Other financing (uses) sources:				
Refunds	-	-	(45)	(45)
Sales of assets	5,000	5,000	70,660	65,660
Advances - out	-	(248,000)	(248,000)	-
Transfers - out	(710,100)	(710,100)	(676,100)	34,000
Total other financing (uses) sources	<u>(705,100)</u>	<u>(953,100)</u>	<u>(853,485)</u>	<u>99,615</u>
Net change in fund balance	(4,469,166)	(3,921,557)	(380,316)	3,541,241
Prior year encumbrances	401,676	401,676	401,676	-
Fund balance, beginning of year	<u>5,374,294</u>	<u>5,374,294</u>	<u>5,374,294</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,306,804</u>	<u>\$ 1,854,413</u>	<u>\$ 5,395,654</u>	<u>\$ 3,541,241</u>

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Fund Net Position Proprietary Funds

December 31, 2021

	Business-Type Activities – Enterprise Funds			Governmental
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Assets:				
Current assets:				
Equity in pooled cash and equivalents	\$ 505,137	\$ 15,283,266	\$ 15,788,403	\$ 4,234,219
Materials and supplies inventory	21,129	204,813	225,942	-
Prepaid items	10,352	76,885	87,237	-
Intergovernmental receivable	-	1,873,787	1,873,787	-
Total current assets	<u>536,618</u>	<u>17,438,751</u>	<u>17,975,369</u>	<u>4,234,219</u>
Non-current assets:				
Non-depreciable capital assets	2,245,811	206,477	2,452,288	-
Depreciable capital assets, net	6,707,315	57,404,135	64,111,450	-
Net pension asset	16,470	57,183	73,653	-
Net OPEB asset	57,424	199,388	256,812	-
Total non-current assets	<u>9,027,020</u>	<u>57,867,183</u>	<u>66,894,203</u>	<u>-</u>
Total assets	<u>9,563,638</u>	<u>75,305,934</u>	<u>84,869,572</u>	<u>4,234,219</u>
Deferred outflows or resources:				
Pension	71,791	249,277	321,068	-
OPEB	29,045	100,852	129,897	-
Total deferred outflows or resources	<u>100,836</u>	<u>350,129</u>	<u>450,965</u>	<u>-</u>
Liabilities:				
Current:				
Accounts and contracts payable	7,449	105,994	113,443	455
Accrued wages and benefits	15,799	104,657	120,456	-
Intergovernmental payable	99	421	520	10,855
Accrued interest payable	13,054	531,447	544,501	-
Claims payable	-	-	-	465,827
Accrued compensated absences	22,559	157,522	180,081	-
Capital lease payable	-	1,785	1,785	-
General obligation bond payable	295,000	70,000	365,000	-
OWDA loan payable	-	2,625,665	2,625,665	-
Total current liabilities	<u>353,960</u>	<u>3,597,491</u>	<u>3,951,451</u>	<u>477,137</u>
Long-term liabilities (net of current portion):				
Advances from other funds	6,770,287	1,368,944	8,139,231	-
Claims payable	-	-	-	9,844
Accrued compensated absences	54,212	203,764	257,976	-
Capital lease payable	-	1,784	1,784	-
General obligation bonds payable	4,473,204	412,665	4,885,869	-
OWDA loan payable	-	39,823,846	39,823,846	-
Net pension liability	468,419	1,626,454	2,094,873	-
Total long-term liabilities	<u>11,766,122</u>	<u>43,437,457</u>	<u>55,203,579</u>	<u>9,844</u>
Total liabilities	<u>12,120,082</u>	<u>47,034,948</u>	<u>59,155,030</u>	<u>486,981</u>

(continued)

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Fund Net Position Proprietary Funds (continued)

December 31, 2021

	Business-Type Activities – Enterprise Funds			Governmental Activities
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Deferred inflows of resources:				
Pension	237,298	823,950	1,061,248	-
OPEB	191,702	665,636	857,338	-
Total deferred inflows of resources	<u>429,000</u>	<u>1,489,586</u>	<u>1,918,586</u>	<u>-</u>
Net position:				
Net investment in capital assets	4,393,335	14,668,869	19,062,204	-
Unrestricted (deficit)	<u>(7,277,943)</u>	<u>12,462,660</u>	<u>5,184,717</u>	<u>3,747,238</u>
Total net position	<u>\$ (2,884,608)</u>	<u>\$ 27,131,529</u>	<u>24,246,921</u>	<u>\$ 3,747,238</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 funds:			552,918	
Net position business-type activities			<u>\$ 24,799,839</u>	

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds

For the Year Ended December 31, 2021

	Business-Type Activities – Enterprise Funds			Governmental Activities
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Operating revenues:				
Charges for services and sales	\$ 1,752,958	\$ 10,042,747	\$ 11,795,705	\$ 3,546,786
Miscellaneous	-	-	-	14,575
Total operating revenues	<u>1,752,958</u>	<u>10,042,747</u>	<u>11,795,705</u>	<u>3,561,361</u>
Operating expenses:				
Salaries	480,114	1,749,699	2,229,813	-
Benefits	(357,062)	(787,140)	(1,144,202)	-
Contractual services	340,711	1,837,846	2,178,557	863,847
Materials and supplies	350,866	508,744	859,610	-
Claims	-	-	-	3,048,050
Depreciation	369,101	2,755,280	3,124,381	-
Total operating expenses	<u>1,183,730</u>	<u>6,064,429</u>	<u>7,248,159</u>	<u>3,911,897</u>
Operating income (loss)	569,228	3,978,318	4,547,546	(350,536)
Non-operating expenses:				
Loss on disposal of capital assets	-	(17,261)	(17,261)	-
Interest and fiscal charges	(144,754)	(1,089,691)	(1,234,445)	-
Issuance fees	(26,692)	-	(26,692)	-
Total non-operating expenses	<u>(171,446)</u>	<u>(1,106,952)</u>	<u>(1,278,398)</u>	<u>-</u>
Income (loss) income before capital contributions and transfers	397,782	2,871,366	3,269,148	(350,536)
Capital contributions	-	79,471	79,471	-
Transfers - out	<u>(4,280)</u>	<u>(46,360)</u>	<u>(50,640)</u>	<u>-</u>
Change in net position	393,502	2,904,477	3,297,979	(350,536)
Net position, beginning of year	<u>(3,278,110)</u>	<u>24,227,052</u>		<u>4,097,774</u>
Net position, end of year	\$ <u><u>(2,884,608)</u></u>	\$ <u><u>27,131,529</u></u>		\$ <u><u>3,747,238</u></u>

Some amounts reported for business-type activities in the Statement of Activities are different because a portion of the net expense of the internal service funds are reported with business-type activities:

Change in net position business-type activities	<u>44,499</u>
	\$ <u><u>3,342,478</u></u>

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Cash Flows Proprietary Funds

For the Year Ended December 31, 2021

	Business-Type Activities – Enterprise Funds			Governmental
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Cash flows from operating activities:				
Receipts from customers and users	\$ 1,749,958	\$ 10,126,299	\$ 11,876,257	\$ 3,561,361
Cash paid for goods and services	(340,583)	(1,930,803)	(2,271,386)	(858,068)
Cash paid for materials and supplies	(342,454)	(489,857)	(832,311)	-
Cash paid for employee services and benefits	(551,604)	(2,543,744)	(3,095,348)	-
Cash paid for claims	-	-	-	(3,088,770)
Net cash provided (used) by operating activities	<u>515,317</u>	<u>5,161,895</u>	<u>5,677,212</u>	<u>(385,477)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(1,015)	(914,652)	(915,667)	-
Contributed capital	-	79,471	79,471	-
Premiums	230,322	-	230,322	-
Proceeds from bond issuance	1,280,000	-	1,280,000	-
Bond issuance costs	(26,692)	-	(26,692)	-
Capital lease principal paid	-	(1,792)	(1,792)	-
Loan principal paid – OWDA	-	(2,561,165)	(2,561,165)	-
Loan interest paid	-	(1,108,267)	(1,108,267)	-
Note principal paid	(1,480,000)	-	(1,480,000)	-
Note interest paid	(36,026)	-	(36,026)	-
General obligation bonds principal paid	(505,000)	(70,000)	(575,000)	-
General obligation bonds interest paid	(153,969)	(18,200)	(172,169)	-
Net cash used by capital and related financing activities	<u>(692,380)</u>	<u>(4,594,605)</u>	<u>(5,286,985)</u>	<u>-</u>
Cash flows from noncapital financing activities:				
Advances - in	351,928	-	351,928	-
Transfers - out	(4,280)	(46,360)	(50,640)	-
Net cash provided (used) by noncapital financing activities	<u>347,648</u>	<u>(46,360)</u>	<u>301,288</u>	<u>-</u>
Net increase (decrease) in cash and	170,585	520,930	691,515	(385,477)
Cash and cash equivalents, beginning of year	<u>334,552</u>	<u>14,762,336</u>	<u>15,096,888</u>	<u>4,619,696</u>
Cash and cash equivalents, end of year	\$ <u><u>505,137</u></u>	\$ <u><u>15,283,266</u></u>	\$ <u><u>15,788,403</u></u>	\$ <u><u>4,234,219</u></u>

(continued)

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Cash Flows Proprietary Funds (continued)

For the Year Ended December 31, 2021

	Business-Type Activities – Enterprise Funds			Governmental
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Reconciliation of operating (loss) income to net cash from operating activities:				
Operating income (loss)	\$ 569,228	\$ 3,978,318	\$ 4,547,546	\$ (350,536)
Adjustments:				
Depreciation	369,101	2,755,280	3,124,381	-
Changes in assets and liabilities:				
Materials and supplies inventory	6,446	(14,206)	(7,760)	-
Intergovernmental receivable	-	85,420	85,420	-
Prepaid items	(461)	(7,240)	(7,701)	-
Net pension asset	(5,909)	(20,508)	(26,417)	-
Net OPEB asset	(57,424)	(199,388)	(256,812)	-
Deferred outflows - pension	33,891	117,669	151,560	-
Deferred outflows - OPEB	47,210	163,926	211,136	-
Accounts and contracts payable	(449)	(54,542)	(54,991)	455
Accrued wages and benefits	4,403	9,585	13,988	-
Intergovernmental payable	4	50	54	5,324
Claims payable	-	-	-	(40,720)
Accrued compensated absences	8,367	(58,406)	(50,039)	-
Net pension liability	(195,791)	(679,830)	(875,621)	-
Net pension OPEB	(469,174)	(1,629,076)	(2,098,250)	-
Deferred inflows - pension	84,824	294,527	379,351	-
Deferred inflows - OPEB	121,051	420,316	541,367	-
Net cash provided (used) by operating activities	\$ <u>515,317</u>	\$ <u>5,161,895</u>	\$ <u>5,677,212</u>	\$ <u>(385,477)</u>
Non-cash capital financing activities:				
Assets purchased on account	\$ -	\$ 5,998	\$ 5,998	\$ -
Amortization of premium on bonds classified as interest expense	(39,657)	(4,611)	(44,268)	-
Amortization of deferred loss on refunding classified as interest expense	13,347	-	13,347	-
Acquisition of capital assets via capital lease	-	5,361	5,361	-

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Fiduciary Net Positions Fiduciary Funds

December 31, 2021

	<u>Total Custodial Funds</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ <u>102,886</u>
Liabilities:	
Deposits held and due to others	<u>102,886</u>
Total current liabilities	<u>102,886</u>
Net position:	
Restricted for others	<u>-</u>
Total net position	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Change in Fiduciary Net Positions Fiduciary Funds

For the Year Ended December 31, 2021

	<u>Total Custodial Funds</u>
Additions:	
Court deposits	\$ 984,215
Deductions:	
Court disbursements	<u>985,390</u>
Change in net position	(1,175)
Net position, beginning of year	<u>1,175</u>
Net position, end of year	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 1: Description of the City and Reporting Entity

The City of North Olmsted, Ohio, (the “City”) was chartered in 1959 under the laws of the State of Ohio. The City operates a Mayor-Council form of government.

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 City’s primary government consists of all funds and departments which are not legally separate from the City. They include police and fire fighting forces, sewer services, a golf course, a street maintenance service, planning and zoning, and a staff to provide necessary support to these service providers.

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

The City is associated with two jointly governed organization, the West Shore Council of Governments and the Regional Income Tax Agency (RITA). These organizations are presented in Note 17 to the basic financial statements.

Note 2: Summary of Significant Accounting Policies

The financial statements of the City of North Olmsted 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.

A. Basis of Presentation

The City’s basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City as a whole. These Statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type. The activities of the internal service funds are eliminated to avoid “doubling up” revenues and expenses.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 2: Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

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. Non-major funds are aggregated and presented in a single column. Internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

B. Fund Accounting

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

Governmental Funds

Governmental funds are those through which most governmental functions 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 liabilities and deferred inflows of resources is reported as fund balance.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

The following are the City's major governmental funds:

General Fund – The General Fund is the operating fund of the City and is used to account for all financial resources except those required to be accounted for 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 North Olmsted and/or the general laws of Ohio.

General Obligation Bond Retirement Fund – The General Obligation Bond Retirement Debt Service Fund accounts for resources that are used for payment of principal and interest and fiscal charges on general obligation debt.

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

Proprietary Funds

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

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

Springvale Golf Course and Ballroom Fund – The Springvale Golf Course and Ballroom Fund accounts for revenues and expenses of the City-owned golf course and ballroom facility.

Sewer Revenue Fund – The Sewer Revenue Fund accounts for the revenues and expenses of the sanitary sewer system and wastewater treatment plant facilities.

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. One internal service fund accounts for a self-insurance program for employee medical, dental and vision benefits. The other internal service fund accounts for assets set aside for claim settlements and related liabilities associated with the workers' compensation self-insurance program.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's custodial funds account for the activities of the Mayor's Court.

C. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All non-fiduciary assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the Statement of Net Position. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Fund Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents 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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting

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

Revenues - Exchange and 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 60 days of year-end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (Note 7).

Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Unearned Revenue

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements may report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2021, the City had deferred outflows of resources for deferred charges on refunding, pension and OPEB (other postemployment benefits) plans reported in the government-wide Statement of Net Position and the proprietary funds Statement of Fund Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the financial statements may 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 a recognized as inflow of resources (revenue) until that time.

For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, unavailable revenue and amounts for pension and OPEB plans. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental funds Balance Sheet. Unavailable revenue is reported only on the governmental funds Balance Sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, charges for services and sales, interest and intergovernmental revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position and in the proprietary funds Statement of Fund Net Position.

The deferred outflows and inflows of resources related to pension and OPEB plans are explained in Note 9 and Note 10.

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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 2: Summary of Significant Accounting Policies (continued)

E. Budgetary Data

All funds, except fiduciary funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount City Council may appropriate. The appropriations resolution is City Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by City Council. The legal level of control has been established by City Council at the category level (salaries, benefits, materials and supplies, contractual services, capital outlay, etc.). Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

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

F. Pooled Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents". During 2021, investments were limited to STAR Ohio, negotiable certificates of deposit, money market accounts, commercial paper, and U.S. agency securities.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts and nonnegotiable certificate of deposits are reported at cost.

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 2: Summary of Significant Accounting Policies (continued)

F. Pooled Cash and Cash Equivalents (continued)

For the year ended 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Investment loss credited to the general fund during 2021 amounted to \$(30,351), which includes \$(26,758) assigned from other City funds.

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

G. Materials and Supplies Inventory

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets 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.

Purchased capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000. 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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 2: Summary of Significant Accounting Policies (continued)

I. Capital Assets (continued)

All capital assets are depreciated except for land, art, 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 estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	5 to 40 years
Buildings and improvements	8 to 40 years
Furniture and fixtures	3 to 20 years
Vehicles and equipment	2 to 40 years
Roads	5 to 30 years
Bridges and culverts	35 to 50 years
Sanitary sewer lines	50 years

The City's infrastructure consists of roads, bridges, culverts and sanitary sewer lines.

J. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables." Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances. On fund financial statements, long-term interfund loans, reported as "advances to/from other funds", are classified as nonspendable fund balance, which indicate that they are not in spendable form even though it is a component of net current assets. Repayment is expected to be made within a reasonable period of time.

K. Compensated Absences

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

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 2: Summary of Significant Accounting Policies (continued)

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

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

M. Fund Balance

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

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans receivable.

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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 2: Summary of Significant Accounting Policies (continued)

M. Fund Balance (continued)

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

Assigned: Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance. The City's delegated official is the Finance Director.

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 resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

The City, through Council ordinance, has established a reserve balance account for the purpose of budget stabilization in accordance with Ohio Revised Code Section 5705.13. The amount reserved may not exceed 5% of the General Fund's revenues in the prior year. Council may appropriate expenditures out of the reserve account to stabilize the City's budget. As the required circumstances determining when the balance can be appropriated are not sufficiently detailed, the balance of \$1,123,000 is reported as unassigned fund balance.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 2: Summary of Significant Accounting Policies (continued)

N. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide Statement of Net Position reports \$25,257,481 of restricted net position, none of which is restricted by enabling legislation.

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

O. 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 and sales for sewer, golf and self-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. All revenues and expenses not meeting this definition are reported as non-operating.

P. Deferred Charge on Refunding

The difference between the reacquisition price (funds required to refund the old debt) of various refunding bonds and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is being amortized as a component of interest expense over the remaining life of the new debt. On fund financial statements, the deferred charge on refunding decreases the fund balance in the year the refunding bonds are issued.

Q. Bond Premiums

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an increase of the face amount of the general obligation bonds payable. On fund financial statements, bond premiums increase the fund balance in the year the bonds are issued.

R. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction. The City had \$79,471 contributions of capital for the year ended December 31, 2021.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 2: Summary of Significant Accounting Policies (continued)

S. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating 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.

T. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (asset), 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 systems. 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 systems report investments at fair value.

U. Estimates

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

V. 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 nonmajor governmental funds represent deposits held and due to others.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 3: Change in Accounting Principles

Newly Adopted Accounting Pronouncements

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, was issued in March 2020 to address accounting and financial reporting implications that result from global reference rate reform. The removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. This change did not impact the City's financial statements.

Newly Issued Accounting Pronouncements, Not Yet Adopted

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after June 15, 2021. The City has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Statement No. 91, *Conduit Debt Obligations*, was issued in May 2019. The primary objectives of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after December 15, 2021. The City has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Statement No. 92, *Omnibus 2020*, was issued in January 2020. This statement addresses a variety of topics with objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after June 15, 2021. The City has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 4: Fund Balances

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

Fund Balances	General	General Obligation Bond Retirement	Non-major Governmental Funds	Total Governmental Funds
Nonspendable:				
Long-term advances	\$ 1,334,274	\$ -	\$ -	\$ 1,334,274
Inventory	298,198	-	106,445	404,643
Prepays	<u>112,740</u>	<u>-</u>	<u>29,671</u>	<u>142,411</u>
Total nonspendable	<u>1,745,212</u>	<u>-</u>	<u>136,116</u>	<u>1,881,328</u>
Restricted for:				
Community diversion	-	-	7,632	7,632
Recreation	-	-	703,027	703,027
Court computer	-	-	7,999	7,999
Alcohol education	-	-	35,714	35,714
Drug and law enforcement	-	-	67,087	67,087
Police and fire pension	-	-	186,362	186,362
Emergency medical services	-	-	1,028,928	1,028,928
Motor vehicle license tax	-	-	189,127	189,127
State highway	-	-	303,079	303,079
Street maintenance	-	-	1,692,034	1,692,034
Public way management	-	-	24,649	24,649
Sidewalk improvement	-	-	210,721	210,721
Solid waste and recycling	-	-	1,932,439	1,932,439
Great Northern TIF	-	-	2,233,125	2,233,125
Endowments and grants	-	-	234,202	234,202
Title III grant	-	-	34,279	34,279
Fair capacity housing	-	-	104,176	104,176
FEMA grant	-	-	18,500	18,500
Federal grants	-	-	15,044	15,044
Debt service payments	-	10,748,820	888,218	11,637,038
Permanent improvements	-	-	5,740,547	5,740,547
Capital improvements	<u>-</u>	<u>-</u>	<u>146,802</u>	<u>146,802</u>
Total restricted	<u>-</u>	<u>10,748,820</u>	<u>15,803,691</u>	<u>26,552,511</u>
Committed to:				
Casualty loss	-	-	14,371	14,371
Economic development	-	-	44,584	44,584
Senior center	-	-	7,625	7,625
Clague Park	-	-	3,065	3,065
Hotel/motel tax	-	-	417,366	417,366
STOP program	-	-	68,861	68,861
Purchases on order	<u>67,430</u>	<u>-</u>	<u>-</u>	<u>67,430</u>
Total committed	<u>67,430</u>	<u>-</u>	<u>555,872</u>	<u>623,302</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 4: Fund Balances (continued)

<u>Fund Balances</u>	<u>General</u>	<u>General Obligation Bond Retirement</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assigned to:				
Separation pay	1,216,964	-	-	1,216,964
27th pay	456,000	-	-	456,000
Year 2022 appropriations	4,239,645	-	-	4,239,645
Purchases on order	<u>291,049</u>	<u>-</u>	<u>-</u>	<u>291,049</u>
Total assigned	<u>6,203,658</u>	<u>-</u>	<u>-</u>	<u>6,203,658</u>
Unassigned	<u>3,211,216</u>	<u>-</u>	<u>(143,414)</u>	<u>3,067,802</u>
Total fund balance	\$ <u>11,227,516</u>	\$ <u>10,748,820</u>	\$ <u>16,352,265</u>	\$ <u>38,328,601</u>

Note 5: Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis, as provided by law, is based upon accounting for transactions on a basis of cash receipts, disbursements and encumbrances. A Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual is presented for the general fund on the budgetary basis to provide a meaningful comparison of actual results with the budget and to demonstrate compliance with State statute.

The major difference between the budgetary basis and the GAAP basis are:

- 1) Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- 2) Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP).
- 3) Encumbrances are treated as expenditures (budgetary) rather than as restricted, committed, or assigned fund balance (GAAP).
- 4) Short-term note proceeds, short-term note principal retirements, advances-in, and advances-out for governmental funds are operating transactions (budgetary) as opposed to balance sheet transactions (GAAP).
- 5) Investments are reported at fair value (GAAP) rather than cost (budgetary).
- 6) Budgetary revenues and expenditures of certain funds are classified to general fund for GAAP reporting.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 5: Budgetary Basis of Accounting (continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budget basis statement for the General Fund.

	<u>General</u>
GAAP basis	\$ 949,639
Increase (decrease) due to:	
Revenue accruals	(891,669)
Expenditure accruals	(494,031)
Outstanding encumbrances	(476,723)
Advances out	(248,000)
Fair value adjustment for investments	180,433
To reclassify the net change in fund balance for funds combined with the General Fund for GASB 54	<u>600,035</u>
Budget basis	\$ <u>(380,316)</u>

Note 6: Deposits and Investments

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

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

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

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

Interim monies may 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;

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 6: Deposits and Investments (continued)

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
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% 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 fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% 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. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 6: Deposits and Investments (continued)

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it.

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

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

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Ohio Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

At year-end, the bank balance of the City's deposits was \$13,300,140. At year-end \$1,834,838 of the City's total bank balance was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. Two of the City's financial institutions participate in the Ohio Pooled Collateral System (OPCS) and were approved by the Ohio Treasurer of State for a reduced collateral floor of 50% and 60%, respectively, resulting in the uninsured and uncollateralized balance. The City also has cash on hand of \$4,550.

Investments

As of December 31, 2021, the City had the following investments:

	<u>Fair Value</u>	<u>Maturities (in years) Less than 1</u>	<u>Maturities (in years) More than 1</u>
Money market	\$ 55,196	\$ 55,196	\$ -
Commercial paper	249,713	249,713	-
U.S. agency securities:			
Federal Home Loan Bank	1,825,663	542,192	1,283,471
Federal National Mortgage Association	232,269	-	232,269
Freddie Mac Bond	252,618	-	252,618
U.S. Treasury Note	398,766	398,766	-
Negotiable certificates of deposit	7,859,500	2,688,345	5,171,155
STAR Ohio	<u>25,528,912</u>	<u>25,528,912</u>	<u>-</u>
Total	<u>\$ 36,402,637</u>	<u>\$ 29,463,124</u>	<u>\$ 6,939,513</u>

The entire balance of the negotiable certificates of deposit is covered by FDIC insurance.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 6: Deposits and Investments (continued)

Investments (continued)

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 City has the following recurring fair value measurements as of December 31, 2021:

- Money market is valued at amortized costs, which approximates fair value.
- Commercial paper is based on Level 2 inputs using a matrix or model pricing method.
- U.S. agency securities are valued based on Level 2 inputs using matrix pricing techniques.
- Negotiable certificates of deposit are measure based on Level 2 inputs, using a matrix or model pricing method.
- STAR Ohio is measured based on amortized cost.

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk requiring 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, thereby avoiding that need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The City's investment policy also limits security purchases to those that mature no later than five years from purchase unless specifically matched to a specific cash flow.

Custodial Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The securities underlying the repurchase agreements are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that requires securities shall be delivered into the custody of the Finance Director or governing board or an agent designated by the Finance Director or governing board. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed.

Credit Risk is addressed by the City's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that the portfolio be diversified both by types of investment and issuer. The City's investment in Star Ohio and money market carry an "AAAm" money market rating by Standard & Poor's. The U.S. agency securities carry an "Aaa" rating by Moody's and the negotiable certificate of deposits and commercial paper are unrated.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 6: Deposits and Investments (continued)

Investments (continued)

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as 5% or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City's allocation as of December 31, 2021:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Money market	0.15%
Commercial paper	0.69%
U.S. agency securities:	
Federal Home Loan Bank	5.02%
Federal National Mortgage Association	0.64%
Freddie Mac Bond	0.69%
U.S. Treasury Note	1.09%
Negotiable certificates of deposit	21.59%
STAR Ohio	70.13%

Note 7: Receivables

Receivables at December 31, 2021, consisted primarily of municipal income taxes, property and other taxes, accounts (billings for user charged services and court fines), and intergovernmental receivables arising from grants, entitlements and shared revenues.

The general fund accounts receivable is net of a \$234,533 allowance for doubtful accounts. All remaining receivables are considered fully collectible.

A. *Property Taxes*

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2021 for real and public utility property taxes represents collections of the 2020 taxes.

Real property taxes are levied after October 1, 2021, on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35% of appraised market value. 2021 real property taxes are collected in and intended to finance 2022. Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2021 public utility property taxes which became a lien on December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 7: Receivables (continued)

A. Property Taxes (continued)

The full tax rate for all City operations for the year ended December 31, 2021, was \$12.20 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2021 property tax receipts were based as follows:

Real estate	
Residential/agriculture	\$ 598,488,580
Commercial/industrial/mineral	242,266,970
Public utility tangible personal property	<u>20,844,690</u>
Total valuation	\$ <u>861,600,240</u>

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.

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of North Olmsted. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2021 and for which there is an enforceable legal claim. In the General Fund; Recreation, Fire Pension and Police Pension Special Revenue Funds; and General Obligation Bond Retirement and Fire Station Bond Retirement Debt Service Funds; the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2021 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, delinquent property taxes have been recorded as revenue while the remainder of the receivable is offset by deferred inflows of resources.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 7: Receivables (continued)

B. Income Taxes

The City levies and collects an income tax of 2% on all income earned within the City as well as income of residents earned outside the City. The City allows a credit of 100% 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 quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file an annual return.

Income tax revenues are distributed by a 1991 vote of the people as follows: 70% to the General Fund; 15% for solid waste management, recycling and disposal (Solid Waste and Recycling Fund); and 15% for maintaining and equipping streets, storm water drainage systems and other permanent improvements, including debt charges on obligations issued after 1990 for those purposes (Permanent Improvements Fund).

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental activities:	
Local government	\$ 436,370
Homestead and rollback	583,251
Gasoline tax	838,337
Permissive tax	16,943
Auto registration	111,898
Miscellaneous	61,264
Peace officer training reimbursement	10,360
Payments in lieu of taxes	<u>657,844</u>
Total governmental activities	2,716,267
Business-type activities:	
Sewer charges	<u>1,873,787</u>
Total business-type activities	<u>1,873,787</u>
Total	\$ <u>4,590,054</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 8: Capital Assets

A summary of changes in capital assets during 2021 follows:

	Balance 12/31/20	Additions	Disposals	Balance 12/31/21
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,664,882	\$ -	\$ -	\$ 4,664,882
Art	23,000	10,000	-	33,000
Construction in progress	<u>7,660,959</u>	<u>390,843</u>	<u>(4,347,539)</u>	<u>3,704,263</u>
Total capital assets not being depreciated	<u>12,348,841</u>	<u>400,843</u>	<u>(4,347,539)</u>	<u>8,402,145</u>
Capital assets, being depreciated:				
Land improvements	2,617,630	39,704	-	2,657,334
Buildings and improvements	36,065,699	3,149,205	(76,489)	39,138,415
Furniture and fixtures	648,382	9,975	(28,308)	630,049
Vehicles and equipment	14,586,942	615,921	(806,500)	14,396,363
Infrastructure:				
Roads	150,329,261	1,451,423	-	151,780,684
Bridges and culverts	<u>3,688,098</u>	<u>260,595</u>	<u>-</u>	<u>3,948,693</u>
Total capital assets, being depreciated	<u>207,936,012</u>	<u>5,526,823</u>	<u>(911,297)</u>	<u>212,551,538</u>
Less accumulated depreciation:				
Land improvements	(1,356,435)	(96,737)	-	(1,453,172)
Buildings and improvements	(21,319,197)	(866,538)	74,577	(22,111,158)
Furniture and fixtures	(544,203)	(10,593)	28,183	(526,613)
Vehicles and equipment	(9,494,155)	(641,333)	799,509	(9,335,979)
Infrastructure:				
Roads	(131,093,025)	(1,535,315)	-	(132,628,340)
Bridges and culverts	<u>(2,361,365)</u>	<u>(95,006)</u>	<u>-</u>	<u>(2,456,371)</u>
Total accumulated depreciation	<u>(166,168,380)</u>	<u>(3,245,522)</u>	<u>902,269</u>	<u>(168,511,633)</u>
Total capital assets, being depreciated, net	<u>41,767,632</u>	<u>2,281,301</u>	<u>(9,028)</u>	<u>44,039,905</u>
Total governmental capital assets, net	\$ <u>54,116,473</u>	\$ <u>2,682,144</u>	\$ <u>(4,356,567)</u>	\$ <u>52,442,050</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 480,126
Security of persons and property	621,298
Transportation	1,856,874
Public health and welfare	11,634
Leisure time activities	271,330
Economic development	<u>4,260</u>
Total depreciation expense	\$ <u>3,245,522</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 8: Capital Assets (continued)

	Balance 12/31/20	Additions	Disposals	Balance 12/31/21
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,340,714	\$ -	\$ -	\$ 2,340,714
Construction in progress	<u>1,712,850</u>	<u>199,198</u>	<u>(1,800,474)</u>	<u>111,574</u>
Total capital assets not being depreciated	<u>4,053,564</u>	<u>199,198</u>	<u>(1,800,474)</u>	<u>2,452,288</u>
Capital assets, being depreciated:				
Land improvements	4,255,665	-	-	4,255,665
Buildings and improvements	50,226,029	1,830,692	(125,532)	51,931,189
Furniture and fixtures	81,047	-	-	81,047
Vehicles and equipment	35,441,035	697,610	(4,544)	36,134,101
Sanitary sewer lines	<u>18,333,579</u>	<u>-</u>	<u>-</u>	<u>18,333,579</u>
Total capital assets, being depreciated	<u>108,337,355</u>	<u>2,528,302</u>	<u>(130,076)</u>	<u>110,735,581</u>
Less accumulated depreciation:				
Land improvements	(2,069,767)	(164,596)	-	(2,234,363)
Buildings and improvements	(18,431,277)	(1,132,663)	108,271	(19,455,669)
Furniture and fixtures	(72,055)	(782)	-	(72,837)
Vehicles and equipment	(11,745,173)	(1,501,602)	4,544	(13,242,231)
Sanitary sewer lines	<u>(11,294,293)</u>	<u>(324,738)</u>	<u>-</u>	<u>(11,619,031)</u>
Total accumulated depreciation	<u>(43,612,565)</u>	<u>(3,124,381)</u>	<u>112,815</u>	<u>(46,624,131)</u>
Total capital assets, being depreciated, net	<u>64,724,790</u>	<u>(596,079)</u>	<u>(17,261)</u>	<u>64,111,450</u>
Total business-type capital assets, net	\$ <u>68,778,354</u>	\$ <u>(396,881)</u>	\$ <u>(1,817,735)</u>	\$ <u>66,563,738</u>

Note 9: Defined Benefit Pension Plans

A. Net Pension/OPEB Liability (Asset)

The net pension/OPEB liability (asset) reported on the Statement of Net Position represents a liability (asset) to employees for pensions/OPEB. 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/OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

Due to changes in the pension systems, the enterprise funds reported negative expenses in the benefits operating expense.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 9: Defined Benefit Pension Plans (continued)

A. Net Pension/OPEB Liability (Asset) (continued)

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/OPEB liability (asset) on the accrual basis of accounting. Any liability for the contractually-required contribution outstanding at the end of the year is included in accrued wages and benefits on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 10 for the required OPEB disclosures.

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

Plan Description – City employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer public employee retirement system comprised of three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit plan; the combined plan, a combination cost-sharing multiple-employer defined benefit/defined contribution plan; and the member-directed plan, a defined contribution plan. While members (e.g., City employees) may elect the member-directed plan, substantially all employee members are in OPERS' traditional or combined plans; therefore, the following disclosure focuses on the traditional and combined plans.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 9: Defined Benefit Pension Plans (continued)

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

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 Age and Service Requirements: Age 60 with 5 years of service credit or Age 55 with 25 years of service credit	State and Local Age and Service Requirements: Age 60 with 5 years of service credit or Age 55 with 25 years of service credit	State and Local Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional 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 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 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 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 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 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 the member’s career for Groups A and B. Group C is based on the average of the five highest years of earning over a member’s career.

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 9: Defined Benefit Pension Plans (continued)

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

Once a benefit recipient retiring under the traditional pension plan has received benefits for 12 months, current law provides for an annual cost-of-living adjustment (COLA). This COLA is calculated on the member's 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 retirement benefit. For those who retired prior to January 7, 2013, current law provides for a 3% COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the adjustment will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS Board. Both member-directed plan and combined plan members who have met the 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% 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 their 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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Beginning in 2022, the combined plan will be consolidated under the traditional pension plan (defined benefit plan) and the combined plan option will no longer be available for new hires beginning in 2022.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14% of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10% of covered payroll for members in the state and local classifications.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 9: Defined Benefit Pension Plans (continued)

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

The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0% for 2021 for the traditional and combined plans. The portion of the employer's contribution allocated to health care was 4% for the member-directed plan for 2021. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. In 2021, the City's contractually required contribution, net of postemployment health care benefits, was \$1,310,427. Of this amount, \$148,398 is reported as accrued wages and benefits at December 31, 2021.

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

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

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

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

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

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 9: Defined Benefit Pension Plans (continued)

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

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3% percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 19.5% of covered payroll for police employer units and 24.0% for fire employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 12.25% of covered payroll for police and fire. The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0.5% for 2021 for police and fire employer units. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

In 2021, the City's contractually required contribution, net of postemployment health care benefits, was \$1,591,221. Of this amount, \$194,617 is reported as accrued wages and benefits at December 31, 2021.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2020, 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, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. 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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 9: Defined Benefit Pension Plans (continued)

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

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

	<u>OPERS Traditional</u>	<u>OPERS Combined</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.062230%	0.093795%	0.323067%	
Proportion of the net pension liability/asset current measurement date	<u>0.058580%</u>	<u>0.105650%</u>	<u>0.320942%</u>	
Change in proportionate share	(0.003650%)	0.011855%	(0.002125%)	
Proportionate share of the net pension liability	\$ 8,674,424	\$ -	\$ 21,878,896	\$ 30,553,320
Proportionate share of the net pension asset	\$ -	\$ 304,974	\$ -	\$ 304,974
(Reduction) of pension expense	\$ (216,115)	\$ (10,225)	\$ 1,550,302	\$ 1,323,962

The 2021 pension expense for the member-directed defined contribution plan was \$35,963. The aggregate pension expense for all pension plans was \$1,359,925 for 2021.

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS Traditional</u>	<u>OPERS Combined</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflow of resources				
Difference between expected and actual experience	\$ -	\$ -	\$ 914,612	\$ 914,612
Change in assumptions	-	19,046	366,920	385,966
Differences in employer contributions and change in proportionate share	-	-	92,100	92,100
City contributions subsequent to the measurement date	<u>1,241,027</u>	<u>69,400</u>	<u>1,591,221</u>	<u>2,901,648</u>
Total deferred outflow of resources	\$ <u>1,241,027</u>	\$ <u>88,446</u>	\$ <u>2,964,853</u>	\$ <u>4,294,326</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 9: Defined Benefit Pension Plans (continued)

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

	OPERS Traditional	OPERS Combined	OP&F	Total
Deferred inflow of resources				
Difference between expected and actual experience	\$ 362,858	\$ 57,536	\$ 852,336	\$ 1,272,730
Net difference between projected and actual earnings on pension plan investments	3,381,039	45,354	1,061,271	4,487,664
Differences in employer contributions and change in proportionate share	<u>547,609</u>	<u>-</u>	<u>639,871</u>	<u>1,187,480</u>
Total deferred inflow of resources	\$ <u>4,291,506</u>	\$ <u>102,890</u>	\$ <u>2,553,478</u>	\$ <u>6,947,874</u>

The \$2,901,648 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 in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional	OPERS Combined	OP&F	Total
Fiscal Year Ending December 31:				
2022	\$ (1,807,732)	\$ (21,836)	\$ (226,739)	\$ (2,056,307)
2023	(644,424)	(13,869)	287,152	(371,141)
2024	(1,378,225)	(24,330)	(1,097,701)	(2,500,256)
2025	(461,125)	(11,319)	(171,111)	(643,555)
2026	-	(4,851)	28,553	23,702
2027-2029	<u>-</u>	<u>(7,639)</u>	<u>-</u>	<u>(7,639)</u>
	\$ <u>(4,291,506)</u>	\$ <u>(83,844)</u>	\$ <u>(1,179,846)</u>	\$ <u>(5,555,196)</u>

E. Actuarial Assumptions – OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (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, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 9: Defined Benefit Pension Plans (continued)

E. Actuarial Assumptions – OPERS (continued)

Key methods and assumptions used in valuation of total pension liability/asset - 2020

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Valuation date	December 31, 2020	December 31, 2020
Experience study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial cost method	Individual entry age	Individual entry age
Actuarial assumptions:		
Investment rate of return	7.20%	7.20%
Wage inflation	3.25%	3.25%
Projected salary increases, including 3.25% wage inflation	3.25 to 10.75%	3.25 to 8.25%
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 retirees	3.00% Simple	3.00% Simple
Post-Jan 7, 2013 retirees	0.50% Simple through 2021 then 2.15% Simple	0.50% Simple through 2021 then 2.15% Simple

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.40% simple through 2020 then 2.15% to 0.50% simple through 2021 then 2.15% simple.

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

OPERS conducts an experience study every five years in accordance with Ohio Revised Code Section 145.22. The study for the five-year period ended December 31, 2015 and methods and assumptions were approved and adopted by the OPERS Board of Trustees.

Mortality rates were based on the RP-2014 Health 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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 9: Defined Benefit Pension Plans (continued)

E. Actuarial Assumptions – OPERS (continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed income	25.00%	1.32%
Domestic equities	21.00	5.64
REITs	10.00	5.39
Private equity	12.00	10.42
International equities	23.00	7.36
Other investments	9.00	4.75
Total	<u>100.00%</u>	<u>5.43%</u>

Discount Rate The discount rate used to measure the total pension liability for measurement year 2020 was 7.2%. 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 statutorily required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 9: Defined Benefit Pension Plans (continued)

E. Actuarial Assumptions – OPERS (continued)

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%, 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%) or one-percentage-point higher (8.2%) than the current rate:

	1% Decrease (6.2%)	Discount Rate (7.2%)	1% Increase (8.2%)
City’s proportionate share of the net pension liability – Traditional	\$ 16,546,507	\$ 8,674,424	\$ 2,128,797
City’s proportionate share of the net pension asset – Combined	\$ 212,357	\$ 304,974	\$ 374,001

Changes between Measurement Date and Report Date During 2021, the OPERS Board lowered the investment rate of return from 7.2% to 6.9% along with certain other changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

F. Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2020 is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2020, are presented below:

Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll growth	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 9: Defined Benefit Pension Plans (continued)

F. Actuarial Assumptions – OP&F (continued)

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%.

<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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 9: Defined Benefit Pension Plans (continued)

F. Actuarial Assumptions – OP&F (continued)

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, 2020 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and cash equivalents	0.0%	0.0%
Domestic equity	21.0	4.1
International equity	14.0	4.8
Private markets	8.0	6.4
Core fixed income*	23.0	0.9
High yield fixed income	7.0	3.0
Private credit	5.0	4.5
U.S. inflation linked bonds*	17.0	0.7
Midstream energy infrastructure	5.0	5.6
Real assets	8.0	5.8
Gold	5.0	1.9
Private real estate	12.0	5.3
Total	125.00%	

Note: Assumptions are geometric.

*Levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 9: Defined Benefit Pension Plans (continued)

F. Actuarial Assumptions – OP&F (continued)

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

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

	1% Decrease <u>(7.00%)</u>	Discount Rate <u>(8.00%)</u>	1% Increase <u>(9.00%)</u>
City's proportionate share of the net pension liability	\$ 30,458,228	\$ 21,878,896	\$ 14,698,864

Note 10: Postemployment Benefits

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

Plan Description – 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 (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans.

Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 10: Postemployment Benefits (continued)

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

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

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. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 10: Postemployment Benefits (continued)

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14% of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the traditional plan and combined plan was 0% for 2021. The portion of employer contributions allocated to health care for members in the member-direct plan was 4% during 2021. 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.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. In 2021, the City's contractually required contribution for postemployment health care benefits was \$14,385.

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

Plan Description – the City's full-time police and fire participate in the 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.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 10: Postemployment Benefits (continued)

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

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

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5% of covered payroll for police and 24.0% of covered payroll for fire. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of covered payroll for police and 24.0% for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.5% 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 \$37,776 for 2021. Of this amount, \$4,598 is reported as accrued wages and benefits at December 31, 2021.

C. OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 10: Postemployment Benefits (continued)

C. OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. 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:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.062902%	0.323067%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.059689%</u>	<u>0.320942%</u>	
Change in proportionate share	(0.003213%)	(0.002125%)	
Proportionate share of the net OPEB liability	\$ -	\$ 3,400,432	\$ 3,400,432
Proportionate share of the net OPEB asset	\$ 1,063,406	\$ -	\$ 1,063,406
(Reduction) of OPEB expense	\$ (6,621,469)	\$ 305,380	\$ (6,316,089)

At December 31, 2021, 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 outflow of resources			
Change in assumptions	\$ 522,780	\$ 1,878,553	\$ 2,401,333
Differences in employer contributions and change in proportionate share	718	133,156	133,874
City contributions subsequent to the measurement date	<u>14,385</u>	<u>37,776</u>	<u>52,161</u>
Total deferred outflow of resources	\$ <u>537,883</u>	\$ <u>2,049,485</u>	\$ <u>2,587,368</u>
Deferred inflow of resources			
Difference between expected and actual experience	\$ 959,719	\$ 560,889	\$ 1,520,608
Change in assumptions	1,723,036	542,092	2,265,128
Net difference between projected and actual earnings on OPEB plan investments	566,385	126,366	692,751
Differences in employer contributions and change in proportionate share	<u>300,923</u>	<u>168,659</u>	<u>469,582</u>
Total deferred inflow of resources	\$ <u>3,550,063</u>	\$ <u>1,398,006</u>	\$ <u>4,948,069</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 10: Postemployment Benefits (continued)

C. OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

The \$52,161 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 total OPEB liability in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2022	\$ (1,617,922)	\$ 126,013	\$ (1,491,909)
2023	(1,095,775)	155,936	(939,839)
2024	(246,128)	108,759	(137,369)
2025	(66,740)	130,731	63,991
2026	-	47,115	47,115
2027-2028	-	45,149	45,149
	<u>\$ (3,026,565)</u>	<u>\$ 613,703</u>	<u>\$ (2,412,862)</u>

D. Actuarial Assumptions – OPERS

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

Projections of 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, 2019, rolled forward to the measurement date of December 31, 2020. 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:

	<u>Assumptions</u>
Valuation date	December 31, 2019
Rolled-forward measurement date	December 31, 2020
Experience study	5-year period ended December 31, 2015
Actuarial cost method	Individual entry age normal
Projected salary increases, including 3.25% wage inflation	3.25 to 10.75%
Projected payroll/active member increase	3.25% per year
Investment rate of return	6.00%
Municipal bond rate	2.00%
Single discount rate of return	6.00%
Health care cost trend	Initial 8.5% to 3.5% ultimate in 2035

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 10: Postemployment Benefits (continued)

D. Actuarial Assumptions – OPERS (continued)

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

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS’ primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care’s portfolio’s target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	34.00%	1.07%
Domestic equities	25.00	5.64
REITs	7.00	6.48
International equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00%	4.43%

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 10: Postemployment Benefits (continued)

D. Actuarial Assumptions – OPERS (continued)

Discount Rate A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00% (Fidelity Index’s “20-Year Municipal GO AA Index”) for the measurement date of December 31, 2020. 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 the year 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City’s Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate The following table presents the City’s proportionate share of the net OPEB asset calculated using the single discount rate of 6.00%, as well as what the City’s proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.00%) or one-percentage-point higher (7.00%) than the current rate:

	1% Decrease <u>(5.00%)</u>	Discount Rate <u>(6.00%)</u>	1% Increase <u>(7.00%)</u>
City’s proportionate share of the net OPEB asset	\$ 264,422	\$ 1,063,406	\$ 1,720,237

Sensitivity of the City’s Proportionate Share of the Net OPEB Asset 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 asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% 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 2021 is 8.5%. 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 the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries’ project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.5% in the most recent valuation.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 10: Postemployment Benefits (continued)

D. Actuarial Assumptions – OPERS (continued)

	<u>1% Decrease</u>	<u>Cost Trend Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB asset	\$ 1,089,324	\$ 1,063,406	\$ 1,034,410

Assumption Changes Since the Prior Measurement Date Municipal bond rate changed from 2.75% to 2.00% and the single discount rate changed from 3.16% to 6.00%. The health care cost trend rate changed from 10.5% initial, 3.5%, ultimate in 2030 to 8.5% initial, 3.5% ultimate in 2035.

Changes between Measurement Date and Reporting Date During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

E. Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, 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.

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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 10: Postemployment Benefits (continued)

E. Actuarial Assumptions – OP&F (continued)

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

Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Salary increases	3.75% – 10.50%
Payroll growth	3.25%
Municipal bond index rate	
Prior measurement date	2.75%
Current measurement date	2.12%
Single equivalent interest rate, net of plan investment expense, including price inflation	
Prior measurement date	3.56%
Current measurement date	2.96%

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%.

<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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 10: Postemployment Benefits (continued)

E. Actuarial Assumptions – OP&F (continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and cash equivalents	0.0%	0.0%
Domestic equity	21.0	4.1
International equity	14.0	4.8
Private markets	8.0	6.4
Core fixed income*	23.0	0.9
High yield fixed income	7.0	3.0
Private credit	5.0	4.5
U.S. inflation linked bonds*	17.0	0.7
Midstream energy infrastructure	5.0	5.6
Real assets	8.0	5.8
Gold	5.0	1.9
Private real estate	12.0	5.3
Total	125.00%	

Note: Assumptions are geometric.

*Levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2020, the total OPEB liability was calculated using the discount rate of 2.96%. 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%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12% at December 31, 2020 and 2.75% at December 31, 2019 was blended with the long-term rate of 8%, which resulted in a blended discount rate of 2.96% for 2020.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 10: Postemployment Benefits (continued)

E. Actuarial Assumptions – OP&F (continued)

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 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, 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 2.96%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96%), or one percentage point higher (3.96%) than the current rate.

	1% Decrease <u>(1.96%)</u>	Discount Rate <u>(2.96%)</u>	1% Increase <u>(3.96%)</u>
City’s proportionate share of the net OPEB liability	\$ 4,240,144	\$ 3,400,432	\$ 2,707,768

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 11: Risk Management

A. Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. By maintaining comprehensive insurance coverage with private carriers, the City has addressed these various types of risk. There were no reductions in insurance coverage from the previous year. Settled claims have not exceeded this commercial coverage in any of the past three years.

B. Health Insurance Benefits

The City provides health, dental and vision insurance to its employees through a self-insurance plan. The City pays a monthly premium for the self-insurance plan. The City contracts with a third-party administrator to direct this program. During 2021, self-insurance was in effect for claims up to \$100,000 per covered individual and \$4,164,359 in aggregate. This aggregate includes both medical and drug coverage. Claims in excess of this aggregated amount are insured by private carriers.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 11: Risk Management (continued)

B. Health Insurance Benefits (continued)

The claims liability of \$436,296 as estimated by the third-party administrator and reported in the Hospitalization Internal Service Fund at December 31, 2021, is based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the Fund's claims liability amount in 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Unpaid claims, beginning of year	\$ 467,885	\$ 593,063
Incurred claims and adjustments	2,981,596	2,524,613
Claims payments	<u>(3,013,185)</u>	<u>(2,649,791)</u>
Unpaid claims, end of year	<u>\$ 436,296</u>	<u>\$ 467,885</u>

C. Workers' Compensation Program

On January 1, 2009, the City was approved for self-insurance status by the Bureau of Workers' Compensation and began to administer its own workers' compensation program (the program). The City established the Workers' Compensation Self-Insurance 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 a 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, up to a maximum of an additional \$1,000,000 per occurrence.

The claims liability of \$39,375 reported in the Workers' Compensation Self-Insurance Internal Service Fund is based on the requirements of Governmental Standards Board No. 30, which requires a liability for the unpaid claims costs, including estimates of costs relating to incurred but not report claims, be reported.

Changes in the Fund's claims liability amount in 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Unpaid claims, beginning of year	\$ 48,506	\$ 61,887
Incurred claims and adjustments	66,454	75,255
Claims payments	<u>(75,585)</u>	<u>(88,636)</u>
Unpaid claims, end of year	<u>\$ 39,375</u>	<u>\$ 48,506</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 12: Long-Term Obligations

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

	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
Governmental activities:				
General obligation bonds:				
Capital improvement and equipment bonds	2013	2023	2.00-2.125	\$ 4,770,000
Capital improvement and refunding bonds	2015	2030	3.00-3.50	6,120,000
Fire station improvement refunding bonds	2015	2025	3.00-3.25	2,260,000
Various purpose refunding, series 2017	2017	2027	2.00-4.00	571,000
Capital improvement bonds	2017	2027	2.00-4.00	4,735,000
Capital improvement and equipment bonds	2021	2031	2.00-4.00	9,795,000
Police pension	1968	2031	4.25	272,250
Long-term bond anticipation notes	2020	2021	2.00-2.51	9,730,000
Business-type activities:				
General obligation bonds:				
Capital improvement and equipment bonds	2013	2021	2.00-2.125	380,000
Various purpose refunding, series 2017	2017	2037	2.00-4.00	2,489,000
Capital improvement bonds	2017	2037	2.00-4.00	3,970,000
Capital improvement and equipment bonds	2021	2031	2.00-4.00	1,280,000
OWDA sanitary sewer loan	2012	2034	2.80	9,448,575
OWDA sanitary sewer loan	2013	2035	2.44	45,900,266
Long-term bond anticipation notes	2020	2021	2.00	1,480,000

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 12: Long-Term Obligations (continued)

Changes in long-term obligations during the year ended December 31, 2021, consisted of the following:

	Balance 12/31/20	Increase	Decrease	Balance 12/31/21	Amounts Due in One Year
Governmental activities:					
General obligation bonds:					
Capital improvement and equipment bonds	\$ 1,520,000	\$ -	\$ 530,000	\$ 990,000	\$ 520,000
Premium on capital improvement and equipment bonds	36,121	-	12,039	24,082	-
Capital improvement and refunding bonds	3,405,000	-	700,000	2,705,000	455,000
Premium on capital improvement and refunding bonds	238,141	-	23,814	214,327	-
Fire station improvement refunding bonds	1,330,000	-	250,000	1,080,000	255,000
Premium on fire station improvement refunding bonds	80,677	-	16,136	64,541	-
Various purpose refunding bonds	40,000	-	40,000	-	-
Premium on various purpose refunding bonds	1,156	-	1,156	-	-
Capital improvement bonds	3,450,000	-	445,000	3,005,000	460,000
Premium on capital improvement bonds	212,921	-	30,417	182,504	-
Capital improvement and equipment bonds	-	9,795,000	-	9,795,000	990,000
Premium on capital improvement and equipment bonds	-	1,826,105	162,608	1,663,497	-
Total general obligation bonds	10,314,016	11,621,105	2,211,170	19,723,951	2,680,000
Police pension liability*	57,894	-	4,492	53,402	4,685
Long-term notes*	9,730,000	-	9,730,000	-	-
Capital lease payable*	-	154,517	45,099	109,418	43,096
Claims payable	516,391	3,048,050	3,088,770	475,671	465,827
Compensated absences payable	5,157,561	1,018,215	1,413,233	4,762,543	2,035,143
Asset retirement obligations	45,000	2,112	-	47,112	-
Net pension liability	31,093,233	-	2,634,786	28,458,447	-
Net OPEB liability	9,781,322	-	6,380,890	3,400,432	-
Total governmental activities	\$ <u>66,695,417</u>	\$ <u>15,843,999</u>	\$ <u>25,508,440</u>	\$ <u>57,030,976</u>	\$ <u>5,228,751</u>

* Long-term obligation is a direct placement.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 12: Long-Term Obligations (continued)

	Balance 12/31/20	Increase	Decrease	Balance 12/31/21	Amounts Due in One Year
Business-type activities:					
General obligation bonds:					
Capital improvement and refunding bonds	\$ 35,000	\$ -	\$ 35,000	\$ -	\$ -
Various purpose bonds refunding	465,000	-	465,000	-	-
Premium on various purpose bond refunding	14,636	-	14,636	-	-
Capital improvement bonds	3,760,000	-	75,000	3,685,000	225,000
Premium on capital improvement bonds	85,179	-	7,723	77,456	-
Capital improvement and equipment bonds	-	1,280,000	-	1,280,000	140,000
Premium on capital improvement and equipment bonds	-	230,322	21,909	208,413	-
Total general obligation bonds	4,359,815	1,510,322	619,268	5,250,869	365,000
Long-term notes*	1,480,000	-	1,480,000	-	-
OWDA sanitary sewer loans*	45,010,676	-	2,561,165	42,449,511	2,625,665
Capital lease payable*	-	5,361	1,792	3,569	1,785
Compensated absences payable	488,096	124,576	174,615	438,057	180,081
Net pension liability	2,970,494	-	875,621	2,094,873	-
Net OPEB liability	2,098,250	-	2,098,250	-	-
Total business-type activities	\$ 56,407,331	\$ 1,640,259	\$ 7,810,711	\$ 50,236,879	\$ 3,172,531

* Long-term obligation is a direct placement.

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. General obligation bonds are to be repaid from both voted and unvoted general property taxes levied on all taxable property located within the City, sewer user charges and golf fees. Tax monies will be received in and the debt will be retired from the General Obligation, and Fire Station Bond Retirement Funds.

Compensated absences are generally paid from the General Fund, Recreation Fund, Springvale Golf Course and Ballroom Fund and Sewer Revenue Fund. The OWDA loan liabilities are payable semi-annually from the Sewer Revenue Fund.

The City's outstanding OWDA loans contain provisions that in an 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% on the amount of each default shall 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% on the amount of the default until such charges are paid.

In 1973, the City financed its police and fire pension liability with OP&F. The liability is payable in semi-annual installments of \$3,453 until it is fully repaid in May 2031. The liability is paid from the General Fund.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 12: Long-Term Obligations (continued)

For governmental activities net pension and OPEB liabilities are generally paid from the General Fund, Community Diversion Fund, Recreation Fund, STOP Program Fund, Street Maintenance Fund, Title III Fund, and Fair Capacity Housing Fund.

In December 2015, the City issued \$8,620,000 in general obligation bonds for the purpose of making capital improvements and advance refunding general obligation bonds outstanding to take advantage of lower interest rates. The interest rates of the bonds ranged from 2.0% to 3.5% and the bonds were sold at a premium of \$530,194. Proceeds and premium of \$3,593,275 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the general obligation bonds. The refunded bonds were called and redeemed in full in December 2016. The City decreased its total debt service payments by \$338,632 as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old and new debt service payments) of \$311,060.

In January 2017, the City issued \$11,765,000 in capital improvement and refunding bonds, for the purpose of financing certain permanent improvements and to refund certain outstanding general obligation bonds and bond anticipation notes previously issued. The bonds mature on December 1, 2037 and have an interest rate between 2.0% and 4.0%. The bonds were sold at a premium of \$555,361. Proceeds and premium of \$3,099,763 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the general obligation bonds. The refunded bonds were called and redeemed in full in February 2017. The City decreased its total debt service payments by \$155,203 as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old and new debt service payments) of \$143,908.

In March 2021, the City issued \$11,075,000 in capital improvement and equipment bonds, for the purposes of improving designated streets, improvements to the recreation center, Springvale Golf Course, City Hall and providing funds for acquiring computer hardware and software equipment. The final maturity on the bonds is December 10, 2031, and they have an interest rate between 2.0% - 4.0%. The bonds were sold at a premium of \$2,056,427.

The City's overall legal debt margin was \$89,396,526 at December 31, 2021.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 12: Long-Term Obligations (continued)

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2021, are as follows:

Year	Governmental Activities			
	General Obligation Bonds		Police Pension*	
	Principal	Interest	Principal	Interest
2022	\$ 2,680,000	\$ 613,488	\$ 4,685	\$ 2,220
2023	2,700,000	550,963	4,886	2,019
2024	2,290,000	472,225	5,096	1,809
2025	2,165,000	386,363	5,315	1,590
2026	1,560,000	305,725	5,543	1,362
2027-2031	6,180,000	694,000	27,877	3,031
Totals	\$ 17,575,000	\$ 3,022,764	\$ 53,402	\$ 12,031

Year	Governmental Activities (continued)	
	Total	
	Principal	Interest
2022	\$ 2,684,685	\$ 615,708
2023	2,704,886	552,982
2024	2,295,096	474,034
2025	2,170,315	387,953
2026	1,565,543	307,087
2027-2031	6,207,877	697,031
Totals	\$ 17,628,402	\$ 3,034,795

Year	Business-Type Activities			
	General Obligation Bonds		OWDA Loans*	
	Principal	Interest	Principal	Interest
2022	\$ 365,000	\$ 173,450	\$ 2,625,665	\$ 1,043,767
2023	375,000	163,900	2,691,793	977,638
2024	385,000	152,650	2,759,593	909,839
2025	400,000	137,250	2,829,105	840,326
2026	360,000	121,250	2,900,374	769,058
2027-2031	1,665,000	404,300	15,635,547	2,711,611
2032-2036	1,160,000	161,456	13,007,434	703,673
2037	255,000	8,925	-	-
Totals	\$ 4,965,000	\$ 1,323,181	\$ 42,449,511	\$ 7,955,912

* Long-term obligation is a direct placement.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 12: Long-Term Obligations (continued)

Year	Business-Type Activities (continued)	
	Total	
	Principal	Interest
2022	\$ 2,990,665	\$ 1,217,217
2023	3,066,793	1,141,538
2024	3,144,593	1,062,489
2025	3,229,105	977,576
2026	3,260,374	890,308
2027-2031	17,300,547	3,115,911
2032-2036	14,167,434	865,129
2037	<u>255,000</u>	<u>8,925</u>
Totals	\$ <u>47,414,511</u>	\$ <u>9,279,093</u>

Note 13: Lease Obligations

The City entered into lease agreements for several copiers and equipment. The City's lease obligations met the criteria of a capital lease and were recorded on the government-wide statements and the proprietary financial statements. All capital leases were secured by the related equipment. Capital lease payments for governmental fund-type capital leases has been reclassified and are reflected as debt service expenses in the fund financial statements for the General Fund. These expenditures are reflected as capital outlay expenditures on a budgetary basis.

The original amounts capitalized for the capital leases and the book value as of December 31, 2021 follows:

	Governmental Activities	Business-Type Activities
Assets:		
Vehicles and equipment	\$ 154,517	\$ 5,361
Less: accumulated depreciation	<u>(22,223)</u>	<u>(894)</u>
Current book value	\$ <u>132,294</u>	\$ <u>4,467</u>

Amortization of capital leases is included in depreciation expense.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2021.

Year	Governmental Activities	Business-Type Activities
2022	\$ 46,586	\$ 1,785
2023	46,586	1,784
2024	<u>23,353</u>	<u>1,784</u>
Total minimum lease payments	116,525	3,569
Less: amount representing interest	<u>(7,107)</u>	<u>-</u>
Present value of minimum lease payments	\$ <u>109,418</u>	\$ <u>3,569</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 13: Lease Obligations (continued)

The City entered into leases for certain equipment. These leases do not meet the criteria of a capital lease. The total cost for operating leases in 2021 was \$1,439 for governmental activities and \$65,575 for enterprise activities.

Note 14: Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. City employees are paid for earned, unused vacation leave at the time of termination of employment if the employee has acquired at least one year of service to the City. Sick leave is earned at the rate of 4.6 hours for every eighty (80) hours paid. Fire Department employees are an exception and earn sick leave at the rate of 5.8 hours per pay. Each employee who has at least five years of service upon retirement is paid for a portion of the employee's earned unused sick leave balances, from 1,000 hours to 1,500 hours, depending upon the union contract and termination with the City.

Note 15: Construction and Other Significant Commitments

At December 31, 2021, the City's significant contractual commitments consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid/Accrued</u>	<u>Remaining on Contract</u>
Jail plumbing rehabilitation	\$ 145,901	\$ 14,903	\$ 130,998
South Interceptor EQ tank design engineering	<u>404,325</u>	<u>96,061</u>	<u>308,264</u>
Total commitments	<u>\$ 550,226</u>	<u>\$ 110,964</u>	<u>\$ 439,262</u>

Other significant commitments include the encumbrances outstanding at year-end. The amount of the encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

	<u>Encumbrances</u>
General Fund	\$ 358,479
General Obligation Bond Retirement Fund	12,000
Non-major Governmental Funds	<u>1,832,131</u>
Total other significant commitments	<u>\$ 2,202,610</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 16: Interfund Activity

Interfund Transfers

Interfund transfers for the year ended December 31, 2021 consisted of the following:

	Transfer to			Total
	General Fund	Obligation Bond Retirement Fund	Non-major Governmental Funds	
Transfer from:				
General Fund	\$ -	\$ -	\$ 65,300	\$ 65,300
General Obligation Bond Retirement Fund	-	-	1,255,000	1,255,000
Non-major Governmental Funds	14,560	1,585,145	150,987	1,750,692
Springvale Golf and Ballroom Fund	4,280	-	-	4,280
Sewer Revenue Fund	46,360	-	-	46,360
Total	\$ <u>65,200</u>	\$ <u>1,585,145</u>	\$ <u>1,471,287</u>	\$ <u>3,121,632</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The transfers to the General Fund were made in accordance with Ohio Revised Code Section 5705.13(B). Transfers from the General Obligation Bond Retirement Fund to Non-major Governmental Funds and transfers from Non-major Governmental Funds to Non-major Governmental Funds related to debt service requirements.

No transfers were inconsistent with the purpose of the fund making the transfer. In addition, the above transfers are in compliance with the Ohio Revised Code.

Interfund Balances

As of December 31, 2021, interfund balances were as follows:

	Receivable Advance to Other Funds	Payable Advance from Other Funds
Governmental Activities:		
General Fund	\$ 1,334,274	\$ -
General Obligation Bond Retirement Fund	<u>6,804,957</u>	<u>-</u>
Total Governmental Activities	<u>8,139,231</u>	<u>-</u>
Business-Type Activities:		
Springvale Golf Course and Ballroom Fund	-	6,770,287
Sewer Revenue Fund	<u>-</u>	<u>1,368,944</u>
Total Business-Type Activities	<u>-</u>	<u>8,139,231</u>
Total	\$ <u>8,139,231</u>	\$ <u>8,139,231</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 16: Interfund Activity (continued)

Interfund Balances (continued)

The General Obligation Bond Retirement Fund loaned the Springvale Golf Course and Ballroom Fund and the Sewer Revenue Fund additional resources to meet debt service requirements. The General Fund loaned the Springvale Golf Course and Ballroom Fund and Sewer Revenue Fund operating monies that will be paid back in future years.

Interfund receivables/payables for the year ended December 31, 2021 consisted of the following:

	<u>Interfund Payable</u>	
	<u>Non-major Governmental Funds</u>	<u>Total</u>
Interfund Receivable:		
General Fund	\$ 248,000	\$ 248,000
Non-major Governmental Funds	<u>230,000</u>	<u>230,000</u>
Total	\$ <u>478,000</u>	\$ <u>478,000</u>

Interfund balances are expected to be repaid within one year.

Note 17: Jointly Governed Organizations

West Shore Council of Governments

The West Shore Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Board is comprised of one member from each of the six participating entities. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. In 2021, the City contributed \$72,980. Complete financial information can be obtained from the City of Bay Village 350 Dover Center Road, Bay Village, Ohio 44140.

The Council has established two subsidiary organizations, the West Shore Hazardous Materials Committee (HAZ MAT) which provides hazardous material protection and assistance, and the West Shore Enforcement Bureau which provides extra assistance to cities in the form of a Swat Team.

RITA

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 of 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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 17: Jointly Governed Organizations (continued)

RITA (continued)

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.

Note 18: Contingent Liabilities

Grants

The City has received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2021.

Litigation

The City is unaware of any un-asserted claims pending against it as of December 31, 2021. During the normal course of business, the City is subject to occasional legal proceedings, claims, and contract disputes. In the opinion of management, the eventual outcome of any current proceedings and claims against the City will not materially affect its financial condition or operations.

Note 19: Tax Abatements

As of December 31, 2021, the City provides tax incentives under three programs: the Community Reinvestment Area (CRA), known as the North Olmsted Community Reinvestment Area (NOCRA), the Job Retention Grant Program, and the Job Creation Grant Program.

Pursuant to Ohio Revised Code 3735, the City established a CRA in 1992, and later amended it in 2014, which included all land within the boundaries of the City. The City authorizes incentives through the passage of ordinances. 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, not to exceed 100% of the increase in the assessed value resulting from the improvements. The amount of the abatement is deducted from the recipient's property tax bill.

Within the NOCRA, the percentage of tax exemption of the increase valuation resulting from improvements to commercial and industrial real property and the term of those exemptions are negotiated on a case-by-case basis in advance of signing the agreement.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 19: Tax Abatements (continued)

For residential properties, a tax exemption on the increase in the assessed valuation resulting from improvements shall be granted upon application by the property owner and certification of the Housing Officer for the following periods:

- Ten years, for the construction of dwellings containing not more than three housing units, with such exemption being 75% for each of the 10 years.
- Up to, and including, 12 years, and up to, and including, 100% for the remodeling of existing commercial and industrial facilities and upon which the cost of remodeling is at least \$5,000, the term and percentage of which shall be negotiated on a case-by-case basis in advance of remodeling occurring.
- Up to, and including, 15 years, and up to, and including, 100% of the construction of new commercial or industrial facilities, the term and percentage of which shall be negotiated on a case-by-case basis in advance of remodeling occurring.

For the year ended December 31, 2021, the City abated property taxes totaling \$55,216 under this program.

The City created the Job Retention Grant Program. The purpose of the program is to maintain the City's competitiveness as a site for location of new businesses and the expansion of existing businesses. Pursuant to Article XVIII, Section 3 and Article VIII, Section 13 of the Ohio Constitution (Ordinance #2016-76), the City provides an incentive to the company based upon the company's gross annual payroll, the amount of income tax generated annually and the number of jobs created or retained by the business. The abatement is administered as a refund based upon the company's payroll taxes. Also, the time period of the incentive in years, is determined by how many new jobs are to be created by the company. The total amount of taxes abated under this program for the year ended December 31, 2021 was \$136,163.

The City created the Job Creation Grant Program. The purpose of the program is to provide an economic incentive for businesses to locate or expand within the City. The City provides an incentive to a business constructing, buying or leasing property that has not had employees located in the City of North Olmsted within the preceding one (1) year and that will create a new annual payroll in excess of \$500,000.

An existing business already located in the City that is expanding and that will create new annual payroll in excess of \$500,000 while maintaining its pre-application work-force and annual payroll would also be eligible. The abatement is administered as a refund based upon the company's payroll taxes for a time period not to exceed ten (10) years. The total amount of taxes abated under this program for the year ended December 31, 2021 was \$39,680.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (continued)

For the Year Ended December 31, 2021

Note 20: Accountability

There was a deficit in the CDBG fund of \$143,414 and in the business-type Springvale Golf Course and Ballroom Fund for \$2,884,608. These deficits were caused by the application of accounting principles generally accepted in the United States of America. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

Note 21: COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The City's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. In 2021, the City received \$1,641,501 in COVID relief funding. Additional funding will be available through American Rescue Plan Act, passed by Congress on March 11, 2021.

Note 22: Asset Retirement Obligations

Ohio Administrative Code Section 1301-7-9 requires a City classified as an "owner" or "operator," to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must first be obtained for that year it is not being used. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination. This asset retirement obligation (ARO) of \$47,112 associated with the City's underground storage tanks was estimated by the City engineer. The remaining useful life of these USTs are 0 years. The City maintains insurance related to any potential pollution remediation associated with the USTs.

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewage system to the Ohio EPA for approval. Through this review process, the City would be responsible to address any public safety issues associated with their wastewater treatment facilities. At this time, due to limitations associated with the existing plant's age and building materials within the plant, the engineer consulted would not have a reasonable estimate to calculate a liability as of December 31, 2021.

City of North Olmsted, Ohio

Required Supplementary Information Schedule of the City's Proportionate Share of the Net Pension Liability Ohio Public Employee Retirement System – Traditional Plan

For the Last Eight Years

	<u>2021 (1)</u>	<u>2020 (1)</u>	<u>2019 (1)</u>		
City's proportion of the net pension liability	0.058580%	0.062230%	0.063334%		
City's proportionate share of the net pension liability	\$ 8,674,424	\$ 12,300,181	\$ 17,345,899		
City's covered payroll	\$ 8,341,121	\$ 8,801,900	\$ 8,284,775		
City's proportionate share of the net pension liability as a percentage of its covered payroll	104.00%	139.74%	209.37%		
Plan fiduciary net position as a percentage of the total pension liability	86.88%	82.17%	74.70%		
	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
City's proportion of the net pension liability	0.062255%	0.062881%	0.061367%	0.062146%	0.062146%
City's proportionate share of the net pension liability	\$ 9,766,604	\$ 14,279,205	\$ 10,629,538	\$ 7,495,502	\$ 7,326,204
City's covered payroll	\$ 8,262,335	\$ 8,270,612	\$ 8,170,779	\$ 7,635,146	\$ 7,193,840
City's proportionate share of the net pension liability as a percentage of its covered payroll	181.87%	172.65%	130.09%	98.17%	101.84%
Plan fiduciary net position as a percentage of the total pension liability	84.66%	77.25%	81.08%	86.45%	n/a

(1) Information prior to 2014 is not available. Amounts presented for each year were determined as of the City's measurement date which is December 31 of the prior year.

The accompanying notes are an integral part of the required supplementary information

City of North Olmsted, Ohio

Required Supplementary Information Schedule of the City's Proportionate Share of the Net Pension Asset Ohio Public Employee Retirement System – Combined Plan

For the Last Eight Years

	<u>2021 (1)</u>	<u>2020 (1)</u>	<u>2019 (1)</u>		
City's proportion of the net pension asset	0.105650%	0.093795%	0.093477%		
City's proportion of the net pension asset	\$ 304,974	\$ 195,586	\$ 104,529		
City's covered payroll	\$ 474,550	\$ 420,500	\$ 385,547		
City's proportionate share of the net pension asset as a percentage of its covered payroll	64.27%	46.51%	27.11%		
Plan fiduciary net position as a percentage of the total pension liability	157.67%	145.28%	126.64%		
	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
City's proportion of the net pension asset	0.098962%	0.096272%	0.098960%	0.117384%	0.117384%
City's proportion of the net pension asset	\$ 134,718	\$ 53,583	\$ 48,157	\$ 45,196	\$ 12,318
City's covered payroll	\$ 402,822	\$ 380,227	\$ 385,862	\$ 413,399	\$ 339,946
City's proportionate share of the net pension asset as a percentage of its covered payroll	33.44%	14.09%	12.48%	10.93%	3.62%
Plan fiduciary net position as a percentage of the total pension liability	137.28%	116.55%	116.90%	114.83%	n/a

(1) Information prior to 2014 is not available. Amounts presented for each year were determined as of the City's measurement date which is December 31 of the prior year.

The accompanying notes are an integral part of the required supplementary information

City of North Olmsted, Ohio

Required Supplementary Information Schedule of the City's Proportionate Share of the Net Pension Liability Ohio Police and Fire Pension Fund

For the Last Eight Years

	<u>2021 (1)</u>	<u>2020 (1)</u>	<u>2019 (1)</u>		
City's proportion of the net pension liability	0.320942%	0.323067%	0.332782%		
City's proportion of the net pension liability	\$ 21,878,896	\$ 21,763,546	\$ 27,163,803		
City's covered payroll	\$ 8,040,410	\$ 7,761,669	\$ 7,338,794		
City's proportionate share of the net pension liability as a percentage of its covered payroll	272.11%	280.40%	370.14%		
Plan fiduciary net position as a percentage of the total pension liability	70.65%	69.89%	63.07%		
	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
City's proportion of the net pension liability	0.328291%	0.332860%	0.337684%	0.341655%	0.341646%
City's proportion of the net pension liability	\$ 20,153,276	\$ 21,084,664	\$ 21,723,448	\$ 17,699,133	\$ 16,639,651
City's covered payroll	\$ 7,235,102	\$ 7,292,482	\$ 7,387,575	\$ 6,699,634	\$ 6,712,291
City's proportionate share of the net pension liability as a percentage of its covered payroll	278.55%	289.13%	294.05%	264.18%	247.90%
Plan fiduciary net position as a percentage of the total pension liability	70.91%	68.36%	66.77%	71.71%	73.00%

(1) Information prior to 2014 is not available. Amounts presented for each year were determined as of the City's measurement date which is December 31 of the prior year.

The accompanying notes are an integral part of the required supplementary information

City of North Olmsted, Ohio

Required Supplementary Information Schedule of the City's Pension Contributions Ohio Public Employee Retirement System – Traditional Plan

For the Last Ten Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 1,241,027	\$ 1,167,757	\$ 1,232,266	\$ 1,159,869	\$ 1,074,104
Contributions in relation to the contractually required contribution	<u>(1,241,027)</u>	<u>(1,167,757)</u>	<u>(1,232,266)</u>	<u>(1,159,869)</u>	<u>(1,074,104)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 8,864,483	\$ 8,341,121	\$ 8,801,900	\$ 8,284,775	\$ 8,262,335
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	13.00%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 992,473	\$ 980,493	\$ 916,217	\$ 935,199	\$ 690,331
Contributions in relation to the contractually required contribution	<u>(992,473)</u>	<u>(980,493)</u>	<u>(916,217)</u>	<u>(935,199)</u>	<u>(690,331)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 8,270,612	\$ 8,170,779	\$ 7,635,146	\$ 7,193,840	\$ 6,903,306
Contributions as a percentage of covered payroll	12.00%	12.00%	12.00%	13.00%	10.00%

The accompanying notes are an integral part of the required supplementary information

City of North Olmsted, Ohio

Required Supplementary Information Schedule of the City's Pension Contributions Ohio Public Employee Retirement System – Combined Plan

For the Last Ten Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 69,400	\$ 66,436	\$ 58,869	\$ 53,977	\$ 52,367
Contributions in relation to the contractually required contribution	<u>(69,400)</u>	<u>(66,436)</u>	<u>(58,869)</u>	<u>(53,977)</u>	<u>(52,367)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 495,721	\$ 474,550	\$ 420,500	\$ 385,547	\$ 402,822
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	13.00%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 45,627	\$ 46,303	\$ 49,608	\$ 44,193	\$ 32,622
Contributions in relation to the contractually required contribution	<u>(45,627)</u>	<u>(46,303)</u>	<u>(49,608)</u>	<u>(44,193)</u>	<u>(32,622)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 380,227	\$ 385,862	\$ 413,399	\$ 339,946	\$ 326,217
Contributions as a percentage of covered payroll	12.00%	12.00%	12.00%	13.00%	10.00%

The accompanying notes are an integral part of the required supplementary information

City of North Olmsted, Ohio

Required Supplementary Information Schedule of the City's Pension Contributions Ohio Police and Fire Pension Fund

For the Last Ten Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 1,591,221	\$ 1,688,221	\$ 1,629,823	\$ 1,543,225	\$ 1,522,576
Contributions in relation to the contractually required contribution	<u>(1,591,221)</u>	<u>(1,688,221)</u>	<u>(1,629,823)</u>	<u>(1,543,225)</u>	<u>(1,522,576)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 7,555,175	\$ 8,040,410	\$ 7,761,669	\$ 7,338,794	\$ 7,235,102
Contributions as a percentage of covered payroll	21.06%	21.00%	21.00%	21.03%	21.04%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 1,534,192	\$ 1,552,780	\$ 1,413,097	\$ 1,209,419	\$ 952,073
Contributions in relation to the contractually required contribution	<u>(1,534,192)</u>	<u>(1,552,780)</u>	<u>(1,413,097)</u>	<u>(1,209,419)</u>	<u>(952,073)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 7,292,482	\$ 7,387,575	\$ 6,699,634	\$ 6,712,291	\$ 6,424,504
Contributions as a percentage of covered payroll	21.04%	21.02%	21.09%	18.02%	14.82%

The accompanying notes are an integral part of the required supplementary information

City of North Olmsted, Ohio

Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)
 Ohio Public Employee Retirement System

For the Last Five Years

	2021 (1)	2020 (1)	2019 (1)	2017 (1)	2016 (1)
City's proportion of the net OPEB liability/asset	0.059689%	0.062902%	0.063813%	0.063020%	0.063332%
City's proportionate share of the net OPEB liability (asset)	\$ (1,063,406)	\$ 8,688,401	\$ 8,319,709	\$ 6,843,509	\$ 6,396,753
City's covered payroll	\$ 9,125,957	\$ 9,556,893	\$ 8,966,207	\$ 8,951,607	\$ 8,904,621
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-11.65%	90.91%	92.79%	76.45%	71.84%
Plan fiduciary net position as a percentage of the total OPEB liability	115.57%	47.80%	46.33%	54.14%	54.04%

(1) Information prior to 2017 is not available. Amounts presented for each year were determined as of the City's measurement date which is December 31 of the prior year.

The accompanying notes are an integral part of the required supplementary information

City of North Olmsted, Ohio

Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net OPEB Liability
 Ohio Police and Fire Pension Fund

For the Last Five Years

	2021 (1)	2020 (1)	2019 (1)	2017 (1)	2016 (1)
City's proportion of the net OPEB liability	0.320942%	0.323067%	0.332782%	0.328291%	0.332886%
City's proportionate share of the net OPEB liability	\$ 3,400,432	\$ 3,191,171	\$ 3,030,491	\$ 18,600,508	\$ 15,801,350
City's covered payroll	\$ 8,040,410	\$ 7,761,669	\$ 7,338,794	\$ 7,235,102	\$ 7,292,482
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	42.29%	41.11%	41.29%	257.09%	216.68%
Plan fiduciary net position as a percentage of the total OPEB liability	45.40%	47.10%	46.57%	14.13%	15.96%

(1) Information prior to 2017 is not available. Amounts presented for each year were determined as of the City's measurement date which is December 31 of the prior year.

The accompanying notes are an integral part of the required supplementary information

City of North Olmsted, Ohio

Required Supplementary Information Schedule of the City's OPEB Contributions Ohio Public Employee Retirement System

For the Last Six Years (1)

	<u>2021</u>									
Contractually required contribution	\$	14,385								
Contributions in relation to the contractually required contribution		<u>(14,385)</u>								
Contribution deficiency (excess)	\$	<u><u>-</u></u>								
City covered payroll	\$	9,719,828								
Contributions as a percentage of covered payroll		0.15%								
	<u>2020</u> <u>2019</u> <u>2018</u> <u>2017</u> <u>2016</u>									
Contractually required contribution	\$	12,411	\$	13,381	\$	12,071	\$	89,516	\$	178,092
Contributions in relation to the contractually required contribution		<u>(12,411)</u>		<u>(13,381)</u>		<u>(12,071)</u>		<u>(89,516)</u>		<u>(178,092)</u>
Contribution deficiency (excess)	\$	<u><u>-</u></u>	\$	<u><u>-</u></u>	\$	<u><u>-</u></u>	\$	<u><u>-</u></u>	\$	<u><u>-</u></u>
City covered payroll	\$	9,125,957	\$	9,556,893	\$	8,966,207	\$	8,951,607	\$	8,904,621
Contributions as a percentage of covered payroll		0.14%		0.14%		0.13%		1.00%		2.00%

(1) Information prior to 2016 is not available.

The accompanying notes are an integral part of the required supplementary information

City of North Olmsted, Ohio

Required Supplementary Information Schedule of the City's OPEB Contribution Ohio Police and Fire Pension Fund

For the Last Ten Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 37,776	\$ 40,202	\$ 38,808	\$ 36,694	\$ 36,175
Contributions in relation to the contractually required contribution	<u>(37,776)</u>	<u>(40,202)</u>	<u>(38,808)</u>	<u>(36,694)</u>	<u>(36,175)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 7,555,175	\$ 8,040,410	\$ 7,761,669	\$ 7,338,794	\$ 7,235,102
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%	0.50%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 36,462	\$ 36,938	\$ 33,498	\$ 242,985	\$ 433,654
Contributions in relation to the contractually required contribution	<u>(36,462)</u>	<u>(36,938)</u>	<u>(33,498)</u>	<u>(242,985)</u>	<u>(433,654)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 7,292,482	\$ 7,387,575	\$ 6,699,634	\$ 6,712,291	\$ 6,424,504
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	3.62%	6.75%

The accompanying notes are an integral part of the required supplementary information

City of North Olmsted, Ohio

Notes to Required Supplementary Information

For the Year Ended December 31, 2021

Note 1: Net Pension Liability/Asset

Changes in Assumptions – OPERS

Amounts reported in the required supplementary information for OPERS Traditional and Combined Plans incorporate changes in assumptions used by OPERS in calculating the pension liability. These assumptions are presented below for the periods indicated:

Key Methods and Assumptions in Valuing Total Pension Liability – 2021

	OPERS <u>Traditional plan</u>	OPERS <u>Combined plan</u>
Valuation Date	December 31, 2020	December 31, 2020
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	7.20%	7.20%
Wage Inflation	3.25%	3.25%
Projected Salary Increases, including 3.25% inflation	3.25 to 10.75%	3.25 to 8.25%
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3% Simple	3% Simple
Post-Jan 7, 2013 Retirees	0.50% Simple through 2021 then 2.15% Simple	0.50% Simple though 2021 then 2.15% Simple

Key Methods and Assumptions in Valuing Total Pension Liability – 2020

	OPERS <u>Traditional plan</u>	OPERS <u>Combined plan</u>
Valuation Date	December 31, 2019	December 31, 2019
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	7.20%	7.20%
Wage Inflation	3.25%	3.25%
Projected Salary Increases, including 3.25% inflation	3.25 to 10.75%	3.25 to 8.25%
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3% Simple	3% Simple
Post-Jan 7, 2013 Retirees	1.40% Simple through 2020 then 2.15% Simple	1.40% Simple though 2020 then 2.15% Simple

City of North Olmsted, Ohio

Notes to Required Supplementary Information (continued)

For the Year Ended December 31, 2021

Note 1: Net Pension Liability/Asset (continued)

Changes in Assumptions – OPERS (continued)

Key Methods and Assumptions in Valuing Total Pension Liability – 2019

	OPERS <u>Traditional plan</u>	OPERS <u>Combined plan</u>
Valuation Date	December 31, 2018	December 31, 2018
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	7.20%	7.20%
Wage Inflation	3.25%	3.25%
Projected Salary Increases, including 3.25% inflation	3.25 to 10.75%	3.25 to 8.25%
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3% Simple	3% Simple
Post-Jan 7, 2013 Retirees	3% Simple through 2018 then 2.15% Simple	3% Simple though 2018 then 2.15% Simple

Key Methods and Assumptions in Valuing Total Pension Liability – 2017-2018

	OPERS <u>Traditional plan</u>	OPERS <u>Combined plan</u>
Valuation Date	December 31, 2017	December 31, 2017
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	7.50%	7.50%
Wage Inflation	3.25%	3.25%
Projected Salary Increases, including 3.25% inflation	3.25 to 10.75%	3.25 to 8.25%
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3% Simple	3% Simple
Post-Jan 7, 2013 Retirees	3% Simple through 2018 then 2.15% Simple	3% Simple though 2018 then 2.15% Simple

City of North Olmsted, Ohio

Notes to Required Supplementary Information (continued)

For the Year Ended December 31, 2021

Note 1: Net Pension Liability/Asset (continued)

Changes in Assumptions – OPERS (continued)

Key Methods and Assumptions in Valuing Total Pension Liability – 2016 and prior

	OPERS <u>Traditional plan</u>	OPERS <u>Combined plan</u>
Valuation Date	December 31, 2015	December 31, 2015
Experience Study	5-year period ended December 31, 2010	5-year period ended December 31, 2010
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	8.00%	8.00%
Wage Inflation	3.75%	3.75%
Projected Salary Increases, including 3.75% inflation	4.25 to 10.05%	4.25 to 8.05%
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3% Simple	3% Simple
Post-Jan 7, 2013 Retirees	3% Simple through 2018 then 2.8% Simple	3% Simple though 2018 then 2.8% Simple

Mortality rates - 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.

Changes in Assumptions – OPERS (continued)

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 North Olmsted, Ohio

Notes to Required Supplementary Information (continued)

For the Year Ended December 31, 2021

Note 1: Net Pension Liability/Asset (continued)

Changes in Assumptions – OP&F

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

	<u>Beginning in 2018</u>	<u>2017 and Prior</u>
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	8.00%	8.25%
Projected Salary Increases	3.75% to 10.50%	4.25% to 11.00%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.50%	Inflation rate of 3.25% plus productivity increase rate of 0.50%
Cost of Living Adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3%	3.00% simple; 2.60% simple for increases based on the lesser of the increase in CPI and 3%

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

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

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

<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%

Actuarial valuation amounts reported for 2017 and prior 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 North Olmsted, Ohio

Notes to Required Supplementary Information (continued)

For the Year Ended December 31, 2021

Note 2: Net OPEB Liability/Asset

Changes in Assumptions – OPERS

For 2021, the single discount rate changed from 3.16% in 2020 to 6.00%. For 2021, the municipal bond rate changed from 2.75% to 2.00%. For 2021, the health care cost trend rate changed from 10.5% initial, 3.5%, ultimate in 2030 to 8.5% initial, 3.5% ultimate in 2035.

For 2020, the single discount rate changed from 3.96% in 2019 to 3.16%. For 2020, the municipal bond rate changed from 3.71% to 2.75%. For 2020, the health care cost trend rate changed from 10% initial, 3.25%, ultimate in 2029 to 10.5% initial, 3.5% ultimate in 2030.

For 2019, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5% to 6.0%. For 2019, the single discount rate changed from 3.85% in 2018 to 3.96%. Prior to 2018, the single discount rate was 4.23%. For 2019, the municipal bond rate changed from 3.31% to 3.71%. For 2019, the health care cost trend rate changed from 7.5% initial, 3.25%, ultimate in 2028 to 10% initial, 3.25% ultimate in 2029.

Changes in Benefit Terms – OPERS

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

Changes in Assumptions – OP&F

For 2021, the single discount rate changed from 3.56% to 2.96%.

For 2020, the single discount rate changed from 4.66% to 3.56%.

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

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

Changes in Benefit Terms – OP&F

Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

City of North Olmsted, Ohio

Notes to Required Supplementary Information (continued)

For the Year Ended December 31, 2021

Note 2: Net OPEB Liability/Asset (continued)

Changes in Benefit Terms – OP&F (continued)

As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%.

City of North Olmsted, Ohio

Combining Statements
Fund Descriptions

For the Year Ended December 31, 2021

Non-Major Special Revenue Funds

To account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes.

Casualty Loss Fund – Accounts for resources designated to pay for property damages that are not covered by insurance.

Community Development Block Grant Fund (CDBG) – Accounts for block grants received and grant reimbursable expenditures.

Alcohol Education Fund – Accounts for court fees obtained from DUI cases and approved alcohol education related expenditures.

Economic Development Fund – Accounts for the revenues generated from annual fees paid by new development agreements through tax abatement and community reinvestment incentives and expenditures in promoting economic development and compliance.

FEMA Grant Fund – Accounts for revenues received from the federal government and expenditures as prescribed under the Federal Emergency Management Agency's Assistance to Firefighters and Staffing for Adequate Fire and Emergency Response Grant Programs.

Federal Grants Fund – Accounts for revenues received for federal grants and the expenditures for those grants when the terms of the grant do not require that the grant be tracked in another fund.

Local Coronavirus Relief Fund – This fund is used to account for financial resources to cover costs that are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).

Sidewalk Improvement Fund – Accounts for and reports amounts restricted for the maintenance of sidewalks throughout the City.

Motor Vehicle License Tax Fund – Accounts for the additional motor vehicle registration fees designated for maintenance and repair of streets within the City.

Recreation Fund – Accounts for real and personal property taxes and program revenues and expenditures for the operation and maintenance of recreation programs, services, parks and the recreation center facility.

Clague Park Fund – Accounts for the proceeds from the sale of land as well as Clague Park wireless communication tower upfront proceeds and the expenditures related to revitalizing and improving Clague Park.

Hotel/Motel Tax Fund – Accounts for the City's hotel and motel tax revenues and related authorized expenditures of the police and fire divisions. Authorized expenditures from the fund shall be limited to the purchase of vehicles and equipment for police and fire division staff and the repair or replacement of buildings and other capital items or improvements at the police and fire stations.

City of North Olmsted, Ohio

Combining Statements
Fund Descriptions

For the Year Ended December 31, 2021

Non-Major Special Revenue Funds (continued)

Emergency Medical Services Fund – Accounts for a portion of the resident emergency medical service's receipts. Expenditures are restricted to capital expenditures for the Fire Division of the Department of Public Safety.

State Highway Fund – Accounts for the portion of the state gasoline tax and motor vehicle registration fees designated for maintenance and repair of state highways within the City.

Street Maintenance Fund – Accounts for the portion of state gasoline tax and motor vehicle registration fees designated for maintenance and repair of streets within the City.

Great Northern TIF Fund – This fund accounts for the receipt of service payments in lieu of taxes (PILOTs) that are legally restricted for the payment of public improvements described in City ordinance 2012-72. The general area affected by this TIF is Great Northern Boulevard and Country Club Boulevard.

Court Computerization Fund – Accounts for the receipt of funds collected by the City's Mayor's Court designated to computerize the court and the clerk of court's office.

Solid Waste and Recycling Fund – Accounts for 15% of the municipal income tax receipts and expenditures associated with tax collection, solid waste removal, and costs of recycling services provided to residents.

Community Diversion Fund – Accounts for the federal grant receipts, county and local program fees and expenditures related to the youth community diversion program contracted with the county juvenile court system.

Drug Enforcement Fund – Accounts for fines and forfeitures from drug court cases and expenditures for use in drug enforcement.

Endowment and Grant Fund – Accounts for donations restricted for a specific purpose and expenditures for those specific restricted uses.

Fair Capacity Housing Fund – Accounts for revenue and expenditures related to the Housing and Urban Development (HUD) Fair Capacity Housing Grant.

Local Fiscal Recovery Fund – This fund is used to account for financial resources to cover costs that are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).

Fire Pension Fund – Accounts for property taxes levied for the payment of current employer contributions for fire disability and pension benefits.

Law Enforcement Fund – Accounts for other monies seized from criminals by law enforcement officers or the sale of contraband in the course of their work restricted for expenditures that would enhance the police services.

City of North Olmsted, Ohio

Combining Statements
Fund Descriptions

For the Year Ended December 31, 2021

Non-Major Special Revenue Funds (continued)

STOP Program Fund – Accounts for fines on traffic violations restricted to paying overtime wages and benefits to officers issuing tickets under this program, wages of the prosecuting attorney and police equipment used in the STOP program. Surplus monies from this fund can be used to pay any other operational expenditure that meets the need of the police and dispatch divisions, with the exception of wages and benefits unrelated to STOP.

Police Pension Fund – Accounts for property taxes levied for the payment of current employer contributions for police disability and pension benefits.

Senior Center Fund – Accounts for the daily operations of the senior center and its programs and the services provided on a cost reimbursement basis to senior citizens.

Title III Fund – Accounts for the hot lunch program which provides lunch to senior citizens on a cost reimbursement basis.

Public Way Management Fund – Accounts for fees that are levied by the City on service providers that install above ground facilities in public right of way areas and the expenditures associated with maintaining the right of way areas.

Deposits Fund – Accounts for deposits held by the City from contractors, developers and individuals to ensure compliance with City ordinances. These monies net of inspection charges are returned when the work is properly completed.

Separation Pay Fund – Accounts for resources set aside for the payment of accumulated sick and vacation leave upon termination. This fund is combined with the General Fund on the governmental fund financial statements but remains a separate fund in the budgetary schedules because it has a legally adopted budget.

27th Pay Fund – Accounts for resource set aside for the payment of the 27th payrolls that are experienced every 13 years. This fund is combined with the General Fund on the governmental fund financial statements but remains a separate fund in the budgetary schedules because it has a legally adopted budget.

Non-Major Debt Service Funds

Library Bond Retirement Fund – Accounts for resources restricted to pay the principal, interest and related fiscal charges on the library bonded debt.

Fire Station Bond Retirement Fund – Accounts for resources restricted to pay the principal, interest and related fiscal charges on the fire station bonded debt.

City of North Olmsted, Ohio

Combining Statements
Fund Descriptions

For the Year Ended December 31, 2021

Non-Major Capital Projects Funds

Permanent Improvements Fund – Accounts for 15% of the municipal income tax receipts and expenditures for the permanent improvement of streets and the storm sewer system.

Capital Improvement Fund – Accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by a proprietary fund).

Building and Land Acquisition and Improvement Fund – Accounts for financial resources for acquiring real property, constructing improvements, including additions to buildings, upon lands owned by the City, or for substantially rehabilitating or renovating existing City-owned buildings.

City of North Olmsted, Ohio

Combining Statements
Fund Descriptions

For the Year Ended December 31, 2021

Internal Service Funds

Hospitalization Fund – Accounts for a self-insurance program for employee medical, dental and vision benefits.

Workers' Compensation Self-Insurance Fund – Accounts for assets set aside for claim settlements and related liabilities associated with the workers' compensation self-insurance program.

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Government Funds

December 31, 2021

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 10,488,381	\$ 888,218	\$ 5,717,170	\$ 17,093,769
Income taxes receivable	723,496	-	723,496	1,446,992
Taxes receivable - property and other	1,598,935	349,336	-	1,948,271
Intergovernmental receivable	1,714,893	19,123	3,817	1,737,833
Accounts receivable	16,403	-	-	16,403
Interfund receivable	230,000	-	-	230,000
Inventories and supplies	106,445	-	-	106,445
Prepaid items	29,671	-	-	29,671
Restricted assets:				
Restricted cash and cash equivalents	639,532	-	-	639,532
Total assets	<u>\$ 15,547,756</u>	<u>\$ 1,256,677</u>	<u>\$ 6,444,483</u>	<u>\$ 23,248,916</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts and contracts payable	\$ 271,333	\$ -	\$ 6,654	\$ 277,987
Accrued wages and benefits	83,656	-	-	83,656
Intergovernmental payable	2,920	-	-	2,920
Unearned revenues	1,641,501	-	-	1,641,501
Interfund payable	150,000	-	328,000	478,000
Deposits held and due to others	639,532	-	-	639,532
Total liabilities	<u>2,788,942</u>	<u>-</u>	<u>334,654</u>	<u>3,123,596</u>
Deferred inflows of resources:				
Property taxes	1,494,086	332,021	-	1,826,107
Payments in lieu of taxes	657,844	-	-	657,844
Unavailable revenues	1,030,186	36,438	222,480	1,289,104
Total deferred inflows of resources	<u>3,182,116</u>	<u>368,459</u>	<u>222,480</u>	<u>3,773,055</u>
Fund balances:				
Nonspendable	136,116	-	-	136,116
Restricted	9,028,124	888,218	5,887,349	15,803,691
Committed	555,872	-	-	555,872
Unassigned	(143,414)	-	-	(143,414)
Total fund balances	<u>9,576,698</u>	<u>888,218</u>	<u>5,887,349</u>	<u>16,352,265</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,547,756</u>	<u>\$ 1,256,677</u>	<u>\$ 6,444,483</u>	<u>\$ 23,248,916</u>

City of North Olmsted, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Governmental Funds

For the Year Ended December 31, 2021

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
Revenues:				
Property and other local taxes	\$ 1,784,314	\$ 303,700	\$ -	\$ 2,088,014
Municipal income taxes	2,767,212	-	2,767,212	5,534,424
Payments in lieu of taxes	317,847	-	-	317,847
Charges for services and sales	2,110,322	-	-	2,110,322
Fines, licenses and permits	374,361	-	-	374,361
Intergovernmental	2,610,959	38,246	305,516	2,954,721
Special assessments	40,989	-	-	40,989
Investment income	7,413	-	-	7,413
Miscellaneous	69,690	-	-	69,690
Total revenues	<u>10,083,107</u>	<u>341,946</u>	<u>3,072,728</u>	<u>13,497,781</u>
Expenditures:				
Current:				
General government	129,079	-	-	129,079
Security of persons and property	1,215,543	-	-	1,215,543
Public health and welfare	49,209	-	-	49,209
Transportation	1,895,793	-	867,472	2,763,265
Basic utility services	2,573,383	-	-	2,573,383
Leisure time activities	2,456,284	-	-	2,456,284
Economic development	21,372	-	-	21,372
Capital outlay	-	-	4,809	4,809
Debt service:				
Principal	2,362,629	250,000	7,395,000	10,007,629
Interest and fiscal charges	76,029	43,225	73,740	192,994
Total expenditures	<u>10,779,321</u>	<u>293,225</u>	<u>8,341,021</u>	<u>19,413,567</u>
(Deficiency) excess of revenues over expenditures	<u>(696,214)</u>	<u>48,721</u>	<u>(5,268,293)</u>	<u>(5,915,786)</u>
Other financing sources (uses):				
Issuance of bonds	1,880,000	-	7,915,000	9,795,000
Inception of capital lease	84,719	-	-	84,719
Transfers - in	320,000	115,987	1,035,300	1,471,287
Transfers - out	(330,246)	(115,987)	(1,304,459)	(1,750,692)
Total other financing sources (uses)	<u>1,954,473</u>	<u>-</u>	<u>7,645,841</u>	<u>9,600,314</u>
Net change in fund balances	1,258,259	48,721	2,377,548	3,684,528
Fund balances, beginning of year	<u>8,318,439</u>	<u>839,497</u>	<u>3,509,801</u>	<u>12,667,737</u>
Fund balances, end of year	<u>\$ 9,576,698</u>	<u>\$ 888,218</u>	<u>\$ 5,887,349</u>	<u>\$ 16,352,265</u>

City of North Olmsted, Ohio

Combining Balance Sheet
Non-Major Special Revenue Funds

December 31, 2021

	Casualty Loss	CDBG	Alcohol Education	Economic Development	FEMA Grant	Federal Grants	Local Coronavirus Relief	Sidewalk Improvement
Assets:								
Equity in pooled cash and cash equivalents	\$ 21,431	\$ 6,586	\$ 35,664	\$ 44,584	\$ 18,500	\$ 15,044	\$ -	\$ 210,721
Income taxes receivable	-	-	-	-	-	-	-	-
Taxes receivable - property and other	-	-	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	-	-	-
Accounts receivable	-	-	50	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-	-	-
Inventories and supplies	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
Restricted assets:								
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-
Total assets	\$ 21,431	\$ 6,586	\$ 35,714	\$ 44,584	\$ 18,500	\$ 15,044	\$ -	\$ 210,721
Liabilities, deferred inflows of resources and fund balances:								
Liabilities:								
Accounts and contracts payable	\$ 7,060	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-	-
Interfund payables	-	150,000	-	-	-	-	-	-
Deposits held and due to others	-	-	-	-	-	-	-	-
Total liabilities	7,060	150,000	-	-	-	-	-	-
Deferred inflows of resources:								
Property taxes	-	-	-	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-	-	-
Unavailable revenues	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	35,714	-	18,500	15,044	-	210,721
Committed	14,371	-	-	44,584	-	-	-	-
Unassigned	-	(143,414)	-	-	-	-	-	-
Total fund balances	14,371	(143,414)	35,714	44,584	18,500	15,044	-	210,721
Total liabilities, deferred inflows of resources, and fund balances	\$ 21,431	\$ 6,586	\$ 35,714	\$ 44,584	\$ 18,500	\$ 15,044	\$ -	\$ 210,721

Motor Vehicle License Tax	Recreation	Clague Park	Hotel / Motel Tax	Emergency Medical Services	State Highway	Street Maintenance	Great Northern TIF
\$ 172,184	\$ 569,387	\$ 3,065	\$ 400,455	\$ 1,028,928	\$ 294,780	\$ 1,439,960	\$ 2,233,125
-	-	-	-	-	-	-	-
-	1,048,003	-	26,932	-	-	-	-
16,943	57,369	-	-	-	71,268	878,968	657,844
-	-	-	-	-	-	-	-
-	230,000	-	-	-	-	-	-
8,941	-	-	-	-	4,152	93,352	-
-	29,671	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 198,068</u>	<u>\$ 1,934,430</u>	<u>\$ 3,065</u>	<u>\$ 427,387</u>	<u>\$ 1,028,928</u>	<u>\$ 370,200</u>	<u>\$ 2,412,280</u>	<u>\$ 2,890,969</u>
\$ -	\$ 36,380	\$ -	\$ 10,021	\$ -	\$ 14,689	\$ 11,765	\$ -
-	57,060	-	-	-	-	19,673	-
-	2,920	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>96,360</u>	<u>-</u>	<u>10,021</u>	<u>-</u>	<u>14,689</u>	<u>31,438</u>	<u>-</u>
-	996,058	-	-	-	-	-	-
-	-	-	-	-	-	-	657,844
-	109,314	-	-	-	48,280	595,456	-
-	1,105,372	-	-	-	48,280	595,456	657,844
8,941	29,671	-	-	-	4,152	93,352	-
189,127	703,027	-	-	1,028,928	303,079	1,692,034	2,233,125
-	-	3,065	417,366	-	-	-	-
-	-	-	-	-	-	-	-
<u>198,068</u>	<u>732,698</u>	<u>3,065</u>	<u>417,366</u>	<u>1,028,928</u>	<u>307,231</u>	<u>1,785,386</u>	<u>2,233,125</u>
<u>\$ 198,068</u>	<u>\$ 1,934,430</u>	<u>\$ 3,065</u>	<u>\$ 427,387</u>	<u>\$ 1,028,928</u>	<u>\$ 370,200</u>	<u>\$ 2,412,280</u>	<u>\$ 2,890,969</u>

City of North Olmsted, Ohio

Combining Balance Sheet
Non-Major Special Revenue Funds (continued)

December 31, 2021

	Court Computerization	Solid Waste and Recycling	Community Diversion	Drug Enforcement	Endowment and Grant	Fair Capacity Housing	Local Fiscal Recovery
Assets:							
Equity in pooled cash and cash equivalents	\$ 7,609	\$ 1,615,828	\$ 8,773	\$ 17,354	\$ 237,227	\$ 104,176	\$ 1,641,501
Income taxes receivable	-	723,496	-	-	-	-	-
Taxes receivable - property and other	-	-	-	-	-	-	-
Intergovernmental receivable	-	3,817	-	-	-	-	-
Accounts receivable	403	-	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-	-
Inventories and supplies	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Restricted assets:							
Restricted cash and cash equivalents	-	-	-	-	-	-	-
Total assets	\$ 8,012	\$ 2,343,141	\$ 8,773	\$ 17,354	\$ 237,227	\$ 104,176	\$ 1,641,501
Liabilities, deferred inflows of resources and fund balances:							
Liabilities:							
Accounts and contracts payable	\$ 13	\$ 188,222	\$ -	\$ -	\$ 3,025	\$ -	\$ -
Accrued wages and benefits	-	-	1,141	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	1,641,501
Interfund payables	-	-	-	-	-	-	-
Deposits held and due to others	-	-	-	-	-	-	-
Total liabilities	13	188,222	1,141	-	3,025	-	1,641,501
Deferred inflows of resources:							
Property taxes	-	-	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-	-
Unavailable revenues	-	222,480	-	-	-	-	-
Total deferred inflows of resources	-	222,480	-	-	-	-	-
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	7,999	1,932,439	7,632	17,354	234,202	104,176	-
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	7,999	1,932,439	7,632	17,354	234,202	104,176	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,012	\$ 2,343,141	\$ 8,773	\$ 17,354	\$ 237,227	\$ 104,176	\$ 1,641,501

	Fire Pension	Law Enforcement	STOP Program	Police Pension	Senior Center	Title III	Public Way Management	Deposits	Total
\$	93,181	\$ 49,733	\$ 58,693	\$ 93,181	\$ 7,783	\$ 34,279	\$ 24,649	\$ -	\$ 10,488,381
	-	-	-	-	-	-	-	-	723,496
	262,000	-	-	262,000	-	-	-	-	1,598,935
	14,342	-	-	14,342	-	-	-	-	1,714,893
	-	-	15,950	-	-	-	-	-	16,403
	-	-	-	-	-	-	-	-	230,000
	-	-	-	-	-	-	-	-	106,445
	-	-	-	-	-	-	-	-	29,671
	-	-	-	-	-	-	-	639,532	639,532
\$	<u>369,523</u>	<u>49,733</u>	<u>74,643</u>	<u>369,523</u>	<u>7,783</u>	<u>34,279</u>	<u>24,649</u>	<u>639,532</u>	<u>15,547,756</u>
\$	-	\$ -	\$ -	\$ -	\$ 158	\$ -	\$ -	\$ -	\$ 271,333
	-	-	5,782	-	-	-	-	-	83,656
	-	-	-	-	-	-	-	-	2,920
	-	-	-	-	-	-	-	-	1,641,501
	-	-	-	-	-	-	-	-	150,000
	-	-	-	-	-	-	-	639,532	639,532
	-	-	5,782	-	158	-	-	639,532	2,788,942
	249,014	-	-	249,014	-	-	-	-	1,494,086
	-	-	-	-	-	-	-	-	657,844
	<u>27,328</u>	<u>-</u>	<u>-</u>	<u>27,328</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,030,186</u>
	<u>276,342</u>	<u>-</u>	<u>-</u>	<u>276,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,182,116</u>
	-	-	-	-	-	-	-	-	136,116
	93,181	49,733	-	93,181	-	34,279	24,649	-	9,028,124
	-	-	68,861	-	7,625	-	-	-	555,872
	-	-	-	-	-	-	-	-	(143,414)
	<u>93,181</u>	<u>49,733</u>	<u>68,861</u>	<u>93,181</u>	<u>7,625</u>	<u>34,279</u>	<u>24,649</u>	<u>-</u>	<u>9,576,698</u>
\$	<u>369,523</u>	<u>49,733</u>	<u>74,643</u>	<u>369,523</u>	<u>7,783</u>	<u>34,279</u>	<u>24,649</u>	<u>639,532</u>	<u>15,547,756</u>

City of North Olmsted, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds

For the Year Ended December 31, 2021

	Casualty Loss	CDBG	Alcohol Education	Economic Development	FEMA Grant	Federal Grants	Local Coronavirus Relief	Sidewalk Improvement
Revenues:								
Property and other								
local income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	-	-	-	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-	-	-
Charges for services and sales	1,007	-	-	-	-	-	-	-
Fines, licenses, and permits	-	-	2,072	-	-	-	-	-
Intergovernmental	-	94,005	-	-	-	-	189,335	-
Special assessments	-	-	-	-	-	-	-	40,989
Investment income	-	-	-	-	-	-	153	-
Miscellaneous	-	-	-	18,876	-	-	-	-
Total revenues	<u>1,007</u>	<u>94,005</u>	<u>2,072</u>	<u>18,876</u>	<u>-</u>	<u>-</u>	<u>189,488</u>	<u>40,989</u>
Expenditures:								
Current:								
General government	20,161	-	-	-	-	-	2,059	-
Security of persons and property	7,748	-	-	-	-	-	187,429	-
Public health and welfare	-	-	-	-	-	-	-	-
Transportation	-	150,000	-	-	-	-	-	-
Basic utility services	-	-	-	-	-	-	-	-
Leisure time activities	-	-	-	-	-	-	-	-
Economic development	-	-	-	20,231	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total liabilities	<u>27,909</u>	<u>150,000</u>	<u>-</u>	<u>20,231</u>	<u>-</u>	<u>-</u>	<u>189,488</u>	<u>-</u>
(Deficiency) excess of revenues over expenditures	<u>(26,902)</u>	<u>(55,995)</u>	<u>2,072</u>	<u>(1,355)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,989</u>
Other financing sources (uses):								
Issuance of bonds	-	-	-	-	-	-	-	-
Inception of capital lease	-	-	-	-	-	-	-	-
Transfers - in	-	-	-	-	-	-	-	-
Transfers - out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(26,902)	(55,995)	2,072	(1,355)	-	-	-	40,989
Fund balances, beginning of year	<u>41,273</u>	<u>(87,419)</u>	<u>33,642</u>	<u>45,939</u>	<u>18,500</u>	<u>15,044</u>	<u>-</u>	<u>169,732</u>
Fund balance, end of year	<u>\$ 14,371</u>	<u>\$ (143,414)</u>	<u>\$ 35,714</u>	<u>\$ 44,584</u>	<u>\$ 18,500</u>	<u>\$ 15,044</u>	<u>\$ -</u>	<u>\$ 210,721</u>

Motor Vehicle License Tax	Recreation	Clague Park	Hotel / Motel Tax	Emergency Medical Services	State Highway	Street Maintenance	Great Northern TIF
\$ -	\$ 911,078	\$ -	\$ 417,708	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	1,662,874	-	-	438,794	-	-	317,847
-	-	-	-	-	-	-	-
217,232	114,738	-	-	-	143,054	1,764,312	-
-	-	-	-	-	-	-	-
621	-	-	-	-	1,423	5,216	-
-	-	-	-	-	-	-	-
<u>217,853</u>	<u>2,688,690</u>	<u>-</u>	<u>417,708</u>	<u>438,794</u>	<u>144,477</u>	<u>1,769,528</u>	<u>317,847</u>
-	-	-	-	-	-	-	-
-	-	-	275,777	31,856	-	-	-
166,237	-	-	-	-	161,243	1,418,313	-
-	-	-	-	-	-	-	-
-	2,441,445	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	25,063	-	-	1,170,000	-	-	1,165,000
-	1,579	-	-	39,500	-	-	34,950
<u>166,237</u>	<u>2,468,087</u>	<u>-</u>	<u>275,777</u>	<u>1,241,356</u>	<u>161,243</u>	<u>1,418,313</u>	<u>1,199,950</u>
<u>51,616</u>	<u>220,603</u>	<u>-</u>	<u>141,931</u>	<u>(802,562)</u>	<u>(16,766)</u>	<u>351,215</u>	<u>(882,103)</u>
-	-	-	-	885,000	-	-	995,000
-	84,719	-	-	-	-	-	-
-	-	-	-	150,000	-	-	170,000
-	(49,560)	-	(52,000)	(24,126)	-	-	(204,560)
<u>-</u>	<u>35,159</u>	<u>-</u>	<u>(52,000)</u>	<u>1,010,874</u>	<u>-</u>	<u>-</u>	<u>960,440</u>
51,616	255,762	-	89,931	208,312	(16,766)	351,215	78,337
<u>146,452</u>	<u>476,936</u>	<u>3,065</u>	<u>327,435</u>	<u>820,616</u>	<u>323,997</u>	<u>1,434,171</u>	<u>2,154,788</u>
<u>\$ 198,068</u>	<u>\$ 732,698</u>	<u>\$ 3,065</u>	<u>\$ 417,366</u>	<u>\$ 1,028,928</u>	<u>\$ 307,231</u>	<u>\$ 1,785,386</u>	<u>\$ 2,233,125</u>

City of North Olmsted, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds (continued)

For the Year Ended December 31, 2021

	Court Computerization	Solid Waste and Recycling	Community Diversion	Drug Enforcement	Endowment and Grant	Fair Capacity Housing	Local Fiscal Recovery
Revenues:							
Property and other							
local income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	-	2,767,212	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-	-
Charges for services and sales	5,747	-	1,900	-	-	-	-
Fines, licenses, and permits	-	-	-	19	-	-	-
Intergovernmental	-	12,233	18,682	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	45,646	-	-
Total revenues	<u>5,747</u>	<u>2,779,445</u>	<u>20,582</u>	<u>19</u>	<u>45,646</u>	<u>-</u>	<u>-</u>
Expenditures:							
Current:							
General government	7,665	-	-	-	-	-	-
Security of persons and property	-	-	-	-	2,308	-	-
Public health and welfare	-	-	23,121	-	26,088	-	-
Transportation	-	-	-	-	-	-	-
Basic utility services	-	2,573,383	-	-	-	-	-
Leisure time activities	-	-	-	-	-	-	-
Economic development	-	-	1,141	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total liabilities	<u>7,665</u>	<u>2,573,383</u>	<u>24,262</u>	<u>-</u>	<u>28,396</u>	<u>-</u>	<u>-</u>
(Deficiency) excess of revenues over expenditures	<u>(1,918)</u>	<u>206,062</u>	<u>(3,680)</u>	<u>19</u>	<u>17,250</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Issuance of bonds	-	-	-	-	-	-	-
Inception of capital lease	-	-	-	-	-	-	-
Transfers - in	-	-	-	-	-	-	-
Transfers - out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,918)	206,062	(3,680)	19	17,250	-	-
Fund balances, beginning of year	<u>9,917</u>	<u>1,726,377</u>	<u>11,312</u>	<u>17,335</u>	<u>216,952</u>	<u>104,176</u>	<u>-</u>
Fund balance, end of year	<u>\$ 7,999</u>	<u>\$ 1,932,439</u>	<u>\$ 7,632</u>	<u>\$ 17,354</u>	<u>\$ 234,202</u>	<u>\$ 104,176</u>	<u>\$ -</u>

	Fire Pension	Law Enforcement	STOP Program	Police Pension	Senior Center	Title III	Public Way Management	Deposits	Total
\$	227,764	\$ -	\$ -	\$ 227,764	\$ -	\$ -	\$ -	\$ -	\$ 1,784,314
	-	-	-	-	-	-	-	-	2,767,212
	-	-	-	-	-	-	-	-	317,847
	-	-	-	-	-	-	-	-	2,110,322
	-	38,874	223,402	-	2,430	-	-	107,564	374,361
	28,684	-	-	28,684	-	-	-	-	2,610,959
	-	-	-	-	-	-	-	-	40,989
	-	-	-	-	-	-	-	-	7,413
	-	-	-	-	5,168	-	-	-	69,690
	<u>256,448</u>	<u>38,874</u>	<u>223,402</u>	<u>256,448</u>	<u>7,598</u>	<u>-</u>	<u>-</u>	<u>107,564</u>	<u>10,083,107</u>
	-	-	-	-	-	-	-	99,194	129,079
	227,763	620	254,279	227,763	-	-	-	-	1,215,543
	-	-	-	-	-	-	-	-	49,209
	-	-	-	-	-	-	-	-	1,895,793
	-	-	-	-	-	-	-	-	2,573,383
	-	-	-	-	6,469	-	-	8,370	2,456,284
	-	-	-	-	-	-	-	-	21,372
	-	-	-	-	2,566	-	-	-	2,362,629
	-	-	-	-	-	-	-	-	76,029
	<u>227,763</u>	<u>620</u>	<u>254,279</u>	<u>227,763</u>	<u>9,035</u>	<u>-</u>	<u>-</u>	<u>107,564</u>	<u>10,779,321</u>
	<u>28,685</u>	<u>38,254</u>	<u>(30,877)</u>	<u>28,685</u>	<u>(1,437)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(696,214)</u>
	-	-	-	-	-	-	-	-	1,880,000
	-	-	-	-	-	-	-	-	84,719
	-	-	-	-	-	-	-	-	320,000
	-	-	-	-	-	-	-	-	(330,246)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,954,473</u>
	28,685	38,254	(30,877)	28,685	(1,437)	-	-	-	1,258,259
	<u>64,496</u>	<u>11,479</u>	<u>99,738</u>	<u>64,496</u>	<u>9,062</u>	<u>34,279</u>	<u>24,649</u>	<u>-</u>	<u>8,318,439</u>
\$	<u>93,181</u>	<u>\$ 49,733</u>	<u>\$ 68,861</u>	<u>\$ 93,181</u>	<u>\$ 7,625</u>	<u>\$ 34,279</u>	<u>\$ 24,649</u>	<u>\$ -</u>	<u>\$ 9,576,698</u>

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Debt Service Funds

December 31, 2021

	Library Bond Retirement	Fire Station Bond Retirement	Total
Assets:			
Equity in pooled cash and investments	\$ -	\$ 888,218	\$ 888,218
Taxes receivable - property and other	-	349,336	349,336
Intergovernmental receivable	-	19,123	19,123
Total assets	<u>\$ -</u>	<u>\$ 1,256,677</u>	<u>\$ 1,256,677</u>
Liabilities, deferred inflows of resources and fund balances:			
Deferred inflows of resources:			
Property taxes	\$ -	\$ 332,021	\$ 332,021
Unavailable revenues	-	36,438	36,438
Total deferred inflows of resources	<u>-</u>	<u>368,459</u>	<u>368,459</u>
Fund balances:			
Restricted	<u>-</u>	<u>888,218</u>	<u>888,218</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 1,256,677</u>	<u>\$ 1,256,677</u>

City of North Olmsted, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Debt Service Funds

For the Year Ended December 31, 2021

	Library Bond Retirement	Fire Station Bond Retirement	Total
Revenues:			
Property and other local taxes	\$ -	\$ 303,700	\$ 303,700
Intergovernmental	-	38,246	38,246
Total revenues	<u>-</u>	<u>341,946</u>	<u>341,946</u>
Expenditures:			
Debt service:			
Principal	-	250,000	250,000
Interest and fiscal charges	-	43,225	43,225
Total expenditures	<u>-</u>	<u>293,225</u>	<u>293,225</u>
Excess of revenues over expenditures	<u>-</u>	<u>48,721</u>	<u>48,721</u>
Other financing sources (uses):			
Transfers - in	-	115,987	115,987
Transfers - out	(115,987)	-	(115,987)
Total other financing (uses) source:	<u>(115,987)</u>	<u>115,987</u>	<u>-</u>
Net change in funds balances	(115,987)	164,708	48,721
Fund balances, beginning of year	<u>115,987</u>	<u>723,510</u>	<u>839,497</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 888,218</u>	<u>\$ 888,218</u>

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Capital Projects Funds

December 31, 2021

	Permanent Improvement	Capital Improvement	Building and Land Acquisition and Improvement	Total
Assets:				
Equity in pooled cash and cash equivalents	\$ 5,242,368	\$ 472,802	\$ 2,000	\$ 5,717,170
Income taxes receivable	723,496	-	-	723,496
Intergovernmental receivable	3,817	-	-	3,817
Total assets	<u>\$ 5,969,681</u>	<u>\$ 472,802</u>	<u>\$ 2,000</u>	<u>\$ 6,444,483</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts and contracts payable	\$ 6,654	\$ -	\$ -	\$ 6,654
Interfund payable	-	328,000	-	328,000
Total liabilities	<u>6,654</u>	<u>328,000</u>	<u>-</u>	<u>334,654</u>
Deferred inflows of resources:				
Property taxes	-	-	-	-
Unavailable revenues	222,480	-	-	222,480
Total deferred inflows of resources	<u>222,480</u>	<u>-</u>	<u>-</u>	<u>222,480</u>
Fund balances:				
Restricted	<u>5,740,547</u>	<u>144,802</u>	<u>2,000</u>	<u>5,887,349</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,969,681</u>	<u>\$ 472,802</u>	<u>\$ 2,000</u>	<u>\$ 6,444,483</u>

City of North Olmsted, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Capital Projects Funds

For the Year Ended December 31, 2021

	Permanent Improvement	Capital Improvement	Building and Land Acquisition and Improvement	Total
Revenues:				
Municipal income taxes	\$ 2,767,212	\$ -	\$ -	\$ 2,767,212
Intergovernmental	264,812	40,704	-	305,516
Total revenues	<u>3,032,024</u>	<u>40,704</u>	<u>-</u>	<u>3,072,728</u>
Expenditures:				
Current:				
Transportation	867,472	-	-	867,472
Capital outlay	-	4,809	-	4,809
Debt service:				
Principal	3,005,000	4,390,000	-	7,395,000
Interest and fiscal charges	73,740	-	-	73,740
Total expenditures	<u>3,946,212</u>	<u>4,394,809</u>	<u>-</u>	<u>8,341,021</u>
(Deficiency) of revenues over expenditures	<u>(914,188)</u>	<u>(4,354,105)</u>	<u>-</u>	<u>(5,268,293)</u>
Other financing sources (uses):				
Issuance of bonds	4,100,000	3,815,000	-	7,915,000
Transfers - in	360,000	675,300	-	1,035,300
Transfers - out	(1,304,459)	-	-	(1,304,459)
Total other financing sources (uses):	<u>3,155,541</u>	<u>4,490,300</u>	<u>-</u>	<u>7,645,841</u>
Net change in funds balances	2,241,353	136,195	-	2,377,548
Fund balances, beginning of year	<u>3,499,194</u>	<u>8,607</u>	<u>2,000</u>	<u>3,509,801</u>
Fund balances, end of year	<u>\$ 5,740,547</u>	<u>\$ 144,802</u>	<u>\$ 2,000</u>	<u>\$ 5,887,349</u>

City of North Olmsted, Ohio

Combining Statement of Fund Net Position Internal Service Funds

December 31, 2021

	<u>Hospitalization</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ <u>3,167,276</u>	\$ <u>1,066,943</u>	\$ <u>4,234,219</u>
Liabilities:			
Current liabilities:			
Accounts payable	-	455	455
Intergovernmental payable	-	10,855	10,855
Claims payable	<u>436,296</u>	<u>29,531</u>	<u>465,827</u>
Total current liabilities	<u>436,296</u>	<u>40,841</u>	<u>477,137</u>
Long-term liabilities:			
Claims payable	<u>-</u>	<u>9,844</u>	<u>9,844</u>
Total liabilities	<u>436,296</u>	<u>50,685</u>	<u>486,981</u>
Net position:			
Unrestricted	<u>\$ 2,730,980</u>	<u>\$ 1,016,258</u>	<u>\$ 3,747,238</u>

City of North Olmsted, Ohio

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Funds

For the Year Ended December 31, 2021

	<u>Hospitalization</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Charges for services and sales	\$ 3,543,236	\$ 3,550	\$ 3,546,786
Miscellaneous	14,575	-	14,575
Total operating revenues	<u>3,557,811</u>	<u>3,550</u>	<u>3,561,361</u>
Operating expenses:			
Contractual services	745,322	118,525	863,847
Claims	2,981,596	66,454	3,048,050
Total operating expenses	<u>3,726,918</u>	<u>184,979</u>	<u>3,911,897</u>
Change in net position	<u>(169,107)</u>	<u>(181,429)</u>	<u>(350,536)</u>
Net position, beginning of year	<u>2,900,087</u>	<u>1,197,687</u>	<u>4,097,774</u>
Net position, end of year	<u>\$ 2,730,980</u>	<u>\$ 1,016,258</u>	<u>\$ 3,747,238</u>

City of North Olmsted, Ohio

Combining Statements of Cash Flows Internal Service Funds

For the Year Ended December 31, 2021

	<u>Hospitalization</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Cash flow from operating activities:			
Receipts from customers and users	\$ 3,557,811	\$ 3,550	\$ 3,561,361
Cash paid for goods and services	(745,322)	(112,746)	(858,068)
Cash paid for claims	(3,013,185)	(75,585)	(3,088,770)
Net cash used by operating activities	<u>(200,696)</u>	<u>(184,781)</u>	<u>(385,477)</u>
Net decreased in cash and cash equivalents	(200,696)	(184,781)	(385,477)
Cash and cash equivalents, beginning of year	<u>3,367,972</u>	<u>1,251,724</u>	<u>4,619,696</u>
Cash and cash equivalents, end of year	<u>\$ 3,167,276</u>	<u>\$ 1,066,943</u>	<u>\$ 4,234,219</u>
Reconciliation of operating loss to net cash from operating activities:			
Operating loss	\$ (169,107)	\$ (181,429)	\$ (350,536)
Adjustments:			
Changes in assets/liabilities:			
Accounts and contracts payable	-	455	455
Intergovernmental payable	-	5,324	5,324
Claims payable	(31,589)	(9,131)	(40,720)
Net cash used by operating activities	<u>\$ (200,696)</u>	<u>\$ (184,781)</u>	<u>\$ (385,477)</u>

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

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – General Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income tax	\$ 9,758,000	\$ 11,236,620	\$ 12,221,324	\$ 984,704
Property and other taxes	6,177,000	6,177,000	6,312,689	135,689
Charges for services and sales	1,374,500	1,368,500	1,440,595	72,095
Licenses and permits	1,136,000	1,136,000	1,132,631	(3,369)
Fines and forfeitures	220,000	220,000	216,882	(3,118)
Intergovernmental revenue	1,607,877	1,717,989	1,931,030	213,041
Investment income	350,000	220,000	153,507	(66,493)
Miscellaneous	10,000	15,000	24,479	9,479
Total revenue	<u>20,633,377</u>	<u>22,091,109</u>	<u>23,433,137</u>	<u>1,342,028</u>
Expenditures:				
Current:				
General government:				
Council				
Salaries	167,816	169,866	168,642	1,224
Benefits	43,228	45,491	45,166	325
Materials and supplies	1,300	1,300	517	783
Contractual services	35,794	33,294	19,688	13,606
Capital outlay	4,000	4,000	766	3,234
Total council	<u>252,138</u>	<u>253,951</u>	<u>234,779</u>	<u>19,172</u>
Office of the mayor				
Salaries	165,914	162,814	162,805	9
Benefits	40,415	53,542	53,487	55
Materials and supplies	2,650	2,650	229	2,421
Contractual services	20,500	20,500	15,319	5,181
Total office of the mayor	<u>229,479</u>	<u>239,506</u>	<u>231,840</u>	<u>7,666</u>
Mayor's court				
Salaries	219,531	219,531	183,198	36,333
Benefits	55,047	61,495	55,673	5,822
Materials and supplies	10,500	10,500	8,435	2,065
Contractual services	13,255	14,994	9,531	5,463
Capital outlay	600	600	-	600
Total mayor's court	<u>298,933</u>	<u>307,120</u>	<u>256,837</u>	<u>50,283</u>
Department of finance				
Salaries	368,221	368,221	368,194	27
Benefits	149,493	152,112	148,432	3,680
Materials and supplies	10,969	10,969	6,936	4,033
Contractual services	752,985	782,985	762,037	20,948
Total department of finance	<u>1,281,668</u>	<u>1,314,287</u>	<u>1,285,599</u>	<u>28,688</u>

(Continued)

City of North Olmsted, 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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Law Department				
Salaries	205,171	205,171	205,168	3
Benefits	108,028	112,103	112,087	16
Materials and supplies	1,000	874	143	731
Contractual services	16,381	16,381	5,964	10,417
Capital outlay	500	500	-	500
Total law department	<u>331,080</u>	<u>335,029</u>	<u>323,362</u>	<u>11,667</u>
Department of human resources				
Salaries	309,982	309,189	306,376	2,813
Benefits	109,736	126,726	126,226	500
Materials and supplies	28,831	28,831	25,224	3,607
Contractual services	247,251	253,251	204,640	48,611
Total department of human resources	<u>695,800</u>	<u>717,997</u>	<u>662,466</u>	<u>55,531</u>
Civil service				
Materials and supplies	400	400	294	106
Contractual services	57,960	57,960	45,622	12,338
Total civil service	<u>58,360</u>	<u>58,360</u>	<u>45,916</u>	<u>12,444</u>
Division of information technology				
Salaries	158,279	158,279	158,278	1
Benefits	25,980	26,002	25,999	3
Materials and supplies	5,698	5,698	3,689	2,009
Contractual services	170,821	402,321	112,418	289,903
Capital outlay	167,743	32,243	14,342	17,901
Total division of information technology	<u>528,521</u>	<u>624,543</u>	<u>314,726</u>	<u>309,817</u>
Boards and commissions				
Materials and supplies	3,698	3,698	2,702	996
Contractual services	7,520	7,445	3,096	4,349
Total boards and commissions	<u>11,218</u>	<u>11,143</u>	<u>5,798</u>	<u>5,345</u>
Division of building				
Salaries	784,942	784,942	769,493	15,449
Benefits	323,709	338,323	332,344	5,979
Materials and supplies	14,500	17,500	15,127	2,373
Contractual services	131,565	128,565	95,160	33,405
Capital outlay	22,000	2,000	-	2,000
Total division of building	<u>1,276,716</u>	<u>1,271,330</u>	<u>1,212,124</u>	<u>59,206</u>

(Continued)

City of North Olmsted, 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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Division of engineering				
Salaries	127,238	136,938	133,665	3,273
Benefits	38,492	44,583	44,471	112
Materials and supplies	1,500	1,500	587	913
Contractual services	164,027	174,027	120,470	53,557
Total division of engineering	331,257	357,048	299,193	57,855
Total general government	5,295,170	5,490,314	4,872,640	617,674
Security of persons and property:				
Department of public safety				
Salaries	103,380	65,380	64,574	806
Benefits	38,745	39,910	34,453	5,457
Materials and supplies	5,281	5,281	2,781	2,500
Contractual services	18,681	18,681	12,116	6,565
Total department of public safety	166,087	129,252	113,924	15,328
Division of fire				
Salaries	3,907,923	3,907,923	3,692,543	215,380
Benefits	1,508,637	1,625,616	1,537,493	88,123
Materials and supplies	151,788	151,788	121,026	30,762
Contractual services	304,923	304,923	245,668	59,255
Capital outlay	25,604	25,604	21,490	4,114
Total division of fire	5,898,875	6,015,854	5,618,220	397,634
Division of police				
Salaries	4,462,671	4,533,921	4,322,914	211,007
Benefits	1,509,602	1,575,990	1,514,860	61,130
Materials and supplies	183,859	216,859	175,346	41,513
Contractual services	451,620	457,620	389,280	68,340
Capital outlay	1,867	1,867	1,867	-
Total division of police	6,609,619	6,786,257	6,404,267	381,990
Central dispatch				
Salaries	469,565	576,944	563,864	13,080
Benefits	181,307	221,260	212,051	9,209
Materials and supplies	2,500	2,500	188	2,312
Contractual services	9,500	53,000	34,758	18,242
Capital Outlay	-	24,490	1,490	23,000
Total central dispatch	662,872	878,194	812,351	65,843

(Continued)

City of North Olmsted, 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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Corrections				
Salaries	128,438	128,938	102,811	26,127
Benefits	45,697	49,814	42,783	7,031
Materials and supplies	2,200	2,200	454	1,746
Contractual services	79,600	89,600	58,083	31,517
Total corrections	255,935	270,552	204,131	66,421
Total security of persons and property	13,593,388	14,080,109	13,152,893	927,216
Public health and welfare:				
Division of youth and family services				
Salaries	108,487	108,487	103,401	5,086
Benefits	25,335	29,422	28,749	673
Materials and supplies	3,436	3,436	2,244	1,192
Contractual services	12,607	12,607	8,792	3,815
Capital outlay	5,000	5,000	2,277	2,723
Total division of youth and family services	154,865	158,952	145,463	13,489
Division of aging				
Salaries	194,827	169,827	168,785	1,042
Benefits	87,445	87,445	78,854	8,591
Materials and supplies	6,736	6,736	6,735	1
Contractual services	84,057	84,057	65,433	18,624
Total division of aging	373,065	348,065	319,807	28,258
Total public health and welfare	527,930	507,017	465,270	41,747
Transportation:				
Department of public service				
Salaries	97,866	49,866	49,060	806
Benefits	23,685	25,967	18,557	7,410
Materials and supplies	1,540	1,540	441	1,099
Contractual services	625,059	625,059	619,411	5,648
Capital outlay	2,800	2,800	309	2,491
Total department of public service	750,950	705,232	687,778	17,454
Division of public works				
Salaries	1,418,416	1,385,736	1,345,269	40,467
Benefits	551,173	591,029	586,194	4,835
Materials and supplies	163,046	174,619	101,807	72,812
Contractual services	463,401	449,601	360,828	88,773
Capital outlay	8,000	8,000	643	7,357
Total division of public works	2,604,036	2,608,985	2,394,741	214,244

(Continued)

City of North Olmsted, 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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Division of fleet				
Salaries	478,676	478,676	457,884	20,792
Benefits	184,589	197,654	191,790	5,864
Materials and supplies	478,028	478,028	252,043	225,985
Contractual services	25,678	25,678	20,454	5,224
Capital outlay	7,250	7,250	5,580	1,670
Total division of fleet	<u>1,174,221</u>	<u>1,187,286</u>	<u>927,751</u>	<u>259,535</u>
Total transportation	<u>4,529,207</u>	<u>4,501,503</u>	<u>4,010,270</u>	<u>491,233</u>
Basic utility services:				
Service department				
Contractual services	<u>35,197</u>	<u>48,997</u>	<u>37,940</u>	<u>11,057</u>
Economic development:				
Department of planning and development				
Salaries	155,657	155,657	155,156	501
Benefits	70,746	70,746	66,011	4,735
Materials and supplies	1,000	1,000	329	671
Contractual services	<u>189,148</u>	<u>204,223</u>	<u>199,459</u>	<u>4,764</u>
Total department of planning and development	<u>416,551</u>	<u>431,626</u>	<u>420,955</u>	<u>10,671</u>
Total expenditures	<u>24,397,443</u>	<u>25,059,566</u>	<u>22,959,968</u>	<u>2,099,598</u>
(Deficiency) excess of revenues over expenditures	(3,764,066)	(2,968,457)	473,169	3,441,626
Other financing uses (sources):				
Refunds	-	-	(45)	(45)
Proceeds from sale of assets	5,000	5,000	70,660	65,660
Advances - out	-	(248,000)	(248,000)	-
Transfers - out	<u>(710,100)</u>	<u>(710,100)</u>	<u>(676,100)</u>	<u>34,000</u>
Total other financing (uses) sources	<u>(705,100)</u>	<u>(953,100)</u>	<u>(853,485)</u>	<u>99,615</u>
Net change in fund balance	(4,469,166)	(3,921,557)	(380,316)	3,541,241
Prior year encumbrances appropriated	401,676	401,676	401,676	-
Fund balance, beginning of year	<u>5,374,294</u>	<u>5,374,294</u>	<u>5,374,294</u>	-
Fund balance, end of year	<u>\$ 1,306,804</u>	<u>\$ 1,854,413</u>	<u>\$ 5,395,654</u>	<u>\$ 3,541,241</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Separation Pay Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General government:				
Division of building				
Salaries	\$ -	\$ 3,782	\$ 3,782	\$ -
Benefits	-	55	55	-
Total general government	-	3,837	3,837	-
Security of persons and property:				
Division of fire				
Salaries	100,000	224,680	224,680	-
Benefits	-	13,255	2,997	10,258
Total division of fire	100,000	237,935	227,677	10,258
Division of police				
Salaries	500,000	449,736	316,044	133,692
Benefits	-	3,087	3,087	-
Total division of police	500,000	452,823	319,131	133,692
Central dispatch				
Salaries	-	32,586	32,586	-
Benefits	-	472	472	-
Total central dispatch	-	33,058	33,058	-
Total security of persons and property	600,000	723,816	579,866	143,950

(Continued)

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Separation Pay Fund (continued)

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public health and welfare:				
Division of aging				
Salaries	-	5,805	5,805	-
Benefits	-	84	84	-
Total public health and welfare	-	5,889	5,889	-
Leisure time activities:				
Recreation department				
Salaries	-	3,616	3,616	-
Benefits	-	52	52	-
Total leisure time activities	-	3,668	3,668	-
Golf course and ballroom:				
Salaries	-	5,827	5,827	-
Benefits	-	84	84	-
Total golf course and ballroom	-	5,911	5,911	-
Sewer				
Salaries	-	38,399	38,399	-
Benefits	-	554	554	-
Total sewer	-	38,953	38,953	-
Total expenditures	600,000	782,074	638,124	143,950
(Deficiency) excess of revenues over expenditures	(600,000)	(782,074)	(638,124)	143,950
Other financing sources:				
Transfers - in	600,000	600,000	600,000	-
Net change in fund balance	-	(182,074)	(38,124)	143,950
Fund balance, beginning of year	1,316,430	1,316,430	1,316,430	-
Fund balance, end of year	<u>\$ 1,316,430</u>	<u>\$ 1,134,356</u>	<u>\$ 1,278,306</u>	<u>\$ 143,950</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – 27th Pay Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Other financing sources:				
Transfers - in	\$ 76,000	\$ 76,000	\$ 76,000	\$ -
Net change in fund balance	76,000	76,000	76,000	-
Fund balance, beginning of year	380,000	380,000	380,000	-
Fund balance, end of year	<u>\$ 456,000</u>	<u>\$ 456,000</u>	<u>\$ 456,000</u>	<u>\$ -</u>

City of North Olmsted, 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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 1,262,765	\$ 1,262,765	\$ 1,290,733	\$ 27,968
Intergovernmental revenue	158,307	158,307	162,545	4,238
Investment income	7,000	7,000	754	(6,246)
Total revenue	<u>1,428,072</u>	<u>1,428,072</u>	<u>1,454,032</u>	<u>25,960</u>
Expenditures:				
Debt service:				
Contractual services	12,000	12,000	12,000	-
Principal	4,851,165	4,851,165	4,851,165	-
Interest and fiscal charges	1,680,154	1,908,701	1,908,701	-
Issuance cost	-	235,699	235,699	-
Total expenditures	<u>6,543,319</u>	<u>7,007,565</u>	<u>7,007,565</u>	<u>-</u>
(Deficiency) excess of revenues over expenditures	(5,115,247)	(5,579,493)	(5,553,533)	25,960
Other financing sources:				
Premium on bonds	-	601,427	601,427	-
Transfers - in	5,556,163	5,753,245	5,753,245	-
Total other financing sources	<u>5,556,163</u>	<u>6,354,672</u>	<u>6,354,672</u>	<u>-</u>
Net change in fund balance	440,916	775,179	801,139	25,960
Prior year encumbrances appropriated	12,000	12,000	12,000	-
Fund balance, beginning of year	<u>3,118,725</u>	<u>3,118,725</u>	<u>3,118,725</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,571,641</u>	<u>\$ 3,905,904</u>	<u>\$ 3,931,864</u>	<u>\$ 25,960</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Casualty Loss Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 20,000	\$ 20,000	\$ 1,007	\$ (18,993)
Expenditures:				
Current:				
General government:				
Department of human resources				
Contractual services	25,000	25,000	20,161	4,839
Division of building				
Contractual services	10,000	10,000	4,038	5,962
Division of engineering				
Contractual services	21,795	21,795	20,233	1,562
Total expenditures	<u>56,795</u>	<u>56,795</u>	<u>44,432</u>	<u>12,363</u>
Net change in fund balance	(36,795)	(36,795)	(43,425)	(6,630)
Prior year encumbrances appropriated	6,795	6,795	6,795	-
Fund balance, beginning of year	<u>41,272</u>	<u>41,272</u>	<u>41,272</u>	-
Fund balance, end of year	<u>\$ 11,272</u>	<u>\$ 11,272</u>	<u>\$ 4,642</u>	<u>\$ (6,630)</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – CDBG Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 102,000	\$ 252,000	\$ 94,005	\$ (157,995)
Expenditures:				
Current:				
Transportation				
Department of planning and development				
Capital outlay	-	150,000	150,000	-
Excess (deficiency) of revenues over expenditures	102,000	102,000	(55,995)	(157,995)
Other financing sources:				
Advances - in	-	150,000	150,000	-
Net change in fund balance	102,000	252,000	94,005	(157,995)
Fund balance (deficit), beginning of year	(87,419)	(87,419)	(87,419)	-
Fund balance, end of year	\$ 14,581	\$ 164,581	\$ 6,586	\$ (157,995)

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Alcohol Education Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 2,387	\$ 2,387
Net change in fund balance	-	-	2,387	2,387
Fund balance, beginning of year	33,277	33,277	33,277	-
Fund balance, end of year	\$ 33,277	\$ 33,277	\$ 35,664	\$ 2,387

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Economic Development Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 16,717	\$ 16,717	\$ 18,876	\$ 2,159
Expenditures:				
Current:				
Economic development:				
Council				
Contractual services	59,000	59,000	15,000	44,000
Department of planning and development				
Contractual services	5,231	5,231	5,231	-
Total expenditures	64,231	64,231	20,231	44,000
(Deficiency) excess of revenues over expenditures	(47,514)	(47,514)	(1,355)	46,159
Other financing sources:				
Transfers - in	34,000	34,000	-	(34,000)
Net change in fund balance	(13,514)	(13,514)	(1,355)	12,159
Prior year encumbrances appropriated	3,231	3,231	3,231	-
Fund balance, beginning of year	42,709	42,709	42,709	-
Fund balance, end of year	\$ 32,426	\$ 32,426	\$ 44,585	\$ 12,159

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – FEMA Grant Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund balance, beginning of year	\$ 18,500	\$ 18,500	\$ 18,500	\$ -
Fund balance, end of year	\$ 18,500	\$ 18,500	\$ 18,500	\$ -

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Federal Grants Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Fund balance, beginning of year	\$ 15,044	\$ 15,044	\$ 15,044	\$ -
Fund balance, end of year	\$ 15,044	\$ 15,044	\$ 15,044	\$ -

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Local Coronavirus Relief Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 153	\$ 153	\$ -
Expenditures:				
Current:				
General government:				
Materials and supplies	13,605	19,755	19,755	-
Contractual services	17,097	16,716	16,716	-
Capital outlay	172,574	166,958	166,958	-
Total expenditures	<u>203,276</u>	<u>203,429</u>	<u>203,429</u>	<u>-</u>
Net change in fund balance	(203,276)	(203,276)	(203,276)	-
Prior year encumbrances appropriated	186,280	186,280	186,280	-
Fund balance, beginning of year	<u>16,996</u>	<u>16,996</u>	<u>16,996</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Sidewalk Improvement Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ 15,000	\$ 15,000	\$ 40,989	\$ 25,989
Expenditures:				
Current:				
Transportation:				
Public service and properties				
Contractual Services	16,185	16,185	11,185	5,000
Net change in fund balance	(1,185)	(1,185)	29,804	30,989
Prior year encumbrances appropriated	11,185	11,185	11,185	-
Fund balance, beginning of year	158,546	158,546	158,546	-
Fund balance, end of year	\$ 168,546	\$ 168,546	\$ 199,535	\$ 30,989

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Motor Vehicle License Tax Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenue	\$ 219,000	\$ 219,000	\$ 234,996	\$ 15,996
Interest	900	900	621	(279)
Total revenue	<u>219,900</u>	<u>219,900</u>	<u>235,617</u>	<u>15,717</u>
Expenditures:				
Current:				
Transportation:				
Department of public service				
Materials and supplies	48,000	48,000	33,109	14,891
Contractual services	<u>175,515</u>	<u>175,515</u>	<u>124,914</u>	<u>50,601</u>
Total expenditures	<u>223,515</u>	<u>223,515</u>	<u>158,023</u>	<u>65,492</u>
Net change in fund balance	(3,615)	(3,615)	77,594	81,209
Prior year encumbrances appropriated	2,515	2,515	2,515	-
Fund balance, beginning of year	<u>91,066</u>	<u>91,066</u>	<u>91,066</u>	-
Fund balance, end of year	<u>\$ 89,966</u>	<u>\$ 89,966</u>	<u>\$ 171,175</u>	<u>\$ 81,209</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Recreation Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 890,168	\$ 890,168	\$ 911,078	\$ 20,910
Charges for services and sales	1,666,580	1,693,580	1,662,300	(31,280)
Intergovernmental revenue	111,597	111,597	114,738	3,141
Miscellaneous	-	-	572	572
Total revenue	<u>2,668,345</u>	<u>2,695,345</u>	<u>2,688,688</u>	<u>(6,657)</u>
Expenditures:				
Current:				
Leisure time activities:				
Recreation department				
Salaries	1,304,537	1,304,537	1,130,392	174,145
Benefits	385,828	385,828	361,856	23,972
Materials and supplies	179,759	176,734	133,181	43,553
Contractual services	932,058	974,299	830,761	143,538
Capital outlay	-	9,784	9,635	149
Total expenditures	<u>2,802,182</u>	<u>2,851,182</u>	<u>2,465,825</u>	<u>385,357</u>
(Deficiency) excess of revenues over expenditures	(133,837)	(155,837)	222,863	378,700
Other financing uses:				
Transfers - out	<u>(14,560)</u>	<u>(49,560)</u>	<u>(49,560)</u>	<u>-</u>
Net change in fund balance	(148,397)	(205,397)	173,303	378,700
Prior year encumbrances appropriated	95,917	95,917	95,917	-
Fund balance, beginning of year	<u>217,154</u>	<u>217,154</u>	<u>217,154</u>	<u>-</u>
Fund balance, end of year	<u>\$ 164,674</u>	<u>\$ 107,674</u>	<u>\$ 486,374</u>	<u>\$ 378,700</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Clague Park Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Leisure time activities:				
Recreation department				
Capital outlay	\$ 3,065	\$ 3,065	\$ 3,065	\$ -
Net change in fund balance	(3,065)	(3,065)	(3,065)	-
Fund balance, beginning of year	3,065	3,065	3,065	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Hotel/Motel Tax Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 275,000	\$ 275,000	\$ 415,185	\$ 140,185
Expenditures:				
Current:				
Security of persons and property:				
Fire department				
Materials and supplies	37,132	37,132	28,353	8,779
Contractual services	51,483	51,483	38,797	12,686
Capital outlay	113,598	113,598	79,010	34,588
Total fire department	202,213	202,213	146,160	56,053
Police Department				
Materials and supplies	27,478	27,478	26,701	777
Contractual services	12,000	13,000	12,900	100
Capital outlay	196,596	195,596	167,324	28,272
Total police department	236,074	236,074	206,925	29,149
Total expenditures	438,287	438,287	353,085	85,202
(Deficiency) excess of revenues over expenditures	(163,287)	(163,287)	62,100	225,387
Other financing uses:				
Transfers - out	(52,000)	(52,000)	(52,000)	-
Net change in fund balance	(215,287)	(215,287)	10,100	225,387
Prior year encumbrances appropriated	21,098	21,098	21,098	-
Fund balance, beginning of year	287,943	287,943	287,943	-
Fund balance, end of year	\$ 93,754	\$ 93,754	\$ 319,141	\$ 225,387

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Emergency Medical Service Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 382,000	\$ 382,000	\$ 438,794	\$ 56,794
Expenditures:				
Current:				
Security of persons and property:				
Fire department				
Contractual services	37,570	37,570	33,833	3,737
Capital outlay	441,500	441,500	355,607	85,893
Total security of persons and property	479,070	479,070	389,440	89,630
Debt service:				
Principal	1,170,000	1,170,000	1,170,000	-
Interest and fiscal charges	39,500	39,500	39,500	-
Issuance fee	10,000	10,000	-	10,000
Total debt service	1,219,500	1,219,500	1,209,500	10,000
Total expenditures	1,698,570	1,698,570	1,598,940	99,630
(Deficiency) excess of revenues over expenditures	(1,316,570)	(1,316,570)	(1,160,146)	156,424
Other financing sources (uses):				
Bond proceeds	1,035,000	885,000	885,000	-
Transfers - in	-	150,000	150,000	-
Transfers - out	-	(24,126)	(24,126)	-
Total other financing sources (uses)	1,035,000	1,010,874	1,010,874	-
Net change in fund balance	(281,570)	(305,696)	(149,272)	156,424
Prior year encumbrances appropriated	4,070	4,070	4,070	-
Fund balance, beginning of year	817,948	817,948	817,948	-
Fund balance, end of year	\$ 540,448	\$ 516,322	\$ 672,746	\$ 156,424

City of North Olmsted, 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, 2021

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenue	\$ 134,200	\$ 134,200	\$ 142,535	\$ 8,335
Interest	1,700	1,700	1,423	(277)
Total revenue	<u>135,900</u>	<u>135,900</u>	<u>143,958</u>	<u>8,058</u>
Expenditures:				
Current:				
Transportation:				
Service department				
Materials and supplies	193,000	193,000	113,747	79,253
Contractual services	131,054	131,054	127,517	3,537
Total expenditures	<u>324,054</u>	<u>324,054</u>	<u>241,264</u>	<u>82,790</u>
Net change in fund balance	(188,154)	(188,154)	(97,306)	90,848
Prior year encumbrances appropriated	1,054	1,054	1,054	-
Fund balance, beginning of year	<u>290,693</u>	<u>290,693</u>	<u>290,693</u>	-
Fund balance, end of year	<u>\$ 103,593</u>	<u>\$ 103,593</u>	<u>\$ 194,441</u>	<u>\$ 90,848</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Street Maintenance Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 1,682,000	\$ 1,682,000	\$ 1,757,935	\$ 75,935
Interest	87,403	87,403	5,216	(82,187)
Total revenue	<u>1,769,403</u>	<u>1,769,403</u>	<u>1,763,151</u>	<u>(6,252)</u>
Expenditures:				
Current:				
Transportation:				
Service department				
Salaries	359,295	359,295	314,158	45,137
Benefits	135,286	145,987	141,183	4,804
Materials and supplies	598,660	598,660	515,084	83,576
Contractual services	215,202	215,202	193,628	21,574
Capital outlay	<u>757,716</u>	<u>757,716</u>	<u>607,003</u>	<u>150,713</u>
Total expenditures	<u>2,066,159</u>	<u>2,076,860</u>	<u>1,771,056</u>	<u>305,804</u>
Net change in fund balance	(296,756)	(307,457)	(7,905)	299,552
Prior year encumbrances appropriated	85,262	85,262	85,262	-
Fund balance, beginning of year	<u>1,095,910</u>	<u>1,095,910</u>	<u>1,095,910</u>	<u>-</u>
Fund balance, end of year	<u>\$ 884,416</u>	<u>\$ 873,715</u>	<u>\$ 1,173,267</u>	<u>\$ 299,552</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Great Northern TIF Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property and other taxes	\$ 340,000	\$ 340,000	\$ 317,847	\$ (22,153)
Expenditures:				
Current:				
General government:				
Capital outlay	142,797	142,797	65,044	77,753
Debt service:				
Principal	1,165,000	1,165,000	1,165,000	-
Interest and fiscal charges	34,950	34,950	34,950	-
Issuance fee	10,000	10,000	-	10,000
Total debt service	1,209,950	1,209,950	1,199,950	10,000
Total expenditures	1,352,747	1,352,747	1,264,994	87,753
(Deficiency) excess of revenues over expenditures	(1,012,747)	(1,012,747)	(947,147)	65,600
Other financing sources (uses):				
Bond proceeds	1,165,000	995,000	995,000	-
Transfers - in	-	170,000	170,000	-
Transfers - out	(177,450)	(204,560)	(204,560)	-
Total other financing sources (uses)	987,550	960,440	960,440	-
Net change in fund balance	(25,197)	(52,307)	13,293	65,600
Prior year encumbrances appropriated	142,797	142,797	142,797	-
Fund balance, beginning of year	2,077,034	2,077,034	2,077,034	-
Fund balance, end of year	\$ 2,194,634	\$ 2,167,524	\$ 2,233,124	\$ 65,600

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Court Computerization Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 7,000	\$ 7,000	\$ 5,783	\$ (1,217)
Expenditures:				
Current:				
General government:				
Materials and supplies	300	300	215	85
Contractual services	9,700	9,700	7,960	1,740
Capital outlay	1,350	1,350	656	694
Total expenditures	<u>11,350</u>	<u>11,350</u>	<u>8,831</u>	<u>2,519</u>
Net change in fund balance	(4,350)	(4,350)	(3,048)	1,302
Prior year encumbrances appropriated	1,000	1,000	1,000	-
Fund balance, beginning of year	<u>8,479</u>	<u>8,479</u>	<u>8,479</u>	-
Fund balance, end of year	<u>\$ 5,129</u>	<u>\$ 5,129</u>	<u>\$ 6,431</u>	<u>\$ 1,302</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Solid Waste and Recycling Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income tax	\$ 2,091,000	\$ 2,407,847	\$ 2,618,855	\$ 211,008
Intergovernmental revenue	-	-	12,234	12,234
Total revenue	<u>2,091,000</u>	<u>2,407,847</u>	<u>2,631,089</u>	<u>223,242</u>
Expenditures:				
Current:				
Basic utility services:				
Service department				
Contractual services	<u>2,633,056</u>	<u>2,643,056</u>	<u>2,572,669</u>	<u>70,387</u>
Net change in fund balance	(542,056)	(235,209)	58,420	293,629
Prior year encumbrances appropriated	11,110	11,110	11,110	-
Fund balance, beginning of year	<u>1,541,876</u>	<u>1,541,876</u>	<u>1,541,876</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,010,930</u>	<u>\$ 1,317,777</u>	<u>\$ 1,611,406</u>	<u>\$ 293,629</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Community Diversion Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 14,000	\$ 14,000	\$ 5,582	\$ (8,418)
Intergovernmental revenue	12,000	12,000	15,000	3,000
Total revenue	<u>26,000</u>	<u>26,000</u>	<u>20,582</u>	<u>(5,418)</u>
Expenditures:				
Current:				
Public health and welfare:				
Division of youth services				
Salaries	23,088	23,088	20,051	3,037
Benefits	3,568	3,568	3,069	499
Materials and supplies	885	885	-	885
Contractual services	3,141	3,141	970	2,171
Total expenditures	<u>30,682</u>	<u>30,682</u>	<u>24,090</u>	<u>6,592</u>
Net change in fund balance	(4,682)	(4,682)	(3,508)	1,174
Prior year encumbrances appropriated	41	41	41	-
Fund balance, beginning of year	<u>12,161</u>	<u>12,161</u>	<u>12,161</u>	<u>-</u>
Fund balance, end of year	<u>\$ 7,520</u>	<u>\$ 7,520</u>	<u>\$ 8,694</u>	<u>\$ 1,174</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Drug Enforcement Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ -	\$ -	\$ 19	\$ 19
Net change in fund balance	-	-	19	19
Fund balance, beginning of year	17,335	17,335	17,335	-
Fund balance, end of year	\$ 17,335	\$ 17,335	\$ 17,354	\$ 19

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Endowment and Grant Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 28,000	\$ 28,000	\$ 45,634	\$ 17,634
Total revenue	<u>28,000</u>	<u>28,000</u>	<u>45,634</u>	<u>17,634</u>
Expenditures:				
Current:				
Security of persons and property:				
Police department				
Materials and supplies	18,500	18,500	2,308	16,192
Contractual services	3,000	3,000	-	3,000
Total security of persons and property	<u>21,500</u>	<u>21,500</u>	<u>2,308</u>	<u>19,192</u>
Public health and welfare:				
Division of youth and family services				
Materials and supplies	90,102	90,102	12,290	77,812
Contractual services	39,993	39,992	15,434	24,558
Total public health and welfare	<u>130,095</u>	<u>130,094</u>	<u>27,724</u>	<u>102,370</u>
Total expenditures	<u>151,595</u>	<u>151,594</u>	<u>30,032</u>	<u>121,562</u>
Net change in fund balance	(123,595)	(123,594)	15,602	139,196
Prior year encumbrances appropriated	1,098	1,098	1,098	-
Fund balance, beginning of year	<u>217,235</u>	<u>217,235</u>	<u>217,235</u>	<u>-</u>
Fund balance, end of year	<u>\$ 94,738</u>	<u>\$ 94,739</u>	<u>\$ 233,935</u>	<u>\$ 139,196</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Fair Capacity Housing Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Fund balance, beginning of year	\$ <u>104,176</u>	\$ <u>104,176</u>	\$ <u>104,176</u>	\$ <u>-</u>
Fund balance, end of year	\$ <u><u>104,176</u></u>	\$ <u><u>104,176</u></u>	\$ <u><u>104,176</u></u>	\$ <u><u>-</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Local Fiscal Recovery Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenue	\$ -	\$ -	\$ 1,641,501	\$ 1,641,501
Net change in fund balance	-	-	1,641,501	1,641,501
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 1,641,501	\$ 1,641,501

City of North Olmsted, 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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 222,542	\$ 222,542	\$ 227,764	\$ 5,222
Intergovernmental revenue	27,899	27,899	28,684	785
Total revenue	<u>250,441</u>	<u>250,441</u>	<u>256,448</u>	<u>6,007</u>
Expenditures:				
Current:				
Security of persons and property:				
Fire department				
Benefits	<u>254,600</u>	<u>254,600</u>	<u>227,764</u>	<u>26,836</u>
Net change in fund balance	(4,159)	(4,159)	28,684	32,843
Fund balance, beginning of year	<u>64,496</u>	<u>64,496</u>	<u>64,496</u>	<u>-</u>
Fund balance, end of year	<u>\$ 60,337</u>	<u>\$ 60,337</u>	<u>\$ 93,180</u>	<u>\$ 32,843</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Law Enforcement Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 38,874	\$ 38,874
Expenditures:				
Current:				
Security of persons and property:				
Police department				
Contractual services	2,500	2,500	620	1,880
Net change in fund balance	(2,500)	(2,500)	38,254	40,754
Fund balance, beginning of year	11,479	11,479	11,479	-
Fund balance, end of year	\$ 8,979	\$ 8,979	\$ 49,733	\$ 40,754

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – STOP Program Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 255,000	\$ 255,000	\$ 224,538	\$ (30,462)
Expenditures:				
Current:				
Security of persons and property:				
Law department				
Salaries	33,568	33,568	33,568	-
Benefits	18,447	19,163	19,163	-
Total law department	<u>52,015</u>	<u>52,731</u>	<u>52,731</u>	<u>-</u>
Police department				
Salaries	175,000	175,000	134,831	40,169
Benefits	53,365	55,635	45,827	9,808
Materials and supplies	23,500	23,500	7,181	16,319
Contractual services	19,000	19,000	11,536	7,464
Total police department	<u>270,865</u>	<u>273,135</u>	<u>199,375</u>	<u>73,760</u>
Total expenditures	<u>322,880</u>	<u>325,866</u>	<u>252,106</u>	<u>73,760</u>
Net change in fund balance	(67,880)	(70,866)	(27,568)	43,298
Fund balance, beginning of year	<u>86,260</u>	<u>86,260</u>	<u>86,260</u>	<u>-</u>
Fund balance, end of year	<u>\$ 18,380</u>	<u>\$ 15,394</u>	<u>\$ 58,692</u>	<u>\$ 43,298</u>

City of North Olmsted, 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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 222,542	\$ 222,542	\$ 227,764	\$ 5,222
Intergovernmental revenue	27,899	27,899	28,684	785
Total revenue	<u>250,441</u>	<u>250,441</u>	<u>256,448</u>	<u>6,007</u>
Expenditures:				
Current:				
Security of persons and property:				
Police department				
Benefits	<u>254,600</u>	<u>254,600</u>	<u>227,764</u>	<u>26,836</u>
Net change in fund balance	(4,159)	(4,159)	28,684	32,843
Fund balance, beginning of year	<u>64,496</u>	<u>64,496</u>	<u>64,496</u>	<u>-</u>
Fund balance, end of year	<u>\$ 60,337</u>	<u>\$ 60,337</u>	<u>\$ 93,180</u>	<u>\$ 32,843</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Senior Center Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 400	\$ 400	\$ -	\$ (400)
Fines and forfeitures	2,000	2,000	2,430	430
Donations	6,050	6,050	5,167	(883)
Total revenue	<u>8,450</u>	<u>8,450</u>	<u>7,597</u>	<u>(853)</u>
Expenditures:				
Current:				
Leisure time activities:				
Department of community life services				
Materials and supplies	<u>13,068</u>	<u>13,068</u>	<u>9,696</u>	<u>3,372</u>
Net change in fund balance	(4,618)	(4,618)	(2,099)	2,519
Prior year encumbrances appropriated	1,168	1,168	1,168	-
Fund balance, beginning of year	<u>8,107</u>	<u>8,107</u>	<u>8,107</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,657</u>	<u>\$ 4,657</u>	<u>\$ 7,176</u>	<u>\$ 2,519</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Title III Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 1,500	\$ 1,500	\$ -	\$ (1,500)
Net change in fund balance	1,500	1,500	-	(1,500)
Fund balance, beginning of year	34,278	34,278	34,278	-
Fund balance, end of year	\$ 35,778	\$ 35,778	\$ 34,278	\$ (1,500)

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Public Way Management Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund balance, beginning of year	\$ 24,649	\$ 24,649	\$ 24,649	\$ -
Fund balance, end of year	\$ 24,649	\$ 24,649	\$ 24,649	\$ -

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Deposits Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 160,000	\$ 160,000	\$ 107,564	\$ (52,436)
Expenditures:				
Current:				
General government:				
Contractual services	201,800	343,550	249,312	94,238
Net change in fund balance	(41,800)	(183,550)	(141,748)	41,802
Prior year encumbrances appropriated	1,800	1,800	1,800	-
Fund balance, beginning of year	777,980	777,980	777,980	-
Fund balance, end of year	\$ 737,980	\$ 596,230	\$ 638,032	\$ 41,802

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Library Bond Retirement Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing uses:				
Transfers - out	\$ -	\$ (115,988)	\$ (115,988)	\$ -
Net change in fund balance	-	(115,988)	(115,988)	-
Fund balance, beginning of year	115,988	115,988	115,988	-
Fund balance, end of year	<u>\$ 115,988</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Fire Station Bond Retirement Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 297,121	\$ 297,121	\$ 303,699	\$ 6,578
Intergovernmental revenue	37,249	37,249	38,246	997
Total revenue	<u>334,370</u>	<u>334,370</u>	<u>341,945</u>	<u>7,575</u>
Expenditures:				
Debt service:				
Principal	250,000	250,000	250,000	-
Interest and fiscal charges	43,225	43,225	43,225	-
Total expenditures	<u>293,225</u>	<u>293,225</u>	<u>293,225</u>	<u>-</u>
Excess of revenues over expenditures	41,145	41,145	48,720	7,575
Other financing sources:				
Transfers - in	-	115,988	115,988	-
Net change in fund balance	41,145	157,133	164,708	7,575
Fund balance, beginning of year	<u>723,510</u>	<u>723,510</u>	<u>723,510</u>	<u>-</u>
Fund balance, end of year	<u>\$ 764,655</u>	<u>\$ 880,643</u>	<u>\$ 888,218</u>	<u>\$ 7,575</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Permanent Improvements Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income tax	\$ 2,091,000	\$ 2,407,847	\$ 2,618,855	\$ 211,008
Intergovernmental revenue	-	-	264,812	264,812
Total revenue	<u>2,091,000</u>	<u>2,407,847</u>	<u>2,883,667</u>	<u>475,820</u>
Expenditures:				
Current:				
Transportation:				
Service				
Contractual services	42,500	52,500	48,231	4,269
Capital outlay	2,468,083	2,468,083	1,288,514	1,179,569
Total service	<u>2,510,583</u>	<u>2,520,583</u>	<u>1,336,745</u>	<u>1,183,838</u>
Engineering				
Capital outlay	35,652	35,652	14,193	21,459
Total transportation	<u>2,546,235</u>	<u>2,556,235</u>	<u>1,350,938</u>	<u>1,205,297</u>
Debt service:				
Principal	3,005,000	3,005,000	3,005,000	-
Interest and fiscal charges	73,740	73,740	73,740	-
Issuance costs	20,000	20,000	-	20,000
Total debt service	<u>3,098,740</u>	<u>3,098,740</u>	<u>3,078,740</u>	<u>20,000</u>
Total expenditures	<u>5,644,975</u>	<u>5,654,975</u>	<u>4,429,678</u>	<u>1,225,297</u>
(Deficiency) excess of revenues over expenditures	(3,553,975)	(3,247,128)	(1,546,011)	1,701,117
Other financing sources (uses):				
Bond proceeds	4,460,000	4,100,000	4,100,000	-
Transfers - in	-	360,000	360,000	-
Transfers - out	(1,192,781)	(1,304,459)	(1,304,459)	-
Total other financing sources (uses)	<u>3,267,219</u>	<u>3,155,541</u>	<u>3,155,541</u>	<u>-</u>
Net change in fund balance	(286,756)	(91,587)	1,609,530	1,701,117
Prior year encumbrances appropriated	333,140	333,140	333,140	-
Fund balance, beginning of year	<u>2,811,790</u>	<u>2,811,790</u>	<u>2,811,790</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,858,174</u>	<u>\$ 3,053,343</u>	<u>\$ 4,754,460</u>	<u>\$ 1,701,117</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Capital Improvement Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenue	\$ 150,000	\$ 150,000	\$ 40,704	\$ (109,296)
Expenditures:				
Current:				
General government:				
Division of finance				
Capital outlay	44,293	35,996	34,490	1,506
Division of information technology				
Capital outlay	82,674	90,971	90,970	1
Division of information planning				
Capital outlay	6,000	10,597	10,300	297
Division of public service and properties				
Capital outlay	64,694	64,694	64,694	-
Total general government	197,661	202,258	200,454	1,804
Security of persons and property:				
Division of police				
Capital outlay	134,700	134,700	134,700	-
Leisure time activities:				
Recreation department				
Capital outlay	513,520	553,786	540,180	13,606

(Continued)

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Capital Improvement Fund (continued)

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt service:				
Principal	4,390,000	4,390,000	4,390,000	-
Issuance cost	10,000	-	-	-
Total debt service	<u>4,400,000</u>	<u>4,390,000</u>	<u>4,390,000</u>	<u>-</u>
Total expenditures	<u>5,245,881</u>	<u>5,280,744</u>	<u>5,265,334</u>	<u>15,410</u>
Deficiency of revenues over expenditures	(5,095,881)	(5,130,744)	(5,224,630)	(93,886)
Other financing sources:				
Bond proceeds	4,390,000	3,815,000	3,815,000	-
Advances - in	-	98,000	98,000	-
Transfers - in	65,300	680,300	675,300	(5,000)
Total other financing sources	<u>4,455,300</u>	<u>4,593,300</u>	<u>4,588,300</u>	<u>(5,000)</u>
Net change in fund balance	(640,581)	(537,444)	(636,330)	(98,886)
Prior year encumbrances appropriated	546,378	546,378	546,378	-
Fund balance, beginning of year	<u>94,353</u>	<u>94,353</u>	<u>94,353</u>	<u>-</u>
Fund balance, end of year	<u>\$ 150</u>	<u>\$ 103,287</u>	<u>\$ 4,401</u>	<u>\$ (98,886)</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Building and Land Acquisition and Improvement Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Fund balance, beginning of year	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Fund balance, end of year	\$ 2,000	\$ 2,000	\$ 2,000	\$ -

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Equity Budget (Non-GAAP Basis) and Actual – Springvale Golf Course and Ballroom Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 1,710,300	\$ 1,687,700	\$ 1,749,960	\$ 62,260
Expenditures:				
Golf course and ballroom:				
Salaries	536,284	536,084	467,344	68,740
Benefits	107,915	109,113	84,261	24,852
Materials and supplies	398,493	403,893	353,551	50,342
Contractual services	336,577	331,177	279,138	52,039
Capital outlay	43,215	41,617	16,048	25,569
Total golf course and ballroom	1,422,484	1,421,884	1,200,342	221,542
Debt Service:				
Principal	1,480,000	1,480,000	1,480,000	-
Issuance costs	15,000	15,000	-	15,000
Total debt service	1,495,000	1,495,000	1,480,000	15,000
Total expenditures	2,917,484	2,916,884	2,680,342	236,542
(Deficiency) excess of revenues over expenditures	(1,207,184)	(1,229,184)	(930,382)	298,802
Other financing sources (uses):				
Bond proceeds	1,480,000	1,280,000	1,280,000	-
Premium on bonds	-	200,000	200,000	-
Transfers - out	(380,580)	(414,749)	(414,749)	-
Total other financing sources (uses)	1,099,420	1,065,251	1,065,251	-
Net change in fund equity	(107,764)	(163,933)	134,869	298,802
Prior year encumbrances appropriated	21,285	21,285	21,285	-
Fund equity, beginning of year	313,263	313,263	313,263	-
Fund equity, end of year	\$ 226,784	\$ 170,615	\$ 469,417	\$ 298,802

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Equity Budget (Non-GAAP Basis) and Actual – Sewer Revenue Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 10,151,108	\$ 10,147,108	\$ 10,205,770	\$ 58,662
Expenditures:				
Sewer:				
Salaries	1,899,562	1,898,362	1,798,520	99,842
Benefits	737,948	792,381	745,223	47,158
Materials and supplies	838,254	838,254	617,699	220,555
Contractual services	2,547,274	2,547,274	1,949,172	598,102
Capital outlay	1,333,066	1,627,485	1,495,801	131,684
Total expenditures	7,356,104	7,703,756	6,606,415	1,097,341
Excess of revenues over expenditures	2,795,004	2,443,352	3,599,355	1,156,003
Other financing sources (uses):				
Proceeds from sale of assets	-	-	1,868	1,868
Transfers - out	(3,803,992)	(3,803,992)	(3,803,992)	-
Total other financing sources (uses)	(3,803,992)	(3,803,992)	(3,802,124)	1,868
Net change in fund equity	(1,008,988)	(1,360,640)	(202,769)	1,157,871
Prior year encumbrances appropriated	779,563	779,563	779,563	-
Fund equity, beginning of year	13,982,771	13,982,771	13,982,771	-
Fund equity, end of year	\$ 13,753,346	\$ 13,401,694	\$ 14,559,565	\$ 1,157,871

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Equity Budget (Non-GAAP Basis) and Actual – Hospitalization Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Charges for services and sales	\$ 4,266,231	\$ 4,266,231	\$ 3,557,812	\$ (708,419)
Expenditures:				
Contractual services	4,719,418	4,719,418	3,758,508	960,910
Net change in fund equity	(453,187)	(453,187)	(200,696)	252,491
Prior year encumbrances appropriated	681	681	681	-
Fund equity, beginning of year	3,367,290	3,367,290	3,367,290	-
Fund equity, end of year	\$ 2,914,784	\$ 2,914,784	\$ 3,167,275	\$ 252,491

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Equity Budget (Non-GAAP Basis) and Actual – Workers' Compensation Self-Insurance Fund

For the Year Ended December 31, 2021

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Charges for services and sales	\$ -	\$ -	\$ 3,550	\$ 3,550
Expenditures:				
Contractual services	359,028	359,028	192,828	166,200
Net change in fund equity	(359,028)	(359,028)	(189,278)	169,750
Prior year encumbrances appropriated	2,028	2,028	2,028	-
Fund equity, beginning of year	1,249,696	1,249,696	1,249,696	-
Fund equity, end of year	\$ 892,696	\$ 892,696	\$ 1,062,446	\$ 169,750

City of North Olmsted, Ohio

Fund Description

For the Year Ended December 31, 2021

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City has two custodial funds.

Custodial Funds

Mayor's Court Fund – Accounts for the receipt and disbursement of fines collected through the Mayor's Court established by the Ohio Revised Code and City ordinance.

Mayor's Court Bond Fund – Accounts for the receipt and disbursement of bonds collected the Mayor's Court.

City of North Olmsted, Ohio

Combining Statement of Fiduciary Net Position Fiduciary Funds

December 31, 2021

	<u>Mayor's Court</u>	<u>Mayor's Court Bond</u>	<u>Total Custodial Funds</u>
Assets:			
Equity in pooled cash and investments	\$ <u>100,071</u>	\$ <u>2,815</u>	\$ <u>102,886</u>
Liabilities:			
Deposits held and due to others	<u>100,071</u>	<u>2,815</u>	<u>102,886</u>
Total current liabilities	<u>100,071</u>	<u>2,815</u>	<u>102,886</u>
Net position:			
Restricted for others	<u>-</u>	<u>-</u>	<u>-</u>
Total net position	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

City of North Olmsted, Ohio

Combining Statement of Change in Fiduciary Net Position Fiduciary Funds

For the Year Ended December 31, 2021

	<u>Mayor's Court</u>	<u>Mayor's Court Bond</u>	<u>Total Custodial Funds</u>
Additions:			
Court deposits	\$ 978,195	\$ 6,020	\$ 984,215
Deductions:			
Court disbursements	<u>978,195</u>	<u>7,195</u>	<u>985,390</u>
Change in net position	-	(1,175)	(1,175)
Net position, beginning of year	<u>-</u>	<u>1,175</u>	<u>1,175</u>
Net position, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of North Olmsted, Ohio

Statistical Section

This part of the City’s annual comprehensive 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-S9
Revenue Capacity These schedules contain information to help the reader assess the City’s most significant local revenue sources, the property tax and municipal income tax.	S10-S14
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.	S15-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-S21
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.	S22-S29

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

City of North Olmsted, Ohio

Net Position by Component Accrual Basis of Accounting

Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities:										
Net investment in capital assets	\$ 35,306,616	\$ 34,655,527	\$ 31,226,859	\$ 28,803,658	\$ 28,401,591	\$ 28,628,989	\$ 27,813,444	\$ 29,341,888	\$ 31,940,364	\$ 35,550,385
Restricted for:										
Debt service	10,113,717	10,654,661	10,643,195	9,929,253	9,360,400	8,442,223	7,889,330	7,384,896	6,851,903	6,094,752
Capital projects	5,116,483	3,607,650	4,701,550	5,084,730	4,699,150	4,977,260	4,693,516	1,138,817	762,911	623,236
Community development	-	-	-	-	-	-	-	73,955	60,633	42,307
Highways and streets	5,402,916	4,574,340	4,231,232	3,395,990	2,829,310	2,455,507	2,081,713	4,723,437	4,353,921	3,328,866
Public safety	1,388,378	1,064,799	750,142	493,398	562,154	148,194	182,360	509,197	736,249	825,663
Recreation	674,867	421,169	-	-	-	-	4,588	86,380	22,472	215,836
Solid waste and recycling	2,154,919	2,034,428	2,263,332	2,036,908	1,861,445	1,603,317	1,313,809	1,136,124	965,775	577,462
Federal and other grants	406,201	388,951	417,029	427,285	575,606	432,021	454,162	535,346	524,945	530,871
Unrestricted	(22,054,484)	(28,687,390)	(26,274,122)	(38,091,498)	(34,963,857)	(13,255,530)	(11,683,065)	(12,213,118)	7,178,951	6,779,505
Total net position – governmental activities	38,509,613	28,714,135	27,959,217	12,079,724	13,325,799	33,431,981	32,749,857	32,716,922	53,398,124	54,568,883
Business-type activities:										
Net investment in capital assets	19,062,204	17,954,236	17,036,222	15,530,540	14,882,798	14,329,123	14,995,099	14,085,646	15,645,038	13,838,058
Unrestricted (deficit)	5,737,635	3,592,123	3,717,927	4,401,047	3,538,916	3,717,562	4,450,639	3,409,913	917,874	1,573,485
Total net position – business-type activities	24,799,839	21,546,359	20,754,149	19,931,587	18,421,714	18,046,685	19,445,738	17,495,559	16,562,912	15,411,543
Primary government:										
Net investment in capital assets	54,368,820	52,609,763	48,263,081	44,334,198	43,284,389	42,958,112	42,808,543	43,427,534	47,585,402	49,388,443
Restricted	25,257,481	22,745,998	23,006,480	21,367,564	19,888,065	18,058,522	16,619,478	15,588,152	14,478,809	12,238,993
Unrestricted	(16,316,849)	(25,095,267)	(22,556,195)	(33,690,451)	(31,424,941)	(9,537,968)	(7,232,426)	(8,803,205)	8,096,825	8,352,990
Total net position – primary government	\$ 63,309,452	\$ 50,260,494	\$ 48,713,366	\$ 32,011,311	\$ 31,747,513	\$ 51,478,666	\$ 52,195,595	\$ 50,212,481	\$ 70,161,036	\$ 69,980,426

- (a) Net position in 2014 was restated for the implementation of GASB Statement No. 68.
- (b) Net position in 2017 was restated for the implementation of GASB Statement No. 75.
- (c) Net positions in 2019 was restated for implementation of GASB Statement No. 83 and Statement No. 84.

Source: City financial records

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting

Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities:										
Charges for services and sales:										
General government	\$ 2,190,495	\$ 2,282,518	\$ 2,630,330	\$ 2,599,478	\$ 2,361,850	\$ 2,816,339	\$ 2,298,332	\$ 2,030,517	\$ 2,109,396	\$ 1,528,928
Security of persons and property	1,324,647	1,240,872	1,485,528	1,777,970	1,446,643	1,511,930	1,436,003	1,341,069	1,253,737	1,287,158
Public health and welfare	1,900	3,105	10,202	8,494	7,923	9,016	8,926	7,446	10,698	17,015
Transportation	162,973	118,894	161,126	211,072	159,121	120,094	210,341	241,171	235,112	283,571
Leisure time activities	1,678,334	802,285	1,883,979	1,927,823	1,973,255	1,971,094	1,838,790	1,570,024	1,523,574	1,413,519
Economic development	18,876	17,425	13,214	19,028	11,177	12,524	17,618	18,608	25,663	19,421
Total charges for services and sales	5,377,225	4,465,099	6,184,379	6,543,865	5,959,969	6,440,997	5,810,010	5,208,835	5,158,180	4,549,612
Operating grants and contributions:										
General government	4,500	3,091	779	3,560	10	1,555	30,939	55,726	37,500	41,442
Security of persons and property	222,307	205,968	206,289	300,643	149,160	160,833	411,329	129,368	342,433	415,442
Public health and welfare	62,328	76,709	72,204	53,055	73,571	61,731	61,366	60,909	64,031	63,112
Transportation	2,077,085	2,035,567	2,114,982	1,586,738	1,624,759	1,542,246	1,526,293	1,545,273	1,632,366	1,510,295
Basic utility services	4,600	2,900	5,000	5,000	5,000	5,500	5,000	5,000	12,441	-
Leisure time activities	-	-	20	-	-	-	1,940	55	12,185	9,500
Economic development	-	-	67,377	1,650	-	-	-	-	-	-
Total operating grants and contributions	2,370,820	2,324,235	2,466,651	1,950,646	1,852,500	1,771,865	2,036,867	1,796,331	2,100,956	2,039,791
Capital grants and contributions:										
General government	40,704	232,858	200,000	-	32,765	-	34,654	-	32,877	67,419
Security of persons and property	-	8,182	747	5,397	3,808	3,518	7,793	-	-	-
Public health and welfare	94,005	-	-	149,670	-	-	-	-	115,000	-
Transportation	257,179	-	250,000	-	-	-	-	-	270,295	299,061
Total capital grants and contributions	391,888	241,040	450,747	155,067	36,573	3,518	42,447	-	418,172	366,480
Total governmental activities program revenues	8,139,933	7,030,374	9,101,777	8,649,578	7,849,042	8,216,380	7,889,324	7,005,166	7,677,308	6,955,883

(Continued)

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting (Continued)

Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Business-type activities:										
Charges for services and sales:										
Springvale Golf Course and Ballroom	1,752,958	1,212,293	1,710,443	1,666,414	1,704,829	1,739,923	1,694,648	1,655,305	1,524,267	1,476,024
Sewer	10,042,747	10,417,017	10,448,403	10,364,252	11,059,171	10,039,509	9,181,973	8,738,033	7,770,214	7,327,028
Total charges for services and sales	11,795,705	11,629,310	12,158,846	12,030,666	12,764,000	11,779,432	10,876,621	10,393,338	9,294,481	8,803,052
Capital grants and contributions:										
Sewer	79,471	61,937	64,970	105,103	63,424	-	-	-	31,676	62,299
Total business-type activities program revenues	11,875,176	11,691,247	12,223,816	12,135,769	12,827,424	11,779,432	10,876,621	10,393,338	9,326,157	8,865,351
Total primary government program revenues	20,015,109	18,721,621	21,325,593	20,785,347	20,676,466	19,995,812	18,765,945	17,398,504	17,003,465	15,821,234
Expenses:										
Governmental activities:										
General government	3,220,199	6,838,897	6,179,418	5,375,605	5,512,075	5,299,633	4,516,867	4,200,635	4,612,689	4,096,769
Security of persons and property	15,058,401	16,496,198	2,958,665	17,388,852	15,348,078	15,959,086	14,205,425	12,948,527	12,974,261	12,847,883
Public health and welfare	137,349	605,662	664,427	686,988	692,738	631,709	551,565	529,304	504,219	527,602
Transportation	4,858,200	6,664,108	7,761,803	8,093,205	8,240,799	7,352,641	8,416,485	9,608,806	10,161,662	10,314,338
Basic utility services	2,573,383	2,513,654	2,271,866	2,142,175	2,192,149	2,063,026	1,929,636	1,920,086	1,700,564	2,100,931
Leisure time activities	1,817,301	2,108,986	3,481,815	3,083,618	3,171,864	3,191,927	3,136,618	2,850,349	2,583,952	2,472,946
Economic development	395,305	504,106	517,720	494,603	376,806	271,870	275,635	328,696	339,198	476,253
Interest and fiscal charges	627,048	560,489	540,558	514,478	669,103	668,492	1,049,394	941,826	1,371,593	1,197,352
Total governmental activities expenses	28,687,186	36,292,100	24,376,272	37,779,524	36,203,612	35,438,384	34,081,625	33,328,229	34,248,138	34,034,074

(Continued)

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting (Continued)

Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Business-type activities:										
Springvale Golf Course and Ballroom	1,361,509	1,599,374	1,800,252	1,823,985	2,019,106	1,665,971	1,557,162	1,547,407	1,598,902	1,561,234
Sewer	7,209,547	9,238,957	9,580,212	8,749,271	8,857,451	8,005,368	7,408,132	6,311,785	6,562,518	5,959,665
Total business-type activities expenses	8,571,056	10,838,331	11,380,464	10,573,256	10,876,557	9,671,339	8,965,294	7,859,192	8,161,420	7,520,899
Total primary government expenses	37,258,242	47,130,431	35,756,736	48,352,780	47,080,169	45,109,723	43,046,919	41,187,421	42,409,558	41,554,973
Net (expense) revenue:										
Governmental activities	(20,547,253)	(29,261,726)	(15,274,495)	(29,129,946)	(28,354,570)	(27,222,004)	(26,192,301)	(26,323,063)	(26,570,830)	(27,078,191)
Business-type activities	3,304,120	852,916	843,352	1,562,513	1,950,867	2,108,093	1,911,327	2,534,146	1,164,737	1,344,452
Total primary government net expense	(17,243,133)	(28,408,810)	(14,431,143)	(27,567,433)	(26,403,703)	(25,113,911)	(24,280,974)	(23,788,917)	(25,406,093)	(25,733,739)
General revenues and other changes in net position:										
Governmental activities:										
Property taxes and other local taxes	9,721,089	9,603,241	10,873,713	9,781,544	9,813,776	9,622,781	9,558,074	9,183,826	9,525,254	9,743,908
Municipal income taxes	17,879,082	15,162,859	16,544,287	15,357,622	16,311,456	15,531,341	14,039,569	13,926,264	13,815,005	13,286,957
Grants and entitlements	2,637,699	4,530,927	2,679,464	2,006,231	2,363,717	2,569,538	2,554,370	2,201,218	2,147,473	2,919,512
Investment (loss) earnings	(26,015)	578,682	957,900	629,054	194,422	64,238	36,912	39,775	61,556	40,217
Gain on sale of capital assets	25,978	-	-	-	-	-	-	-	-	9,086
Other	54,258	80,229	122,834	56,780	61,591	63,590	75,163	63,894	37,415	34,503
Transfers	50,640	60,706	20,790	52,640	52,640	52,640	(38,852)	40,223	13,368	211,272
Total governmental activities general revenues and other changes in net position	30,342,731	30,016,644	31,198,988	27,883,871	28,797,602	27,904,128	26,225,236	25,455,200	25,600,071	26,245,455

(Continued)

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting (Continued)

Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Business-type activities:										
Transfers	(50,640)	(60,706)	(20,790)	(52,640)	(52,640)	(52,640)	-	(40,223)	(13,368)	(211,272)
Special item - loss on sale of capital assets	-	-	-	-	-	(3,454,506)	38,852	-	-	-
Total business-type activities										
general revenues and other changes in net position	(50,640)	(60,706)	(20,790)	(52,640)	(52,640)	(3,507,146)	38,852	(40,223)	(13,368)	(211,272)
Total primary government general revenues and other changes in net position	30,292,091	29,955,938	31,178,198	27,831,231	28,744,962	24,396,982	26,264,088	25,414,977	25,586,703	26,034,183
Change in net position:										
Governmental activities	9,795,478	754,918	15,924,493	(1,246,075)	443,032	682,124	32,935	(867,863)	(970,759)	(832,736)
Business-type activities	3,253,480	792,210	822,562	1,509,873	1,898,227	(1,399,053)	1,950,179	2,493,923	1,151,369	1,133,180
Total primary government change in net position	\$ 13,048,958	\$ 1,547,128	\$ 16,747,055	\$ 263,798	\$ 2,341,259	\$ (716,929)	\$ 1,983,114	\$ 1,626,060	\$ 180,610	\$ 300,444

Information from 2012 through 2014 uses GASB Statement No. 27 to measure pension expense.

Information in 2015 uses GASB Statement No. 68 to measure pension expense.

Information from 2012 through 2017 uses GASB Statement No. 45 to measure OPEB expense.

Information in 2018 uses GASB Statement No. 75 to measure OPEB expense.

Source: City financial records

City of North Olmsted, Ohio

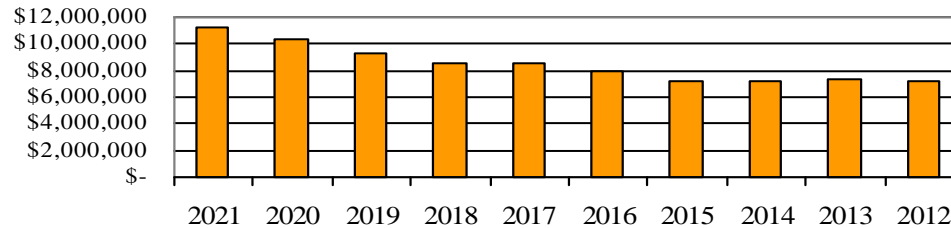
Funds Balances, Governmental Funds Modified Accrual Basis of Accounting

Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General fund:										
Nonspendable	\$ 1,745,212	\$ 1,665,861	\$ 1,542,670	\$ 1,477,689	\$ 1,377,161	\$ 1,283,563	\$ 1,173,952	\$ 1,180,719	\$ 1,077,862	\$ 988,055
Committed	67,430	77,253	22,724	101,884	114,747	62,454	42,000	-	-	-
Assigned	6,203,658	5,918,866	4,899,174	4,433,189	4,941,368	4,684,994	4,237,354	4,714,841	4,860,515	1,799,392
Unassigned	3,211,216	2,615,897	2,871,912	2,569,478	2,097,203	1,938,143	1,729,097	1,270,324	1,433,619	4,338,011
Total general fund	11,227,516	10,277,877	9,336,480	8,582,240	8,530,479	7,969,154	7,182,403	7,165,884	7,371,996	7,125,458
All other governmental funds:										
Nonspendable	136,116	143,511	122,182	146,064	64,079	103,105	124,839	75,935	20,717	17,671
Restricted	26,552,511	21,739,918	23,344,844	20,669,583	18,407,748	16,601,938	10,447,657	13,617,900	12,319,432	10,089,351
Committed	555,872	526,512	679,334	421,320	269,040	252,989	5,152,340	477,523	738,571	699,742
Unassigned	(143,414)	(87,419)	-	-	(130,659)	(5,516)	-	-	-	(55,939)
Total all other governmental funds	27,101,085	22,322,522	24,146,360	21,236,967	18,610,208	16,952,516	15,724,836	14,171,358	13,078,720	10,750,825
Total governmental funds	\$ 38,328,601	\$ 32,600,399	\$ 33,482,840	\$ 29,819,207	\$ 27,140,687	\$ 24,921,670	\$ 22,907,239	\$ 21,337,242	\$ 20,450,716	\$ 17,876,283

Source: City financial records

**Fund Balance
General Fund, Last Ten Years**



City of North Olmsted, Ohio

Changes in Fund Balances, Governmental Funds Modified Accrual Basis of Accounting

Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Property taxes	\$ 9,696,376	\$ 9,617,754	\$ 10,725,717	\$ 9,730,635	\$ 9,816,294	\$ 9,565,720	\$ 9,653,946	\$ 9,291,474	\$ 9,503,797	\$ 9,799,407
Income taxes	18,448,087	15,256,916	16,070,820	16,008,308	15,890,897	15,283,047	14,252,984	14,317,492	13,435,417	12,655,722
Payment in lieu of taxes	317,847	424,500	346,180	598,242	287,273	530,152	501,075	-	-	-
Charges for services and sales	3,525,341	2,614,932	4,188,437	4,148,407	3,817,020	3,790,286	3,209,751	2,750,607	2,751,882	2,552,793
Fines, licenses and permits	1,743,834	1,730,650	2,050,085	2,033,943	1,922,317	2,451,773	1,876,649	1,681,117	1,654,123	1,628,181
Intergovernmental	5,183,002	6,711,752	4,941,924	4,042,030	3,863,185	3,939,110	4,183,068	4,131,025	4,889,076	5,770,274
Special assessments	40,989	33,697	-	-	-	-	-	-	-	-
(Loss) interest income	(22,184)	583,853	952,243	610,034	194,422	64,238	36,912	39,775	61,556	40,217
Miscellaneous	128,749	79,370	71,964	88,636	101,233	108,250	717,963	662,055	615,578	176,983
Total revenues	<u>39,062,041</u>	<u>37,053,424</u>	<u>39,347,370</u>	<u>37,260,235</u>	<u>35,892,641</u>	<u>35,732,576</u>	<u>34,432,348</u>	<u>32,873,545</u>	<u>32,911,429</u>	<u>32,623,577</u>
Expenditures:										
Current:										
General government	4,968,763	6,195,317	4,660,721	4,548,826	4,633,871	4,603,782	4,192,227	4,190,529	4,108,722	3,662,591
Security of persons and property	15,413,928	15,965,937	15,307,520	15,438,843	14,234,086	13,840,984	14,106,951	13,194,930	13,176,566	12,436,324
Public health and welfare	541,089	554,598	667,671	643,619	1,675,311	547,434	590,039	522,122	640,545	513,659
Transportation	6,041,508	8,419,985	7,249,823	6,590,232	7,002,141	5,651,644	6,070,558	5,249,876	5,105,094	5,990,651
Basic utility services	2,573,383	2,513,654	2,270,111	2,144,646	2,193,395	2,056,094	1,933,777	1,923,981	1,700,564	2,100,931
Leisure time activities	2,467,790	2,252,570	2,779,684	2,679,376	2,891,054	2,863,912	2,796,243	2,620,445	2,881,644	2,198,920
Economic development	442,593	492,991	506,484	510,988	473,494	328,076	272,427	321,058	435,643	738,357
Capital outlay	4,809	2,865,068	1,864,836	135,554	503,137	421,515	714,701	1,746,234	132,499	833,444
Debt Service:										
Principal	11,744,591	7,910,955	4,746,264	3,075,506	4,494,145	4,343,608	11,542,007	3,872,081	5,877,646	4,770,492
Interest and fiscal charge	792,396	552,257	542,678	578,786	634,587	729,247	844,228	974,312	1,119,953	1,183,155
Note issuance costs	-	-	-	-	-	-	-	-	-	23,250
Bond issuance costs	204,257	62,157	37,550	22,111	148,689	17,048	233,131	28,056	133,477	-
Total expenditures	<u>45,195,107</u>	<u>47,785,489</u>	<u>40,633,342</u>	<u>36,368,487</u>	<u>38,883,910</u>	<u>35,403,344</u>	<u>43,296,289</u>	<u>34,643,624</u>	<u>35,312,353</u>	<u>34,451,774</u>
Excess (deficiency) of revenues over expenditures	<u>(6,133,066)</u>	<u>(10,732,065)</u>	<u>(1,285,972)</u>	<u>891,748</u>	<u>(2,991,269)</u>	<u>329,232</u>	<u>(8,863,941)</u>	<u>(1,770,079)</u>	<u>(2,400,924)</u>	<u>(1,828,197)</u>

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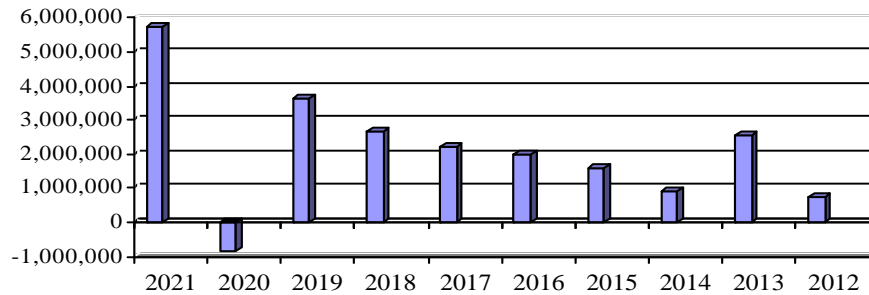
City of North Olmsted, Ohio

Changes in Fund Balances, Governmental Funds Modified Accrual Basis of Accounting (Continued)

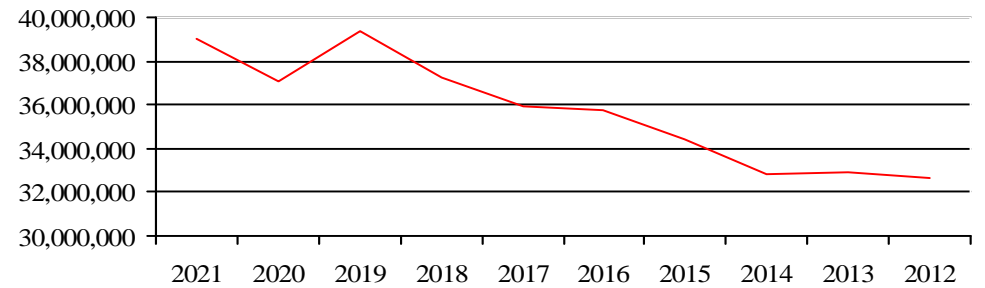
Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Other financing sources (uses):										
Issuance of notes	-	9,730,000	4,835,000	1,720,000	-	1,605,000	5,095,000	2,425,000	-	2,468,700
Inception of capital leases	154,517	-	-	-	-	-	60,299	176,472	-	-
Proceeds from issuances of bonds	9,795,000	-	-	-	8,371,000	-	8,380,000	-	4,770,000	-
Premium on issuance of bonds	1,826,105	83,191	73,102	13,632	464,139	7,383	518,568	11,510	120,394	-
Payment to bond escrow agent	-	-	-	-	(3,689,134)	-	(3,593,275)	-	-	-
Sale of capital assets	35,006	5,793	20,713	500	11,641	20,176	16,033	3,400	55,130	12,300
Transfers - in	3,121,632	1,605,331	1,924,563	1,970,156	1,615,615	1,697,609	1,603,124	1,595,893	1,756,925	2,382,025
Transfers - out	(3,070,992)	(1,574,691)	(1,903,773)	(1,917,516)	(1,562,972)	(1,644,969)	(1,645,811)	(1,555,670)	(1,727,092)	(2,297,666)
Total other financing sources (uses)	11,861,268	9,849,624	4,949,605	1,786,772	5,210,289	1,685,199	10,433,938	2,656,605	4,975,357	2,565,359
Net change in fund balance	\$ 5,728,202	\$ (882,441)	\$ 3,663,633	\$ 2,678,520	\$ 2,219,020	\$ 2,014,431	\$ 1,569,997	\$ 886,526	\$ 2,574,433	\$ 737,162
Debt service as a percentage of noncapital expenditures	28.74%	21.92%	14.89%	10.99%	15.16%	15.43%	30.43%	15.31%	21.68%	19.21%

Net Change in Fund Balance, Governmental Funds



Governmental Funds Revenues



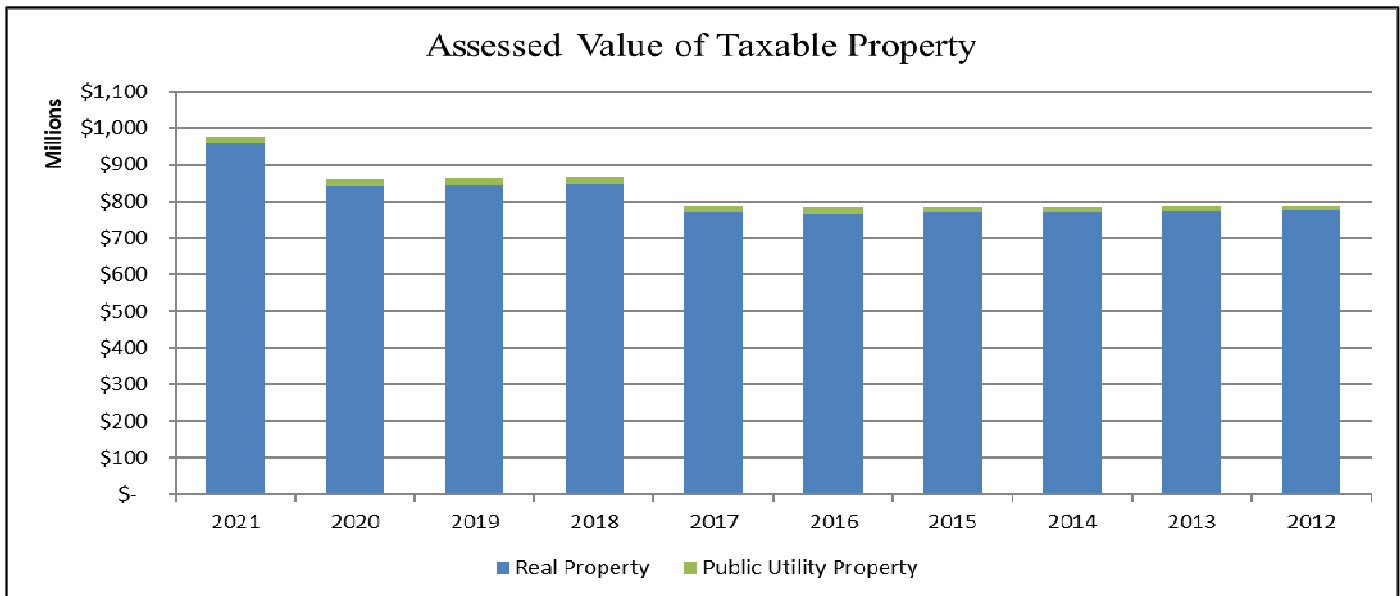
City of North Olmsted, Ohio

Assessed and Estimated Actual Value of Taxable Property

Last Ten Years

Tax Year	Real Property	Public Utility Property	Total	Estimated True Value of Taxable Property	Total Direct Tax Rate	Ratio
2021	\$ 956,677,970	\$ 21,839,250	\$ 978,517,220	\$ 2,772,003,456	12.20	35.3 %
2020	840,755,550	20,844,690	861,600,240	2,440,793,881	12.20	35.3
2019	845,194,970	19,820,540	865,015,510	2,450,468,867	12.20	35.3
2018	847,494,050	18,642,170	866,136,220	2,453,643,683	13.30	35.3
2017	770,457,560	18,534,760	788,992,320	2,235,105,722	13.30	35.3
2016	768,531,780	16,756,670	785,288,450	2,224,613,173	13.30	35.3
2015	770,231,040	15,858,070	786,089,110	2,226,881,331	13.30	35.3
2014	769,849,650	15,583,140	785,432,790	2,225,022,068	13.30	35.3
2013	773,675,680	15,046,860	788,722,540	2,234,341,473	13.30	35.3
2012	775,022,110	13,514,220	788,536,330	2,233,813,966	13.30	35.3

Source: Cuyahoga County Fiscal Officer ; based upon tax year valuations



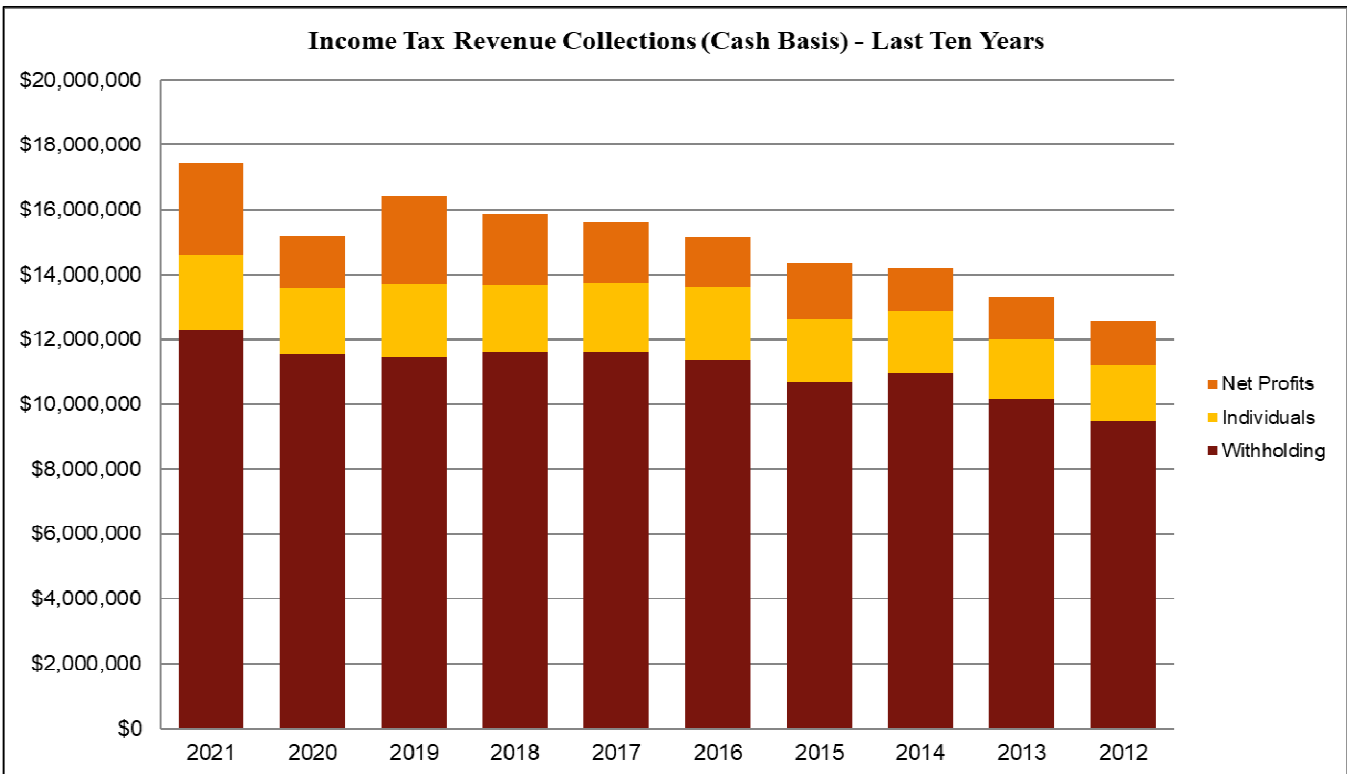
City of North Olmsted, Ohio

Income Tax Revenue Collections (Cash Basis)

Last Ten Years

Collection Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes from Individuals	Percentage of Taxes from Individuals	Taxes from Net Profits	Percentage of Taxes from Net Profits
2021	2.00 %	\$ 17,459,054	\$ 12,285,454	70.37 %	2,338,887	13.40 %	\$ 2,834,713	16.23 %
2020	2.00	15,210,872	11,544,801	75.90	2,005,563	13.20	1,660,508	10.90
2019	2.00	16,421,072	11,459,249	69.80	2,268,061	13.80	2,693,762	16.40
2018	2.00	15,864,176	11,608,492	73.20	2,090,585	13.20	2,165,099	13.60
2017	2.00	15,608,623	11,613,989	74.40	2,119,234	13.60	1,875,400	12.00
2016	2.00	15,160,112	11,334,047	74.80	2,263,281	14.90	1,562,784	10.30
2015	2.00	14,326,364	10,691,137	74.60	1,934,541	13.50	1,700,686	11.90
2014	2.00	14,170,871	10,955,677	77.30	1,890,416	13.30	1,324,778	9.40
2013	2.00	13,314,563	10,163,612	76.30	1,815,366	13.60	1,355,585	10.10
2012	2.00	12,577,000	9,479,691	75.40	1,744,443	13.90	1,352,866	10.70

Source: City Finance Department



City of North Olmsted, Ohio

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

Last Ten Years

Tax Year	City of North Olmsted					Total	School District	Cuyahoga County (a)	Polaris Vocational School	Total
	General Operating	Debt Retirement	Recreation	Police and Fire Pension						
2021	\$ 8.30	\$ 2.10	\$ 1.20	\$ 0.60	\$ 12.20	\$ 96.50	\$ 26.13	\$ 3.09	137.92	
2020	8.30	2.10	1.20	0.60	12.20	96.50	26.13	3.09	137.92	
2019	8.30	2.10	1.20	0.60	12.20	96.50	24.33	3.09	136.12	
2018	8.30	3.20	1.20	0.60	13.30	97.10	23.93	3.09	137.42	
2017	8.30	3.20	1.20	0.60	13.30	97.10	23.93	3.09	137.42	
2016	8.30	3.20	1.20	0.60	13.30	96.90	23.43	3.09	136.72	
2015	6.70	4.80	1.20	0.60	13.30	96.90	23.43	2.40	136.03	
2014	6.70	4.80	1.20	0.60	13.30	96.90	23.43	2.40	136.03	
2013	6.70	4.80	1.20	0.60	13.30	91.40	22.53	2.40	129.63	
2012	6.70	4.80	1.20	0.60	13.30	91.40	20.80	2.40	127.90	

(a) Includes Metroparks and Library Millage

Source: Cuyahoga County Fiscal Officer

City North Olmsted, Ohio

Real Property Tax Levies, and Collections

Last Ten Years

Collection Year	Total Tax Levy	Current Collections	Percentage of Current Collections to Tax Levy	Delinquent Collections	Total Collections(1)	Percentage of Total Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Delinquent Taxes to Total Tax Levy
2021	\$ 11,053,373	\$ 10,557,465	95.51 %	\$ 189,655	\$ 10,747,120	97.23 %	\$ 528,109	4.8 %
2020	11,082,653	10,738,044	96.89	228,983	10,967,027	98.96	490,127	4.4
2019	11,916,153	11,643,254	97.71	230,727	11,873,981	99.65	517,909	4.3
2018	10,820,864	10,900,583	100.74	175,489	11,076,072	102.36	369,913	3.4
2017	10,683,508	10,372,826	97.09	198,269	10,571,095	98.95	319,003	3.0
2016	11,309,566	10,725,891	94.84	154,123	10,880,014	96.20	321,523	2.8
2015	10,464,045	10,699,097	102.25	114,885	10,813,982	103.34	264,461	2.5
2014	10,500,027	9,984,480	95.09	209,589	10,194,069	97.09	360,332	3.4
2013	10,512,763	10,171,318	96.75	213,429	10,384,747	98.78	408,726	3.9
2012	11,066,789	10,627,072	96.03	263,342	10,890,414	98.41	384,324	3.5

Sources: Cuyahoga County Fiscal Officer

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

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

City of North Olmsted, Ohio

Principal Taxpayers – Real Estate Tax

2021 and 2012

Name of Taxpayer	December 31, 2021	
	Assessed Value (1)	Percent of Total Assessed Value
Star-West Great Northern Mall LLC	\$ 26,594,720	2.72 %
B33 Great Northern LLC	19,692,140	2.01
Cleveland Electric Illuminating Company	15,201,110	1.55
PWA Great Northern Corporate Center	8,780,320	0.9
B-Nut LLC	7,298,940	0.75
B & G Properties LTD Partnership	6,900,750	0.71
GGF1 North Olmsted 2016	5,547,550	0.57
Ganley Real Estate Co	5,326,170	0.54
B33 Great Northern South II LLC	5,294,810	0.54
FB Global Plumbing Group LLC	5,066,220	0.52
Total	\$ 105,702,730	10.81 %
Total assessed valuation	\$ 978,517,220	

Name of Taxpayer	December 31, 2012	
	Assessed Value (1)	Percent of Total Assessed Value
Great Northern Partnership	\$ 30,486,410	3.67 %
BRE DDR Great Northern LLC	20,927,520	2.52
Cleveland Electric Illuminating Company	11,728,060	1.41
PWA Great Northern Corporation	8,586,030	1.03
Butternut Ridge Apartments, LLC	6,437,520	0.77
B&G Properties LTD	5,494,620	0.66
Moen, Inc.	5,206,390	0.63
Higbee Company	4,579,300	0.55
May Stores 74 Corp.	4,285,060	0.52
Water Tower Square LTD	3,957,490	0.48
Total	\$ 101,688,400	12.24 %
Total assessed valuation	\$ 788,536,330	

Source: Cuyahoga County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2021 and 2012 assessed taxes were based.

City of North Olmsted, Ohio

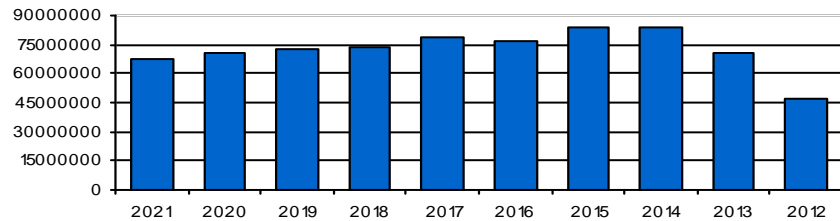
Ratio of Outstanding Debt to Total Personal Income and Debt per Capita

Last Ten Years

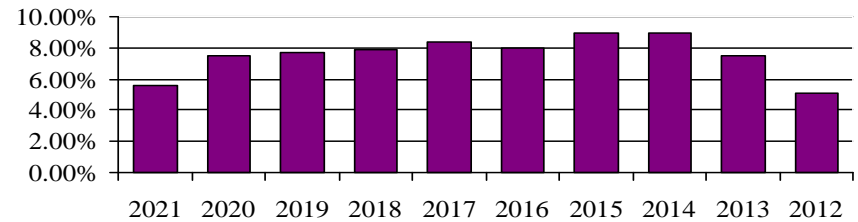
Year	Governmental Activities				Business-Type Activities					Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	OPWC Loans	Long Term Notes	Capital Leases	General Obligation Bonds	Long Term Notes	Capital Leases	OWDA Loans	OWDA Loans			
2021	\$ 19,723,951	\$ -	\$ -	\$ 109,418	\$ 5,250,869	\$ -	\$ 3,569	\$ 42,449,511	-	\$ 67,537,318	5.58 %	\$ 2,082
2020	10,314,016	-	9,730,000	-	4,359,815	1,480,000	-	45,010,676	-	70,894,507	7.53	2,167
2019	13,505,410	-	4,835,000	11,648	5,072,064	1,260,000	892	47,508,930	-	72,193,944	7.67	2,207
2018	16,646,808	-	1,720,000	23,783	5,769,317	-	1,813	49,945,823	-	74,107,544	7.88	2,265
2017	19,838,209	-	-	35,328	6,446,570	-	2,675	52,065,290	-	78,388,072	8.33	2,726
2016	17,790,965	-	1,605,000	94,676	2,943,063	-	12,890	54,453,420	-	76,900,014	8.17	2,350
2015	22,169,951	-	-	167,644	4,862,340	-	23,374	56,857,463	65,167	84,145,939	8.94	2,572
2014	20,750,420	-	2,425,000	163,862	6,463,388	-	28,325	54,244,535	195,500	84,271,030	8.96	2,576
2013	24,664,457	-	-	14,124	8,221,294	-	980	37,086,769	260,667	70,248,291	7.47	2,147
2012	22,895,878	20,418	2,468,700	27,443	9,255,248	421,300	1,838	11,896,042	456,167	47,443,034	5.04	1,450

Note: Population and Personal Income are presented on page S21.

Total Outstanding Debt, Last Ten Years



City Debt as a Percentage of Personal Income



City of North Olmsted, Ohio

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Years

Tax Year	Population (1)		Assessed (2) Value		Gross (3) Bonded Debt		Debt Service Monies Available
2021	32,442 (a)	\$	978,517,220	\$	24,974,820	\$	11,637,038
2020	32,178 (b)		861,600,240		14,673,831		10,494,282
2019	32,178 (b)		865,015,510		18,577,475		10,485,105
2018	32,178 (b)		866,136,220		22,416,125		9,694,135
2017	32,178 (b)		788,992,320		26,284,779		9,079,502
2016	32,178 (b)		785,288,450		20,734,028		8,093,533
2015	32,178 (b)		786,089,110		27,037,059		7,582,319
2014	32,178 (b)		785,432,790		27,213,808		7,035,079
2013	32,178 (b)		788,722,540		32,885,751		6,478,501
2012	32,178 (b)		788,536,330		32,151,126		5,657,199

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

(a) 2020 Federal Census

(b) 2010 Federal Census

(2) Source: Cuyahoga County Fiscal Officer, valuations based upon the tax year

(3) Includes all general obligation bonded debt

	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation		Net Bonded Debt Per Capita
\$	13,337,782	1.36 %	\$	411
	4,179,549	0.49		128
	8,092,370	0.94		247
	12,721,990	1.47		389
	17,205,277	2.18		526
	12,640,495	1.61		386
	19,454,740	2.47		595
	20,178,729	2.57		617
	26,407,250	3.35		807
	26,493,927	3.36		810

City of North Olmsted, Ohio

Computation of Direct and Overlapping Debt

December 31, 2021

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to City</u>	<u>Amount Applicable to City of North Olmsted</u>
Direct:			
City of North Olmsted			
General obligation bonds	\$ <u>19,723,951</u>	100.00 %	\$ <u>19,723,951</u>
Total direct debt	<u>19,723,951</u>		<u>19,723,951</u>
Overlapping			
North Olmsted School District	68,658,668	100.00 %	68,658,668
North Olmsted/Olmsted Falls School District	30,449,960	1.47 %	447,614
Cuyahoga County	266,975,000	2.81 %	7,501,998
Cuyahoga Community College	<u>201,500,000</u>	2.81 %	<u>5,662,150</u>
Total overlapping	<u>567,583,628</u>		<u>82,270,430</u>
Total	<u>\$ <u>587,307,579</u></u>		<u>\$ <u>101,994,381</u></u>

Source: Cuyahoga County Fiscal Officer

(1) Percentage were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

City of North Olmsted, Ohio

Legal Debt Margin

Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Assessed valuation	\$ 978,517,220	861,600,240	865,015,510	866,136,220	788,992,320	785,288,450	786,089,110	785,432,790	788,722,540	788,536,330
Debt limit - 10% of assessed valuation	\$ 102,744,308	90,468,025	90,826,629	90,944,303	82,844,194	82,455,287	82,539,357	82,470,443	82,815,867	82,796,315
Outstanding debt:										
General obligation debt	24,984,820	14,673,831	18,577,475	22,416,125	26,284,779	20,734,028	27,038,015	27,213,808	32,885,751	32,151,126
General obligation bond anticipation notes	-	11,210,000	6,095,000	1,720,000	-	1,605,000	-	2,575,000	-	2,890,000
Less Amount available in debt service fund	(11,637,038)	(10,494,282)	(10,485,105)	(9,694,135)	(9,079,502)	(8,093,533)	(7,582,319)	(7,035,079)	(6,478,501)	(5,657,199)
Total outstanding debt	13,347,782	15,389,549	14,187,370	14,441,990	17,205,277	14,245,495	19,455,696	(22,753,729)	26,407,250	29,383,927
Less exemptions:										
General obligation bonds and notes that are considered self supporting	-	-	-	-	-	261,000	1,660,000	3,051,000	4,368,000	5,625,000
Securities to extent authorizing legislation contains covenants to appropriate levy and collect municipal income taxes	-	-	-	-	-	-	627,000	1,217,000	1,777,000	2,312,000
Total exemptions	-	-	-	-	-	261,000	2,287,000	4,268,000	6,145,000	7,937,000
Net debt within 10 1/2% Limitation	13,347,782	15,389,549	14,187,370	14,441,990	13,984,495	17,168,696	18,485,729	(18,485,729)	21,446,927	23,762,370
Overall debt margin	\$ 89,396,526	\$ 75,078,476	\$ 76,639,259	\$ 76,502,313	\$ 68,470,792	\$ 65,370,661	\$ 63,984,714	\$ 62,553,617	\$ 61,349,388	\$ 63,507,762
Unvoted debt limitation 5 1/2 of assessed value	\$ 53,818,447	\$ 47,388,013	\$ 47,575,853	\$ 47,637,492	\$ 43,394,578	\$ 43,190,865	\$ 43,234,901	\$ 43,198,803	\$ 43,379,740	\$ 43,369,498
Amount of principal of unvoted bonds and notes subject to 5 1/2	12,267,782	14,059,549	8,872,369	9,126,990	11,890,277	8,669,495	10,963,696	11,435,729	12,412,250	12,096,927
Unvoted debt margin	\$ 41,550,665	\$ 33,328,464	\$ 38,703,484	\$ 38,510,502	\$ 31,504,301	\$ 34,521,370	\$ 32,271,205	\$ 31,463,074	\$ 30,967,490	\$ 31,272,571

Source: Cuyahoga County Fiscal Officer and City Financial Records

Note: Assessed valuations based upon the tax year.

City of North Olmsted, Ohio

Principal Employers

Last Ten Years

2021		2020		2019	
Employer	Percent of Total Income Taxes	Employer	Percent of Total Income Taxes	Employer	Percent of Total Income Taxes
FB Global Plumbing Group LLC	7.10 %	FB Global Plumbing Group LLC	7.27 %	FB Global Plumbing Group LLC	5.53 %
Moen Incorporated	4.04	North Olmsted School District	5.28	North Olmsted School District	4.36
North Olmsted School District	3.79	Moen Incorporated	4.54	Moen Incorporated	3.79
The City of North Olmsted	2.02	The City of North Olmsted	2.24	The City of North Olmsted	2.10
Ganley Westside Imports	1.53	Factory Mutual Insurance Company	1.82	Champlain Enterprises LLC	1.37
Factory Mutual Insurance Company	1.44	Ganley Westside Imports	1.45	Factory Mutual Insurance Company	1.36
Champlain Enterprises LLC	1.34	Champlain Enterprises LLC	1.40	Ganley Westside Imports	1.25
The Cleveland Clinic Foundator	1.31	Palmer Holland, Inc.	1.17	Palmer Holland, Inc.,	1.14
Wal Mart Associates, Inc.	1.04	The Cleveland Clinic Foundation	1.12	Wal Mart Associates, Inc.	1.07
Palmer Holland, Inc.	1.03	Wal Mart Associates, Inc.	1.10	Riser Foods Company	0.85
Total	24.64 %	Total	27.39 %	Total	22.82 %
2018		2017		2016	
Moen Incorporated		Moen Incorporated		Moen Incorporated	
North Olmsted School District		North Olmsted School District		North Olmsted School District	
The City of North Olmsted		The City of North Olmsted		The City of North Olmsted	
Bernie Moreno Companies		Bernie Moreno Companies		Bernie Moreno Companies	
Champlain Enterprises LLC		Factory Mutual Insurance Company		Factory Mutual Insurance Company	
Factory Mutual Insurance Company		Wal Mart Associates, Inc.		Ganley Westside Imports	
Palmer Holland, Inc.		Ganley Westside Imports		Wal Mart Associates, Inc.	
Wal Mart Associates, Inc.		Associates, Inc.		Palmer Holland, Inc.	
Ganley Westside Imports		Champlain Enterprises LLC		Riser Foods Company	
The Cleveland Clinic Foundator		Palmer Holland, Inc.		Cargill, Inc.	
2015		2014		2013	
Moen Incorporated		Moen Incorporated		Moen Incorporated	
North Olmsted School District		North Olmsted School District		North Olmsted School District	
The City of North Olmsted		The City of North Olmsted		The City of North Olmsted	
Bernie Moreno Companies		Factory Mutual Insurance Company		Factory Mutual Insurance Company	
Factory Mutual Insurance Company		Bernie Moreno Company		Bernie Moreno Companies	
Ganley Westside Imports		Wal Mart Associates, Inc.		Wal Mart Associates, Inc.	
Palmer Holland, Inc.		Ganley Westside Imports		Ganley Westside Imports	
Wal Mart Associates		Palmer Holland, Inc.		Palmer Holland, Inc.	
Rise Foods Company		Riser Foods Company		Riser Foods Company	
Cargill, Inc.		Advanstar Communications		Advanstar Communications	
2012				2012	
Moen Incorporated				Moen Incorporated	
North Olmsted School District				North Olmsted School District	
The City of North Olmsted				The City of North Olmsted	
Factory Mutual Insurance Company				Factory Mutual Insurance Company	
Bernie Moreno Companies				Bernie Moreno Companies	
Advanstar Communications, Inc				Advanstar Communications, Inc	
United Transportation				United Transportation	
Rise Foods Company				Rise Foods Company	
Ganley Westside Imports				Ganley Westside Imports	
Wal Mart Associates, Inc.				Wal Mart Associates, Inc.	

Source: Regional Income Tax Agency based on payroll withholding.

City of North Olmsted, Ohio

Demographic and Economic Statistics

Last Ten Years

Year	Population (1)	Employed in County (2)	Unemployment Rate (2)			School (3) Enrollment	Number of Residential Property Sales (4)	Averages Sales Price of Residential Property (4)	Total Personal Income (5)	Personal Income Per Capita
			County	State	US					
2021	32,442 (a)	556,610	6.5 %	5.2 %	5.4 %	3,685	697 \$	188,900 \$	1,210,832,766 \$	37,323 (a)
2020	32,718 (b)	531,193	10.4	8.2	8.1	3,595	665	164,400	940,773,372	287,54 (b)
2019	32,718 (b)	588,925	4.2	4.1	3.7	3,748	612	151,100	940,773,372	287,54 (b)
2018	32,718 (b)	612,200	5.2	4.6	3.9	3,789	597	143,000	940,773,372	287,54 (b)
2017	32,718 (b)	575,100	5.9	5.0	4.4	3,794	571	142,273	940,773,372	287,54 (b)
2016	32,718 (b)	577,200	5.4	4.9	4.9	3,814	540	127,441	940,773,372	287,54 (b)
2015	32,718 (b)	579,500	5.0	4.9	5.3	3,856	499	126,838	940,773,372	287,54 (b)
2014	32,718 (b)	584,400	6.4	6.2	5.7	3,876	452	119,802	940,773,372	287,54 (b)
2013	32,718 (b)	572,600	7.7	7.4	7.4	4,040	468	120,619	940,773,372	287,54 (b)
2012	32,718 (b)	579,600	7.3	7.2	8.1	4,107	368	111,541	940,773,372	287,54 (b)

Sources:

- (1) Source: U.S. Census, Census of population
 - (a) 2020 Federal Census
 - (b) 2010 Federal Census
- (2) Ohio Department of Jobs and Family Services, U.S. Department of Labor and Bureau of Labor Statistics
- (3) Source: North Olmsted Board of Education
- (4) Source: Cuyahoga County Fiscal Office
- (5) Computation of per capital personal income multiplied by population

City of North Olmsted, Ohio

Full Time City Employees by Function or Program

Last Ten Years

Function/program:	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government:										
Council	1	1	1	1	1	1	1	1	1	1
Mayor	2	2	2	2.5	2	2	2	2	2	2
Mayor's court	2	2	2	1.5	1	1	2	2	1	1
General clerical	1	1	1	1	1	1	1	1	1	1
Boards and commissions	-	-	-	0	-	-	1	1	1	1
Finance	5	5	5	5	5	5	5	5	5	5
Law	1	1	1	1	1	1	1	1	1	1
Information systems	2	2	2	2	1	-	-	1	2	1
Human resources	4	4	4	4	4	4	4	4	4	3
Building	11	10	11	11	11	10	9	8	8	9
Engineering	2	1	1	1	1	1	-	-	-	-
Total	31	29	30	30	28	26	26	26	26	25
Security of persons and property:										
Safety director	1	1	2	2	2	2	2	2	2	2
Fire	39	42	42	41	41	42	41	40	41	42
Dispatch	10	9	8	8	8	8	8	8	8	8
Corrections	1	1	1	1	1	1	1	1	1	1
Police	45	47	48	48	45	45	44	45	42	43
Youth Services (see Public health and welfare)	1	1	1	1	1	1	1	1	1	1
Fire clerk	1.5	1.5	1.5	1	1	1	1	1	1	1
Police clerk	5.5	4.5	5.5	5	5	5	5	4	5	5
Total	104	107	109	107	104	105	103	102	101	103
Leisure time activities:										
Senior center	4	4	4	4	4	4	4	3	3	3
Recreation	11	11	11	11	11	11	11	11	9	9
Springvale	4	4	3	4	3	4	3	4	4	4
Total	19	19	18	19	18	19	18	18	16	16
Transportation										
Service director	1	1	1	1	1	1	1	1	1	1
Public service and properties										
Public works administrative	-	-	-	-	-	-	-	-	-	-
Animal warden	-	-	-	-	-	-	-	-	-	-
Building maintenance	1	1	1	1	1	1	1	1	2	2
Road	9	7	10	9	9	9	10	9	8	8
Forestry	6.5	6.5	6.5	8	7	7	6	6	7	7
Storm	9.5	8.5	7.5	9	9	9	7	6	6	6
Subtotal	26	23	25	27	26	26	24	22	23	23
Fleet	7	7	5	6	6	6	6	6	6	7
Bus	-	-	-	-	-	-	-	-	-	-
Total	34	31	31	34	33	33	31	29	30	31
Economic development										
Planning	2	2	3	3	3	3	2	2	2	2
Basic utility services:										
Wastewater treatment plant	26	27	25	26	26	26	25	25	26	29
Total	216	215	216	219	212	212	205	202	201	206

Source: City payroll records

City of North Olmsted, Ohio

Operating Indicators by Function/Program

Last Ten Years

	2021	2020 (i)	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities:										
General government:										
Council and clerk										
Number of ordinances and resolutions submitted	92	158	122	142	92	142	111	100	116	133
Number of ordinances and resolutions passed	89	150	119	140	91	140	108	97	114	131
Mayor's Court (b)										
Number of traffic cases	5,520	5,598	10,522	9,961	6,842	7,705	9,927	7,602	7,345	N/A
Number of OVI cases	36	43	50	42	40	45	54	62	59	N/A
Number of criminal cases	148	178	352	315	307	258	260	260	273	N/A
Number of parking cases	209	226	290	290	190	246	225	225	261	N/A
Number of cases transferred	114	127	225	212	159	172	105	105	116	N/A
Number of cases waived, total	4,866	5,047	9,155	8,471	5,859	6,952	6,513	6,513	6,063	N/A
Number of cases waived, online	3,714	3,870	6,065	5,467	3,581	3,924	3,396	3,396	3,380	N/A
Finance										
Agency ratings										
Fitch IBCA	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-
Moody's Financial Services-- General Limited Tax	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2
Moody's Financial Services-- General Unlimited Tax	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2
Law										
Real property complaints filed	17	37	175	151	168	81	34	45	45	59
Real property fines collected	\$ 7,775	\$ 8,805	\$ 5,445	\$ 7,759	\$ 4,877	\$ 7,445	\$ 6,282	\$ 4,050	\$ 5,410	\$ 23,655
Criminal cases prosecuted	793	784	1,009	895	808	1,048	959	1,049	700(c)	1,088
Traffic cases prosecuted	779	781	1,080	610	614	615	559	388	505(c)	1,274
Building										
Estimated valuation of permits issued	\$ 29,521,238	\$ 26,013,878	\$ 46,362,390	\$ 30,452,071	\$ 35,115,507	\$ 98,619,912	\$ 29,338,654	\$ 22,923,368	\$ 71,039,906(a)	\$ 39,405,961
Number of permits issued	1,754	1,663	1,831	1,831	1,539	98,629,101	29,346,488	22,928,900	1,450	1,605

(Continued)

City of North Olmsted, Ohio

Operating Indicators by Function/Program (Continued)

Last Ten Years

	2021	2020 (i)	2019	2018	2017	2016	2015	2014	2013	2012
Security of persons and property:										
Police										
Number of criminal arrests	1,239	1,179	1,805	1,773	1,345	1,534	1,710	1,739	2,435	2,431
Number of DUI arrests	91	115	116	81	82	91	115	103	59	81
Number of motor vehicle accidents	1,022	582	786	835	849	827	915	857	814	867
Number of prisoners confined	848	863	1,299	1,267	1,062	122	1,335	1,329	1,254	1,468
Number of traffic citations issued	6,026	6,118	11,443	10,836	7,527	81,175	9,875	8,090	8,034	8,549
Number of parking citations issued	1,234	1,407	1,674	1,961	1,314	1,669	1,588	1,849	1,749	1,730
Fire										
Number of fire responses	798	719	678	711	681	642	686	689	718	728
Number of squad responses	3,979	3,717	3,764	3,780	3,730	3,626	3,655			
Total number of emergency responses	4,774	4,471	4,483	4,491	4,411	4,268	4,341	3,986	3,893	3,856
Number of runs per day	13.0	12.0	12.0	12.0	12.1	12.0	11.9	10.9	10.7	10.5
Public health and welfare:										
Youth and family services										
Food cupboard distributions	1,320	1,703	1,745	1,808	1,800	1,735	1,787	1,833	1,618	1,413
Holiday adopt-a-family	40	36	39	43	48	48	47	54	56	62
Senior center (g)										
Hot lunch program - meals served	- (j)	1,155	6,405	5,082	5,242	5,806	6,021	5,998	6,106	6,583
Meals on wheels clients served	59	53	46	53	40	30	38	62	60	63
Senior transportation										
connection medical trips	474	284	977	895	960	912	1,002	1,893	1,955	1,939
Senior transportation										
connection other trips	2,345	644	2,460	2,641	1,904	2,662	2,988	3,172	3,636	4,270
Leisure time activities:										
Senior center										
Cabin rentals	94	77	117	137	125 (f)	137	172	185	185	190
Activity participants except hot lunch program	4,897	3,880	12,991	14,764	20,776	21,520	23,665	23,665	23,652	23,219
Springvale Golf Course and Ballroom										
Number of golf rounds	38,248	39,767	32,472	22,148	25,013	25,274	26,542	22,715	21,731	22,625
Number of golf outings	21	1	40	36	33	42	42	37	39	41
Number of ballroom rentals	33	9	62	58	47	50	45	53	50	62
Recreation										
Skate programs and event participants	335	380	5,417	5,381	5,008	5,572	5,423	4,567(d)	5,005	5,041
Pool programs	158	357	1,326	1,355	1,394	1,366	1,229	928(d)	1,031	1,055
Summer camp participants	256	-	222	217	228	265	220	200(d)	220	222
Fitness pass visits	68,223	67,693	121,618	115,321	101,036	87,511	55,919(e)	N/A	N/A	N/A
Prime and Silver Sneak Pass Visits	21,798	12,017	26,710	25,012	23,429	21,053	11,645(e)	N/A	N/A	N/A

(Continued)

City of North Olmsted, Ohio

Operating Indicators by Function/Program (Continued)

Last Ten Years

	2021	2020 (i)	2019	2018	2017	2016	2015	2014	2013	2012
Transportation:										
Snowfall in inches	32.0	52.0	33.0	42.0	45.0	42.0	32.8	65.9	44.0	33.80
Street salting and plowing — number of hours	2,268	2,059	2,548	2,430	2,472	3,270	1,261	2,660	2,483	1,010
Street asphalt and concrete repair — number of hours	5,976	5,699	11,550	10,500	10,713	10,401	6,622	5,089	5,815	5,006
Tree planting and maintenance — number of hours	4,096	2,623	2,905	2,820	2,693	2,155	2,906	2,768	3,127	1,264
Vehicle maintenance and repair — number of hours	6,758	6,733	5,143	6,664	6,579	6,961	6,572	6,673	7,262	8,445
Street improvements - asphalt overlay/recycling - square feet	789,155	530,114	602,064	420,786	413,721	440,730	443,394	146,146	507,619	395,239
Cost of road salt purchased	\$354,627	\$191,865	\$311,231	\$166,706	\$248,932	\$168,175	\$447,634	\$405,950	\$168,120	\$108,432
Cost of unleaded and diesel fuel used	\$430,036	\$278,090	\$406,038	\$414,601	\$315,092	\$353,216	\$341,499	\$567,864	\$555,348	\$538,795
Wastewater										
Sanitary sewer rate per 1,000 cubic ft.	\$86.06	\$86.06	\$86.06	\$83.56	\$94.10	\$81.46	\$74.07	\$67.98	\$64.75	\$58.18
Total 1,000 cubic feet billed	112,106	114,999	112,604	118,132	117,881	118,592	121,268	121,268	122,844	129,072
Total flow of wastewater treatment plant (billions of gallons)	2,256	2,557	2,288	2,660	2,106	1,958	2,033	2,467	2,293	2,150
Average daily flow (millions of gallons per day)	6.181	6.985	6.474	7.287	5.782	5.364	5.570	6.759	6.286	5.870
Tons of wet sludge removed	5,128	5,113	4,981	5,465	5,857	5,201	6,106	4,793	5,295	5,048
Solid waste (h):										
Tons recycled	2,325	2,571	2,682	2,939	3,360	3,226	2,971	2,960	N/A	N/A
Tons composted	4,280	4,182	5,131	6,092	4,912	5,756	N/A	N/A	N/A	N/A
Tons landfilled	12,658	13,234	10,746	7,869	7,964	8,282	5,412	6,812	N/A	N/A

N/A: Not available

Source: Various City Divisions

(a) 2013 Assessed Valuation of Improvements includes \$38,000,000 Wastewater Treatment Plant Improvement Project

(b) The City began operating a Mayor's Court in 2013. Prior to 2013, all cases were handled by the Rocky River Municipal Court.

(c) These figures represent only the cases that were prosecuted by the City through Rocky River Municipal Court. It does not include cases that were waived.

(d) The Recreation Center was under construction during 2014 and some of the programs were limited.

(e) The Recreation Center fitness area began operation in 2015.

(f) The Community Cabin was closed for three months due to renovation in 2017.

(g) The Senior Transportation Connection along with the City has changed the policies for dialysis and medical trips, which are combined on this report.

(h) Statistics are provided by Cuyahoga County Solid Waste District.

(i) Some statistics may not be typical due to the effects of the COVID-19 pandemic and its impact on the City operations.

(j) Congregate meals discontinued due to COVID-19

City of North Olmsted, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities:										
Number of administrative vehicles	12	12	12	10	10	9	7	8	8	8
Security of persons and property:										
Fire:										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of vehicles	18	18	17	17	16	16	15	14	14	14
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of vehicles	34	36	33	32	31	29	28	26	28	25
Leisure time activities:										
Recreation:										
Number of parks	4	4	4	4	4	4	4	4	4	4
Number of pools	2	2	2	2	2	2	2	2	2	2
Recreation center facility	1	1	1	1	1	1	1	1	1	1
Number of vehicles	8	8	8	8	7	7	7	7	6	5
Springvale Golf Course and Ballroom:										
Number of acres										
(18 hole golf course)	132	132	132	132	132	132	132	132	132	132
Square footage of ballroom	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Number of vehicles	1	1	2	1	1	1	1	1	1	1
Senior center:										
Senior center facility	1	1	1	1	1	1	1	1	1	1
Number of vehicles	2	2	2	1	1	1	1	1	1	1
Transportation:										
Streets:										
Miles of streets	146	146	146	146	146	146	146	146	146	146
Number of street lights	2,633	2,633	2,633	2,633	2,633	2,633	2,633	2,633	2,633	2,633
Number of service vehicles	54	54	53	54	50	52	49	50	48	55
Wastewater:										
Miles of sanitary sewers	176	176	176	176	176	176	176	176	176	176
Miles of storm sewers	152	152	152	152	152	152	152	152	152	152
Number of vehicles	27	25	25	24	24	26	23	23	20	21

City of North Olmsted, Ohio

Capital Assets by Function

Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities:										
General government:										
Non-depreciable										
Land and art	\$ 4,348,482	\$ 4,338,482	\$ 4,338,482	\$ 4,284,592	\$ 4,284,592	\$ 4,119,592	\$ 4,119,592	\$ 4,119,592	\$ 4,119,595	\$ 4,119,592
CIP	756,811	1,673,019	709,545	24,075	345,587	-	60,299	-	-	-
Other capital assets										
Cost	17,053,708	16,124,249	15,699,251	15,544,553	15,244,608	14,960,300	14,880,955	14,903,823	14,865,654	14,768,258
Net book value	7,151,429	6,607,860	6,661,026	6,968,052	7,120,198	7,227,249	7,568,209	7,987,500	8,377,429	8,717,046
Security of persons and property:										
Fire:										
Non-depreciable										
Land	349,400	349,400	349,400	349,400	349,400	349,400	349,400	349,400	349,400	349,400
Other capital assets										
Cost	11,934,654	11,878,319	10,613,167	10,545,253	10,011,153	9,931,593	9,813,853	10,131,597	10,076,706	10,034,683
Net book value	5,426,117	5,846,070	4,970,993	5,135,225	4,922,582	5,104,932	5,315,192	5,617,704	5,855,145	5,922,426
Police:										
Non-depreciable										
CIP	9,085	-	997,949	-	-	333,718	15,000	-	287,610	-
Other capital assets										
Cost	5,684,983	5,848,002	4,659,318	4,552,145	4,370,310	3,866,321	3,927,420	3,455,139	2,970,279	2,903,904
Net book value	2,546,505	2,660,973	1,647,954	1,644,132	1,555,410	1,198,839	1,213,570	1,205,287	751,412	762,733
Public health and welfare:										
Youth and family:										
Other capital assets										
Cost	227,268	227,268	200,253	200,253	200,253	200,253	200,253	165,706	165,706	165,706
Net book value	133,139	144,773	128,492	138,325	148,158	157,991	167,824	142,507	149,135	155,764
Leisure time activities:										
Recreation:										
Non-depreciable										
CIP	-	2,242,023	3,815	-	-	-	1,653,610	1,211,618	22,478	-
Other capital assets										
Cost	15,960,265	13,846,884	12,298,521	12,267,589	12,260,724	11,865,850	10,204,381	10,182,522	9,942,010	9,968,018
Net book value	5,811,734	3,740,895	3,033,719	3,173,833	3,358,448	3,067,390	1,566,174	1,682,392	1,657,819	1,333,282

(Continued)

City of North Olmsted, Ohio

Capital Assets by Function (Continued)

Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Senior center:										
Non-depreciable										
CIP	-	-	-	-	-	-	-	110,970	-	-
Other capital assets										
Cost	-	-	1,427,029	1,394,526	1,023,118	1,006,092	974,238	855,852	855,852	696,496
Net book value	-	-	836,407	887,834	558,568	573,679	573,878	484,586	513,103	383,564
Transportation:										
Non-depreciable										
CIP	2,938,367	3,745,917	3,070,411	3,442,835	2,837,499	522,532	751,070	267,707	58,798	253,095
Other capital assets										
Cost	5,854,797	5,887,440	5,501,749	5,490,031	5,179,007	4,921,255	4,695,385	4,740,585	4,432,139	4,405,211
Net book value	2,256,031	2,129,548	1,972,204	1,853,868	1,642,389	1,473,524	1,279,369	1,309,219	1,153,149	1,243,141
Infrastructure										
Cost	155,729,377	154,017,359	151,058,739	148,141,857	147,134,364	146,269,502	144,433,404	143,179,372	142,644,860	141,635,998
Net book value	20,644,666	20,562,969	19,188,814	18,659,624	20,847,006	23,606,741	25,071,185	28,005,185	32,938,273	37,722,781
Economic development:										
Other capital assets										
Cost	106,491	106,491	106,490	106,490	106,491	106,491	122,673	122,673	122,673	-
Net book value	70,284	74,544	78,804	83,064	87,323	91,582	99,309	105,881	112,452	-
Totals:										
Non-depreciable										
Land and art	4,697,882	4,687,882	4,687,882	4,633,992	4,633,992	4,468,992	4,468,992	4,468,992	4,468,995	4,468,992
CIP	3,704,263	7,660,959	4,781,720	3,466,910	3,183,086	856,250	2,479,979	1,590,295	368,886	253,095
Other capital assets										
Cost	56,822,166	53,918,653	50,505,778	50,100,840	48,395,664	46,858,155	44,819,158	44,557,897	43,431,019	42,942,276
Net book value	23,395,239	21,204,663	19,329,599	19,884,333	19,393,076	18,895,186	17,783,525	18,535,076	18,569,644	18,517,956
Infrastructure										
Cost	155,729,377	154,017,359	151,058,739	148,141,857	147,134,364	146,269,502	144,433,404	143,179,372	142,644,860	141,635,998
Net book value	20,644,666	20,562,969	19,188,814	18,659,624	20,847,006	23,606,741	25,071,185	28,005,185	32,938,273	37,722,781
Total governmental activities cost	<u>\$ 220,953,688</u>	<u>\$ 220,284,853</u>	<u>\$ 211,034,119</u>	<u>\$ 206,343,599</u>	<u>\$ 203,347,106</u>	<u>\$ 198,452,899</u>	<u>\$ 196,201,533</u>	<u>\$ 193,796,556</u>	<u>\$ 190,913,760</u>	<u>\$ 189,300,361</u>
Total governmental activities net book value	<u>\$ 52,442,050</u>	<u>\$ 54,116,473</u>	<u>\$ 47,988,015</u>	<u>\$ 46,644,859</u>	<u>\$ 48,057,160</u>	<u>\$ 47,827,169</u>	<u>\$ 49,803,681</u>	<u>\$ 52,599,548</u>	<u>\$ 56,345,798</u>	<u>\$ 60,962,824</u>

City of North Olmsted, Ohio

Capital Assets by Function (Continued)

Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Business-type activities::										
Springvale Golf Course and Ballroom:										
Cost	\$ 13,273,613	\$ 13,274,870	\$ 13,061,728	\$ 11,163,275	\$ 9,492,696	\$ 7,978,527	\$ 7,823,515	\$ 7,589,715	\$ 7,461,986	\$ 7,401,729
Net book value	8,953,125	9,321,212	9,391,110	7,735,689	6,295,678	4,992,251	5,065,202	4,951,925	5,031,022	5,161,855
Sewer revenue:										
Cost	99,914,256	99,116,049	98,870,645	97,801,719	97,247,792	96,167,396	123,128,118	122,092,107	112,208,937	81,116,335
Net book value	57,610,613	59,457,142	61,761,859	63,413,790	65,544,822	66,716,782	71,686,671	72,363,287	64,146,307	30,706,798
NOMBL:										
Cost	-	-	-	-	-	-	-	-	-	-
Net book value	-	-	-	-	-	-	-	-	-	-
Total business-type activities cost	\$ <u>113,187,869</u>	\$ <u>112,390,919</u>	\$ <u>111,932,373</u>	\$ <u>108,964,994</u>	\$ <u>106,740,488</u>	\$ <u>104,145,923</u>	\$ <u>130,951,633</u>	\$ <u>129,681,822</u>	\$ <u>119,670,923</u>	\$ <u>88,518,064</u>
Total business-type activities net book value	\$ <u>66,563,738</u>	\$ <u>68,778,354</u>	\$ <u>71,152,969</u>	\$ <u>71,149,479</u>	\$ <u>71,840,500</u>	\$ <u>71,709,033</u>	\$ <u>76,751,873</u>	\$ <u>77,315,212</u>	\$ <u>69,177,329</u>	\$ <u>35,868,653</u>

Source: City Finance Department -- capital assets inventory.

OHIO AUDITOR OF STATE KEITH FABER



CITY OF NORTH OLMSTED

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 8/25/2022

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

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