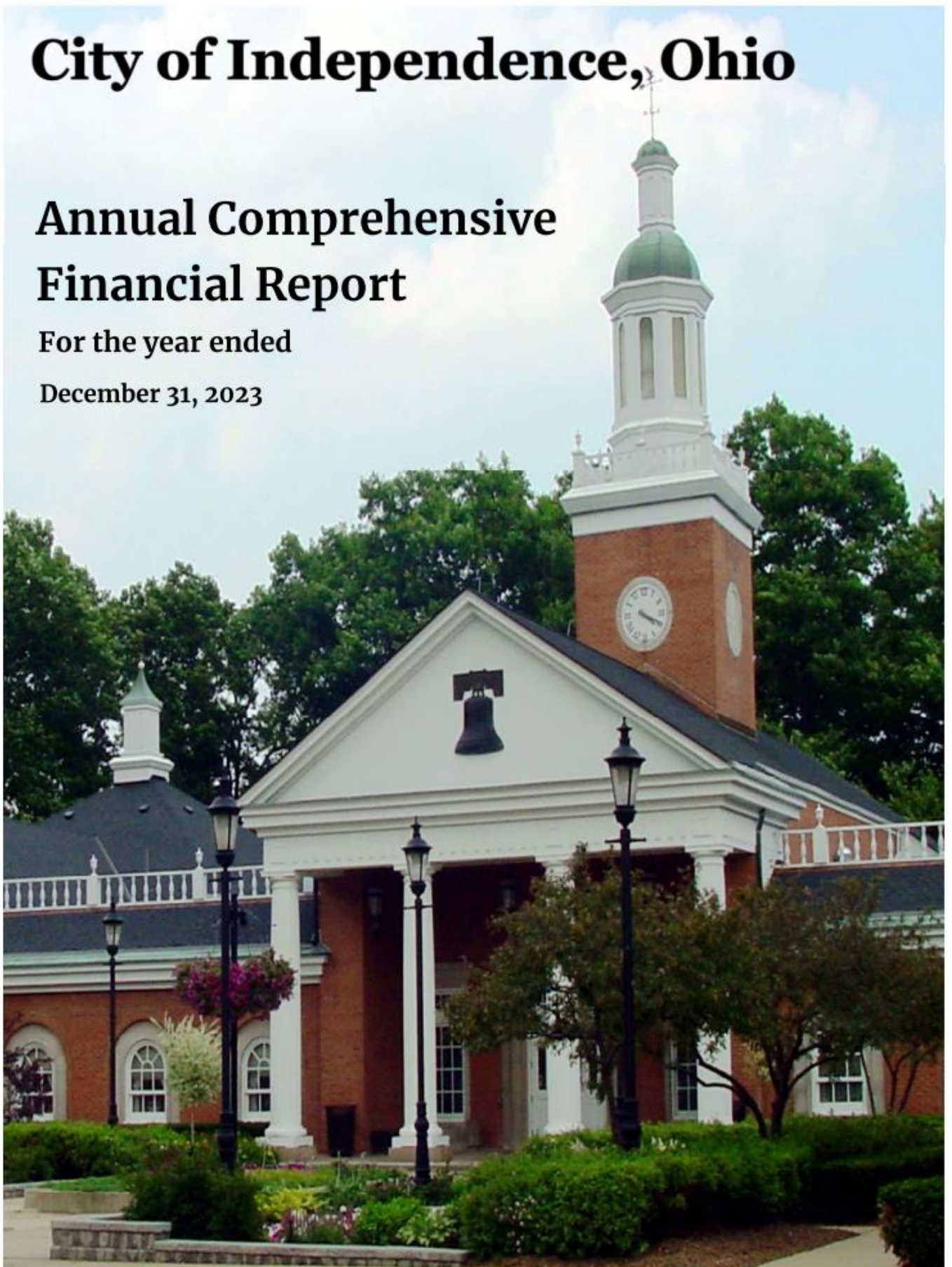


# City of Independence, Ohio

## Annual Comprehensive Financial Report

For the year ended

December 31, 2023







65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

Members of Council  
City of Independence  
6800 Brecksville Road  
Independence, Ohio 44131

We have reviewed the *Independent Auditor's Report* of the City of Independence, Cuyahoga County, prepared by Zupka & Associates, for the audit period January 1, 2023 through December 31, 2023. 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 Independence is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

September 27, 2024

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**CITY OF INDEPENDENCE, OHIO**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**For the Year Ended December 31, 2023**

**Prepared by the City Finance Department**

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# Introductory Section







**CITY OF INDEPENDENCE  
 CUYAHOGA COUNTY, OHIO  
 Annual Comprehensive Financial Report  
 For the Year Ended December 31, 2023**

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# City of Independence, Ohio

"THE HEART OF CUYAHOGA COUNTY"

6800 BRECKSVILLE ROAD

INDEPENDENCE, OHIO 44131

(216) 524-4131

July 31, 2024

Honorable Citizens of Independence  
and Members of City Council  
Independence, Ohio

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

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 has been established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Under Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. For the year 2023, the City was audited by Zupka & Associates. Their unmodified opinion is included in the financial section of this report.

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

## ***Profile of the City***

In 1814, the Township of Independence was named. It was incorporated as a Village in 1914, and became a City on November 12, 1960. The commerce of the community was initially built around farming and sandstone quarrying. Most of the sandstone was loaded onto barges in the nearby Ohio and Erie Canal headed for downtown Cleveland to build many of the buildings in the City.

The current population is estimated to be 7,520 (2020 Census estimate) indicating a comfortable average of approximately 773 persons per square mile in this City of 9.73 square miles (6,138.3 acres). Independence has the lowest effective residential and commercial property tax rate of any city in Cuyahoga County.

Independence City Hall and Police Facility was dedicated in 1982, and the Fire Station was dedicated in 1995. The Fire Dept. is staffed by 27 full-time and 2 part-time firefighters. The Police department is staffed with 35 full-time and one part-time police officer.

The City is a home-rule municipal corporation operating under the laws of the State of Ohio. The City's current Charter, its municipal constitution, has been amended a number of times since its original adoption on November 4, 1958. The laws of the State of Ohio prevail when conflicts exist between the Charter and the State constitution and in matters where the Charter is silent. The Charter provides for a "Mayor-Council" form of government. The City's Charter can only be amended by a majority vote of the electorate.

According to the Charter, the City of Independence's Chief Executive Officer is the Mayor, who is elected by the voters for a four-year term to begin on the first day of January following the election. No person shall serve as Mayor for more than two (2) consecutive terms of office. Terms shall be considered consecutive unless separated by a period of four (4) or more years.

The Mayor appoints, subject to the approval of Council, the Law Director, the Fire Chief, and Police Chief, as well as some members of the Zoning, Planning and Civil Service Boards. The Mayor appoints all of the Directors to the City's Departments with the exception of the Director of Finance and the Clerk of Council.

The Mayor serves as the conservator of the peace, and is responsible to the electors for enforcement of all laws and ordinances. The Mayor executes on behalf of the municipality all contracts, conveyances, and all other instruments to which the municipality is a party.

The Mayor is the official and ceremonial head of the City and shall receive all civil processes in any action wherein the municipality is a party. The Mayor also serves as the Safety Director and presides over Mayor's Court.

The Director of Finance is elected for a four-year term to begin on the first day of January following the election. The Director shall be bonded for the faithful performance of his/her duties before taking office. The amount of such bond shall be set by Council. The Director of Finance shall hold a bachelor's degree from an accredited college or university and have had at least five (5) years of experience in accounting or finance.

Legislative authority is vested in a seven-member Council who are elected at-large. Council members are elected for two-year terms through a non-partisan election process and can serve for five (5) consecutive terms. Their term of office begins January 1.

Council sets maximum pay grade limits for each officer, employee and member of any board or commission of the City. The compensation of the Mayor, Director of Finance and Council shall be fixed not less than one hundred twenty (120) days prior to the term next beginning.

Council enacts legislation in the form of ordinances and resolutions relative to City services, tax levies, appropriating and borrowing monies, and other municipal purposes.

Council is required to adopt a permanent appropriation measure within ninety days of the beginning of the year covered by such ordinance. The annual budget serves as the foundation for the City's financial planning and control.

## ***Local Economy***

Since the completion of the Interstate Highway System, the City of Independence has become a very strategically located industrial, commercial and residential community in the County. It is a developing Cleveland suburb and continues to see ongoing investment, primarily due to its location at the intersection of Interstates 77 and 480. Employees can conveniently get to Independence by either car or bus service, which is provided by the Greater Cleveland Regional Transit Authority.

The City of Independence is centrally located eight miles south of Downtown Cleveland. The northern third of Independence is where Rockside Road is located, linking the City with Interstate 77 (running north to Cleveland and south to Columbia, South Carolina) and Interstate 480, the auxiliary interstate of Interstate 80 connecting the west and east sides of the region. Interstate 480 connects with Interstate 80 (Turnpike) at both its east and west terminus, as well as Interstate-271 to the east and Interstate-71 to the west. The Ohio Turnpike interchange is less than 10 miles south via Interstate 77, and Cleveland Hopkins Airport is 12 miles west via Interstate 480.

There are also 47 restaurants and 14 hotels/motels with more than 2,100 available rooms located within the City – Comfort Inn, Courtyard by Marriott, Doubletree, Embassy Suites, Hampton Inn and Suites, Holiday Inn, Extended Stay America, LaQuinta, Red Roof Inn, Residence Inn by Marriott, Candlewood Suites, Ramada, SpringHill Suites by Marriott and Home2 Suites by Hilton – all with convenient access to the Interstates.

More than 800 businesses call Independence home, including corporations and organizations like the Cleveland Clinic and the Cleveland Cavaliers NBA Team, MAI Wealth Management, CBIZ, Airgas, Independence Excavating, CSA America, Dayton Heidelberg Distributing, Fedeli Group Inc, Kent State University College of Podiatric Medicine, Garland Industries, Redwood Living, Apple American Group, Roe Dental, and All Erection Crane Rental Co, just to name a few.

Even though the City's resident population is relatively small (7,520 as of the 2020 Census estimate), the daytime population approaches 25,000 during the work week; and when the vendor, customer, client, patient, and flow-through activity during the daytime are included, the commercial population can reach 35,000-40,000.

## ***Major Initiatives***

The City completed a process that resulted in the adoption of an Economic Development Strategic Plan (EDSP) in 2013. The EDSP provides specific strategies, action items, and performance targets to help guide local officials by providing the tools necessary to strengthen the local economy.

One of the EDSP action items was land banking vacant property in the Rockside Road corridor. Acting on this recommendation, the City purchased 33 acres of vacant commercial property adjacent to Rockside Road in May 2014.

Another result of the EDSP were recommendations for the City's downtown area. The City took title to the former middle school and surrounding land in 2005. The site is strategically located in the downtown area, and has the potential to be a catalyst for area-wide redevelopment. At the end of 2016, City leadership determined that the former middle school building was a detriment to redeveloping downtown Independence, so the decision was made to demolish the structure. The City continues to pursue opportunities to enhance the historic nature of its downtown, and it acquired a strategically located downtown property in 2023 for housing purposes.

The City continues its commitment to fund infrastructure projects. These projects include road resurfacing, curbs, gutters, sidewalks, landscaping, and water, sanitary and storm sewer lines, along with fiber optic technology. The infrastructure of the City is well maintained and this is typified by the pavement maintenance and rehabilitation projects that occur annually throughout the City.

Rockside Woods Boulevard North was extended to Brecksville Road. The roadway was completed in 2020. The Rockside Woods Blvd North extension fills an important gap in the Rockside Road transportation network, providing commuters with an alternative access to the Rockside Road Business District, while offering some measure of relief at the I77/Rockside Road Interchange. Both the roadway extension and intersection projects had been included in the City's Capital Improvement Plan for several years.

The City diligently utilizes Tax Increment Financing (TIF) as an economic development tool. The City currently has 20 revenue producing TIF Districts and received approximately \$2.50 million of payments in lieu of taxes in 2023.

### ***Long-Term Planning***

In 2003, the City's Administration and Council created a Planned Capital Purchase Program with the passage of Ordinance 2003-26. The purpose of the program is to allow Council to appropriate for and encumber funds over a number of years for large capital purchases. Purchase orders generated for these planned capital purchases will remain open until the year of acquisition.

In 2008, the City's Administration and Council expanded this program and created the first ever Five-Year Capital Improvement Plan. The plan is discussed and debated at length throughout the year and the completed plan is presented to Council for approval. The Five-Year Capital Improvement Plan is reviewed annually and the first year in the plan will be a part of the current year's appropriation.

Included in the five-year plan is a schedule of department capital improvements such as vehicle and equipment needs along with building improvements and land acquisition. Infrastructure improvements included are categorized as major street, sanitary sewer, storm sewer and sidewalk projects.

Having the Five-Year Capital Plan in place is very beneficial because it forces long-term strategic planning and prioritization. It also changes the vision of planning from one year at a time planning five years into the future while also considering how to pay for current improvements and ones in the future.

The City has also completed a planning process to develop a series of Area Plans. The Area Plans focus on the City's commercial districts and the School campus area: Rockside Road Corridor; Downtown; Community Campus; Cloverleaf and East Pleasant Valley. The goal of the planning effort was to develop the legal and logical foundation for making public policy, including improving the City's zoning code and land use regulations, conveying the City's intentions to the development community, and recommending future design projects to make these districts more desirable to businesses. The Area Plans were adopted by City Council in 2015.

A key recommendation from the Area Plans was for the City to consider creating zoning that would enable limited mixed-use development in the Rockside Road Corridor and Downtown areas. Following this recommendation, City Council approved the creation of Planned Unit Development (PUD) Districts for the Downtown area in 2015.

### ***Relevant Financial Policies***

The City has been able to minimize its debt by borrowing only for large capital/infrastructure improvements due to the departmental forecasting on the City's Five-Year Capital Improvement Plan and the steady revenue base that has assisted with some of the payments for the debt infrastructure projects. The City issued no new debt in 2023.



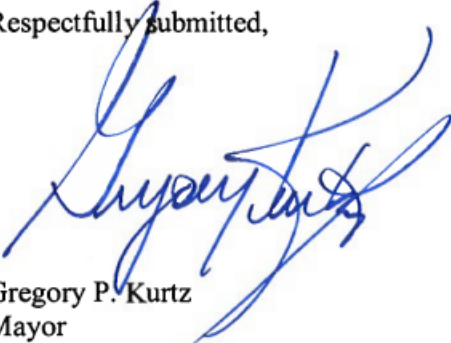
### *Awards and Acknowledgements*

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Independence for its Annual Comprehensive Financial Report for 13 consecutive years including the fiscal year ended December 31, 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City has to publish an easily readable and efficiently organized annual comprehensive financial report that satisfies both generally accepted accounting principles (GAAP) and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City believes the current report continues to meet the Certificate of Achievement Program's requirements, and it has been submitted to the GFOA to determine its eligibility for another certificate.

The Finance Team and the Mayor would like to thank the Members of Council for their support in striving for excellence in financial reporting and disclosure. Thanks are also offered to the staff from Zupka and Associates for their help in preparing the GASB 34 statements and the Annual Comprehensive Financial Report. They were helpful, cooperative, professional, and efficient and their assistance was extremely valuable.

This Annual Comprehensive Final Report was prepared by the Finance Department with the efficient and dedicated service of its entire staff along with Zupka and Associates. Sincere appreciation is offered to each of them and all other employees contributing to this effort.

Respectfully submitted,



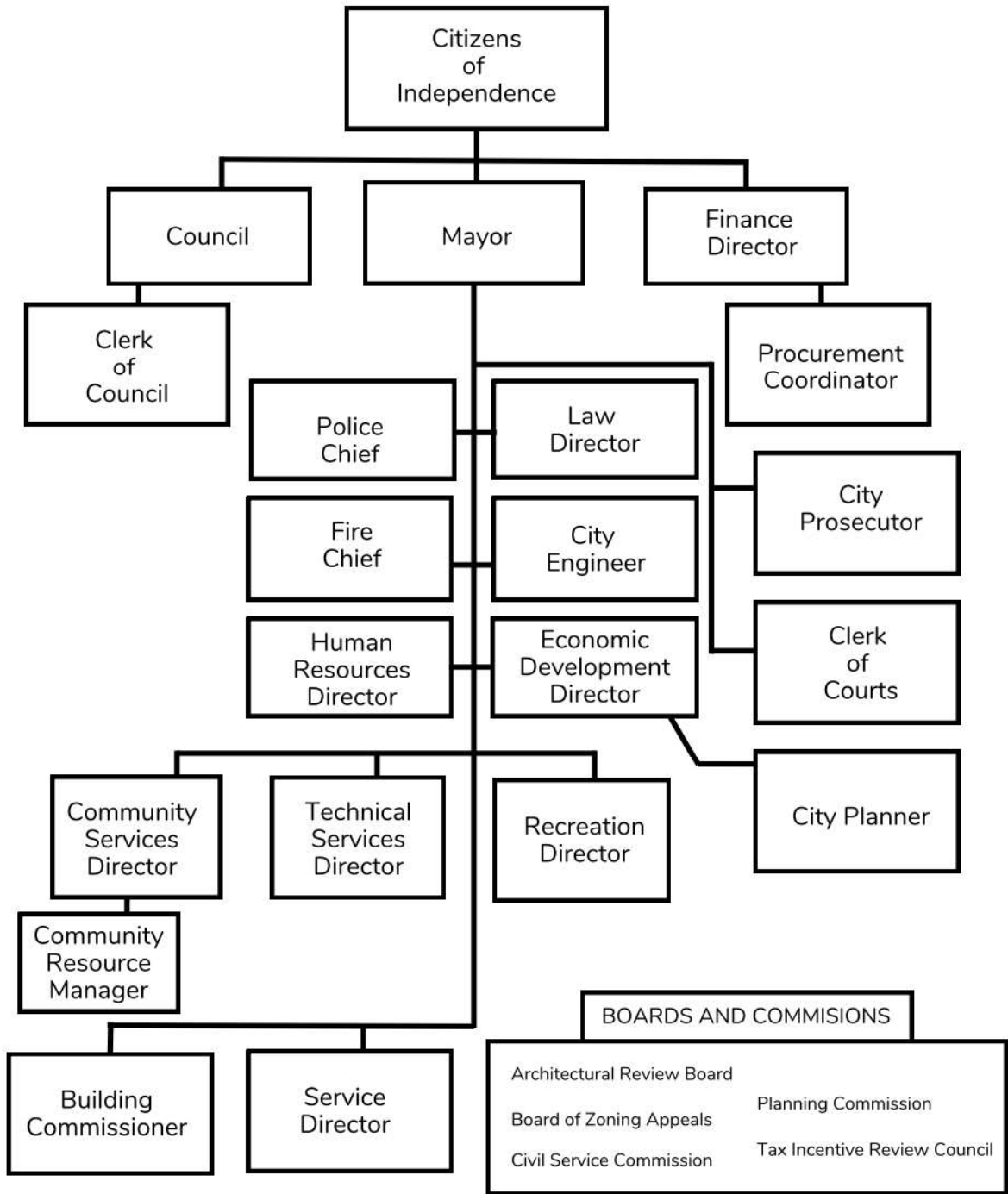
Gregory P. Kurtz  
Mayor



Vernon Blaze  
Finance Director

CITY OF INDEPENDENCE, OHIO

Organizational Chart  
December 31, 2023



**CITY OF INDEPENDENCE, OHIO**

*List of Principal Officials  
December 31, 2023*

---

*Elected Officials*

Mayor .....	Gregory P. Kurtz
Finance Director .....	Vernon Blaze
Vice Mayor .....	David Grendel
Council Member .....	John DiGeronimo
Council Member .....	Thomas Narduzzi
Council Member .....	AnthonyTogliatti
Council Member .....	James Trakas
Council Member .....	Dale Veverka
Council Member .....	Chris Walchanowicz

*Appointed Officials*

Clerk of Council .....	Debra J. Beal
City Prosecutor.....	William Doyle
Law Director .....	Gregory O'Brien

*Administration*

Building Official .....	Michael Gero
City Engineer .....	Don Ramm
City Planner .....	Annie Lynch
Clerk of Court .....	Angela T. Zidanic
Community Services Director .....	Emily Thomas
Economic Development Director .....	Jessica Hyser
Fire Chief .....	Steve Rega
Human Resources Director .....	Bridget Kozub
Police Chief .....	Robert Butler
Procurement Coordinator .....	Dennis Zdolshek
Recreation Director .....	Tom Walchanowicz
Service Director .....	Ronald Mckinley
Technical Services/ Facilities Maintenance Director.....	David Snyderburn



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Independence  
Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2022

*Christopher P. Morrill*

Executive Director/CEO

# Financial Section





## INDEPENDENT AUDITOR'S REPORT

City of Independence  
Cuyahoga County  
6800 Brecksville Road  
Independence, Ohio 44131

To the Members of City Council:

### Report on the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Independence, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2023, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Independence as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund and the High Intensity Drug Trafficking Area 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 (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's 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.

***Auditor's 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 auditor's 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 Postemployment Benefit Liabilities and Pension and Postemployment Benefit Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information 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 and individual nonmajor fund financial statements and schedules 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**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 auditor's 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 July 31, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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's internal control over financial reporting and compliance.



Zupka & Associates  
Certified Public Accountants

July 31, 2024

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**City of Independence, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2023*  
*Unaudited*

---

The discussion and analysis of the City of Independence's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the City's financial performance. Readers are encouraged to consider the information presented here in conjunction with the transmittal letter, the basic financial statements, and the accompanying notes to those financial statements to enhance their understanding of the City's financial performance.

### Financial Highlights

Key financial highlights are as follows:

- ❖ The City remains vigilant and department heads and employees work together to find ways to create more efficiency to ensure that the City's mission "To provide essential services and to enhance the quality of community life in the most economic and efficient manner possible" is carried out and implemented each and every day.
- ❖ The City has established several tax incremental financing (TIF) districts within the City under which the City has granted property tax exemptions and agreed to construct certain public infrastructure improvements. A property owner whose building improvements are located within the TIF districts continues to make payments to the jurisdiction in an amount equal to the real property tax liability that otherwise would have been due had the property not been exempted; however, the portion of the property tax on the incremental increase in value that would have gone to the County comes to the City to help pay for those public infrastructure improvements.
- ❖ The City's unassigned General Fund balance increased by \$3,074,880 or 49 percent in 2023.
- ❖ The City's Net Position increased by \$7,162,401 in 2023.

### Using this Annual Financial Report

This annual report consists of a series of financial statements some of which focus on the City as a whole (government-wide) and some of which focus on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden the basis for comparison (year-to-year or government-to-government) and enhance the City's accountability.

The statement of net position and statement of activities provides information about the activities of the City as a whole, presenting both an aggregate view of the City's finances and a longer-term view of those assets.

Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

**City of Independence, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2023*  
*Unaudited*

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## **Reporting the City of Independence as a Whole**

### *Statement of Net Position and the Statement of Activities*

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

From the statement of net position, you can determine what the City's current financial position is and will the City be able to finance services in the future, by subtracting total liabilities and deferred inflows of resources (what the City owes) from total assets and deferred outflows of resources (what the City owns). Over time, increases or decreases in the City's net position are one indicator of whether the City's financial health is improving or deteriorating. From the statement of activities, you can determine what the cost of governmental services are and how much of that cost is financed by taxpayers, where the City gets its money from and how it is used, whether the City is better or worse off financially. To assess the overall health of the City, other non-financial factors such as changes in the City's property tax base, income tax base, and the condition of the City's capital assets also should be considered.

## **Reporting on the Most Significant Funds of the City of Independence**

### *Fund Financial Statements*

The fund financial statements, which begins with the balance sheet, provide detailed information about the City's major funds and include the balance sheet and the statement of revenues, expenditures and changes in fund balances. These statements tell how City services charged to major funds were financed in the short term as well as what remains for future spending. For the City of Independence, the most significant governmental funds are the General Fund, the High Intensity Drug Trafficking Area (HIDTA) special revenue fund, the Quadrant Tax Increment Financing (TIF) and the Street Resurfacing capital projects funds.

All of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds and balances left at year-end that are available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less 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 statement of activities) and governmental funds is reconciled in the fund financial statements.

## **The City of Independence as a Whole**

### *Statement of Net Position*

As noted earlier, the statement of net position looks at the City as a whole and can prove to be a useful indicator of the City's financial position. Table 1 provides a summary of the City's net position for 2023 and 2022.

**City of Independence, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2023*  
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**Table 1**  
**Net Position**

	Governmental Activities		Change
	2023	2022	
<b>ASSETS</b>			
Current and Other Assets	\$ 64,848,979	\$ 57,892,923	6,956,056
Capital Assets, Net	141,404,452	140,581,478	822,974
Net Pension Asset	72,220	135,715	(63,495)
Net OPEB Asset	-	1,624,178	(1,624,178)
<b>Total Assets</b>	<u>206,325,651</u>	<u>200,234,294</u>	<u>6,091,357</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge on Refunding Pension	70,113	87,717	(17,604)
OPEB	13,073,822	5,903,169	7,170,653
Asset Retirement Obligation	2,034,100	1,199,458	834,642
<b>Total Deferred Outflows of Resources</b>	<u>38,500</u>	<u>44,000</u>	<u>(5,500)</u>
<b>LIABILITIES</b>			
Current and Other Liabilities	6,072,815	5,399,016	673,799
Long-term Liabilities:			
Due Within One Year	1,835,252	1,886,442	(51,190)
Due in More than One Year:			
Net Pension Liability	35,320,557	17,239,513	18,081,044
Net OPEB Liability	1,813,648	2,264,143	(450,495)
Other Amounts	20,858,081	22,521,039	(1,662,958)
<b>Total Liabilities</b>	<u>65,900,353</u>	<u>49,310,153</u>	<u>16,590,200</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	1,010,288	951,059	59,229
Payments in Lieu of Taxes and Lease	3,575,864	3,219,014	356,850
Pension	1,639,381	10,785,488	(9,146,107)
OPEB	1,734,166	2,683,191	(949,025)
<b>Total Deferred Inflows of Resources</b>	<u>7,959,699</u>	<u>17,638,752</u>	<u>(9,679,053)</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	117,414,206	116,599,862	814,344
Restricted	20,649,714	16,091,751	4,557,963
Unrestricted	9,618,214	7,828,120	1,790,094
<b>Total Net Position</b>	<u>\$ 147,682,134</u>	<u>\$ 140,519,733</u>	<u>7,162,401</u>

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The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2023. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

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

As of December 31, 2023, the City’s overall net position increased by \$7,162,401 from the prior year. Total assets increased by \$6.2 million. Current and other assets, primarily cash, was increased by \$7.0 million due to the increase in cash and cash equivalents. Capital assets increased by just by \$822,974 as additions exceeded depreciation and the City keeps a focus on improvements. The increase in total deferred outflows of resources and decrease in net OPEB asset were due in large part to adjustments in the current year calculations specific to the net pension and OPEB liabilities and assets. Total liabilities increased mainly due to changes in the net pension/OPEB liabilities and were offset by decreases due to the continued repayment of the City’s long term debt obligations. Deferred inflows decreased due to changes in the deferred inflows of resources related to pension and OPEB. Further details of the changes in net position between 2023 and 2022 can be observed in Table 2.

**City of Independence, Ohio**  
*Management's Discussion and Analysis*  
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**Table 2**  
**Changes in Net Position**

	Governmental Activities		Change
	2023	2022	
<b>REVENUES</b>			
Program Revenues:			
Charges for Services	\$ 2,786,456	\$ 2,349,085	437,371
Operating Grants and Contributions	9,909,802	8,462,943	1,446,859
Capital Grants and Contributions	393,842	849,667	(455,825)
<b>Total Program Revenues</b>	<b>13,090,100</b>	<b>11,661,695</b>	<b>1,428,405</b>
General Revenues:			
Property Taxes	1,044,288	1,077,332	(33,044)
Municipal Income Taxes	35,462,140	34,852,612	609,528
Hotel/Motel Taxes	1,480,601	1,359,555	121,046
Amusement Taxes	338,446	286,205	52,241
Payments in lieu of taxes	2,323,856	2,347,836	(23,980)
Grants and Entitlements	339,885	458,074	(118,189)
Investment Income	2,001,635	546,463	1,455,172
Gain on Sale of Capital Assets	188,698	117,852	70,846
All Other Revenues	839,072	426,845	412,227
<b>Total General Revenues</b>	<b>44,018,621</b>	<b>41,472,774</b>	<b>2,545,847</b>
<b>Total Revenues</b>	<b>57,108,721</b>	<b>53,134,469</b>	<b>3,974,252</b>
<b>EXPENSES</b>			
Program Expenses:			
Security of Persons and Property	12,401,123	10,083,849	2,317,274
Public Health Services	86,019	52,766	33,253
Leisure Time Activities	4,326,695	3,102,677	1,224,018
Community Environment	5,293,332	4,211,112	1,082,220
Basic Utility Services	1,548,052	1,292,502	255,550
Transportation	2,887,271	4,098,350	(1,211,079)
General Government	22,869,407	20,064,299	2,805,108
Interest and Fiscal Charges	534,421	589,968	(55,547)
<b>Total Expenses</b>	<b>49,946,320</b>	<b>43,495,523</b>	<b>6,450,797</b>
Change in Net Position	7,162,401	9,638,946	
Net Position - Beginning of Year	140,519,733	130,880,787	
<b>Net Position - End of Year</b>	<b>\$ 147,682,134</b>	<b>\$ 140,519,733</b>	

**Governmental Activities**

Several revenue sources fund governmental activities with income tax revenue being the largest source. The City levies a municipal income tax of two percent on all income earned within the City as well as on income of residents earned outside of the City. In the latter case, the City allows a credit of 100 percent, up to two percent, on the income earned outside of the City and paid to another municipality.

**City of Independence, Ohio**  
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The City's strong commercial employment tax base has provided for a consistent level of withholding and net profit tax collections. This strong base has enabled the City to enjoy increased collections during economically strong periods, while at the same time maintaining fairly level collections during economic downturns. The City's income tax base remains diversified in that the City is not reliant upon one taxpayer. This helps in giving the City stability in its budgeting process, knowing that the City's revenue stream will not be significantly affected by the loss of a major employer.

The overall financial strength and the net position of the City improved in 2023 from 2022. During these current economic times, the City made a conscious effort to live within its financial means, follow its financial plan and take corrective measures, when necessary.

The governmental activities charges for services program revenue increased as a result of reported amounts involving more building and recreation related fee revenues. The governmental activities operating grants and contributions program revenues increased as a result of the City receiving more grants in 2023. The governmental activities capital grants and contributions decreased due to the decrease of grants received related to Street Resurfacing fund.

Interest revenues increased in 2023 from 2022 as a result of an increasing interest rate environment. The City's revenues specific to Income, Hotel/Motel and Amusement tax collections increased as the public gains more trust in the economy after the pandemic.

Security of persons and property generally represents the highest program expense for the City by a large margin. During 2023, these expenses increased as a result of reported pension and OPEB expense amounts pursuant to GASB 68 and 75.

Most of the expenses were affected by the change in OPERS OPEB valuation as reported by the pension system for calculation year 2023 that resulted in increases. In addition to the increase in expenses from the OPERS OPEB valuation, expenses increased in leisure time activities, community environment, basic utility services, and general government.

General Government expenses saw an increase from the prior year which was the result of continued rampant inflation that caused an increased cost of labor, materials, and services.

Transportation expenses saw a decrease from the prior year which was the result of the City taking on additional road related maintenance projects in 2022 as compared to 2023.

To curb the rising costs of health care, the City established a City-wide Joint Medical/Hospitalization Committee (the Healthcare Committee). The Healthcare Committee is composed of one representative from each of the City's bargaining units, four non-bargaining representatives from other City departments, and one representative from Council. The primary goal of the Healthcare Committee is to work with City administration and Council to manage overall healthcare costs and promote healthier lifestyles.

Management continues to diligently plan expenses, staying carefully within the City's revenues. The City actively seeks grants in order to maintain and improve the services the City residents expect while still controlling expenses. The City is ever cognizant of needs versus wants. The following schedule presents a summary of governmental activities expenses and the net cost of providing these services (excluding general revenues).



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**Table 3**  
**Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
General Governmental	\$ 22,869,407	\$ 20,064,299	\$ 13,270,556	\$ 11,642,237
Security of Persons and Property	12,401,123	10,083,849	11,283,624	9,331,954
Public Health and Welfare	86,019	52,766	81,157	48,388
Leisure Time Activities	4,326,695	3,102,677	3,525,392	2,368,138
Community Environment	5,293,332	4,211,112	4,968,555	3,874,417
Basic Utility Services	1,548,052	1,292,502	1,484,104	1,227,657
Transportation	2,887,271	4,098,350	1,708,411	2,751,069
Interest and Fiscal Charges	534,421	589,968	534,421	589,968
Total Expenses	<u>\$ 49,946,320</u>	<u>\$ 43,495,523</u>	<u>\$ 36,856,220</u>	<u>\$ 31,833,828</u>

**The City's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

As of the end of 2023, the City's governmental funds reported a positive combined ending fund balance. Unassigned fund balance is available for appropriation at the City's discretion within certain legal constraints and purpose restrictions within the City's General Fund. The remainder of the fund balance is either nonspendable, restricted, committed or assigned to indicate that it is not available for future unrestricted spending.

The increase in the General Fund balance is primarily a result of revenues outpacing expenditures and the transfer subsidies to other funds. The City continues to put a premium on City services without reducing the City's workforce. In order to keep this premium on jobs, the City has worked to minimize overtime. The City's dedicated public servants strive to keep the City of Independence among the finest in Northeast Ohio.

The High Intensity Drug Trafficking Area (HIDTA) special revenue fund had a slight decrease in fund balance. Overall, the revenues and expenditures decreased slightly from the prior year.

The Quadrant Tax Increment Financing (TIF) capital projects fund saw a decrease in fund balance primarily due to a transfer made to the TIF Projects debt service fund. The negative balance reflected in the Quadrant TIF fund is a result of interfund borrowing.

The street resurfacing capital projects fund had an increase in fund balance due to an increase in interest revenue and transfers in. The City continues to prioritize improvement and repair of its roads for the safety of its citizens.

Other governmental funds had an increase in fund balance. The City continues to seek out and utilize grant monies. Revenues and transfers in for subsidies were higher than expenditures.

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*Management's Discussion and Analysis*  
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**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 legal level of budgetary control for the City is at the department and object level for the General Fund. Any budgetary modifications at this level may only be made by ordinance of City Council. City policy permits fund transfers within control levels with the approval of the Director of Finance. During the current year, the City amended its General Fund budget several times. In addition to day-to-day budget monitoring, the Director of Finance closely examines the budget with the preparation of the monthly financial statements and quarterly budget analysis reports.

Actual revenues received were higher than certification, due to lower estimates in several categories, mainly income taxes revenue. Actual expenditures were less than appropriations due mainly to the diligence of management to keep costs low. City Council has taken a proactive stance on budgeting by requiring that permanent appropriations be submitted and approved prior to the start of the year in non-election years. This enables the administration to better plan for the upcoming year.

**Capital Assets and Debt Administration**

*Capital Assets*

Each year the Mayor, Director of Finance, Council, City Engineer and Service Director review the condition of the City's infrastructure and determine what work needs to be completed. The projects are then prioritized, added to the Five-Year Capital Improvement Plan and submitted to Council. During the budget process, the Mayor, Director of Finance, and Council determine which projects will be budgeted for the following year.

At December 31, 2023, capital asset balances were as follows on table 4;

**Table 4**  
**Governmental Activities**

	2023	2022
Land	\$ 21,532,655	\$ 21,861,131
Construction in progress	7,149,870	28,239,620
Buildings and Improvements	1,367,557	840,748
Land improvements	20,767,680	21,009,376
Machinery and Equipment	3,272,168	2,810,319
Furniture and Fixtures	134,170	83,044
Vehicles	5,700,550	5,183,826
Infrastructure	81,479,802	60,553,414
<b>Total</b>	<b>\$ 141,404,452</b>	<b>\$ 140,581,478</b>

In 2023, the City purchased equipment, furniture and fixtures, and vehicles for the City's various departments and also made improvements to numerous roads throughout the City and improvements to land and buildings. See Note 9 to the basic financial statements for more information regarding the City's capital assets.

**City of Independence, Ohio**  
*Management's Discussion and Analysis*  
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**Long-Term Debt**

The table 5 summarizes the long-term debt outstanding.

**Table 5**  
**Governmental Activities**

	2023	2022
General Obligation Bonds	\$ 16,287,514	\$ 17,603,834
Special Assessment Bonds	2,835,945	2,940,260
OPWC Loan	2,698,226	2,917,684
Total Outstanding Debt	\$ 21,821,685	\$ 23,461,778

The City's overall legal debt limit is \$54,551,098. The amount of debt subject to the debt limit was \$12,290,000 leaving an overall debt margin of \$42,261,098. The legal debt margin is determined by multiplying the total assessed value of taxable real property in the City by 10.50 percent minus non-exempted debt outstanding.

The city continues to monitor its outstanding long-term obligations and is committed to reducing its overall long-term obligations on an annual basis. Information relative to long-term obligations is identified in Note 16 to the basic financial statements.

**Current Financial Related Activities**

The City has continued to maintain the highest standards of services to its residents while diligently planning expenses to stay within the City's revenues. During 2023, the City leadership team closely monitored revenues and expenditures to preserve the integrity of the General Fund's unencumbered cash balance. As with all municipalities in the State of Ohio, State funding and State legal issues are constantly monitored to determine the impact on the City. One major funding issue for cities and villages in Ohio is the impact on local income taxes caused by remote and hybrid work models. Income tax revenue in 2023 increased slightly from 2022, but certainty of that trend is not guaranteed going forward.

In conclusion, the City of Independence is in a period that presents both significant challenges and opportunities. The City leadership team is committed to working with all stakeholders to craft action plans that will most effectively use the available resources to continue to achieve the City's Mission and Vision for those stakeholders.

**Contacting the City's Finance Department**

This financial report is designed to provide a general overview of the City's finances and to show the City's accountability for the money it receives. Any questions about this report or the need for additional financial information can be obtained by contacting the Finance Department at the City of Independence, 6800 Brecksville Road, Independence, Ohio 44131-5045, (216) 524-4131.

## Basic Financial Statements

**City of Independence, Ohio**  
*Statement of Net Position*  
*December 31, 2023*

	Governmental Activities
<b>ASSETS</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 45,849,769
Cash and Cash Equivalents:	
In Segregated Accounts	5,361
Accounts Receivable	89,945
Accrued Interest Receivable	417,874
Intergovernmental Receivable	1,637,984
Hotel Taxes Receivable	85,601
Amusement Taxes Receivable	78,732
Prepaid Items	306,363
Municipal Income Taxes Receivable	8,235,885
Property Taxes Receivable	1,049,150
Special Assessments Receivable	2,883,023
Payments in Lieu of Taxes Receivable	2,692,608
Lease Receivable	1,040,258
Assets Held for Resale	476,426
Nondepreciable Capital Assets	28,682,525
Depreciable Capital Assets	112,721,927
Net Pension Asset	72,220
<b>Total Assets</b>	206,325,651
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Charge on Refunding	70,113
Pension	13,073,822
OPEB	2,034,100
Asset Retirement Obligation	38,500
<b>Total Deferred Outflows of Resources</b>	15,216,535
<b>LIABILITIES</b>	
Accounts Payable	2,092,576
Contracts Payable	2,114,710
Accrued Wages and Benefits	356,132
Intergovernmental Payable	678,253
Deposits Held and Due to Others	525,812
Matured Compensated Absences Payable	9,125
Accrued Interest Payable	49,632
Retainage Payable	246,575
Long-term Liabilities:	
Due Within One Year	1,835,252
Due in More than One Year:	
Net Pension Liability	35,320,557
Net OPEB Liability	1,813,648
Other Amounts Due in More than One Year	20,858,081
<b>Total Liabilities</b>	65,900,353
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	1,010,288
Payments in Lieu of Taxes and Lease	3,575,864
Pension	1,639,381
OPEB	1,734,166
<b>Total Deferred Inflows of Resources</b>	7,959,699
<b>NET POSITION</b>	
Net Investment in Capital Assets	117,414,206
Restricted for:	
Capital Projects	18,673,343
Debt Service	3,556
State Highway	541,394
Street Construction, Maintenance and Repair	620,306
Police Pension	31,275
Law Enforcement	366,021
Pension	72,220
Other Purposes	341,599
Unrestricted	9,618,214
<b>Total Net Position</b>	\$ 147,682,134

The notes to the financial statements are an integral part of this statement.

**City of Independence, Ohio**  
*Statement of Activities*  
*For the Year Ended December 31, 2023*

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Governmental Activities</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
<b>Primary Government:</b>					
<b>Governmental activities:</b>					
Security of Persons and Property	\$ 12,401,123	\$ 1,088,355	\$ 29,144	\$ -	\$ (11,283,624)
Public Health and Welfare	86,019	4,862	-	-	(81,157)
Leisure Time Activities	4,326,695	801,303	-	-	(3,525,392)
Community Environment	5,293,332	282,667	-	42,110	(4,968,555)
Basic Utility Services	1,548,052	57,748	-	6,200	(1,484,104)
Transportation	2,887,271	51,359	781,969	345,532	(1,708,411)
General Government	22,869,407	500,162	9,098,689	-	(13,270,556)
Interest and Fiscal Charges	534,421	-	-	-	(534,421)
<b>Total Primary Government</b>	<u>\$ 49,946,320</u>	<u>\$ 2,786,456</u>	<u>\$ 9,909,802</u>	<u>\$ 393,842</u>	<u>(36,856,220)</u>

**General Revenues:**

Property Taxes levied for:	
General Purposes	901,879
Police Pension	142,409
Municipal Income Taxes levied for:	
General Purposes	35,462,140
Hotel/Motel Taxes Levied for General Purposes	1,480,601
Amusement Taxes Levied for General Purposes	338,446
Payments in Lieu of Taxes	2,323,856
Grants and Entitlements not Restricted to Specific Programs	339,885
Investment Income	2,001,635
Gain on Sale of Capital Assets	188,698
All Other Revenues	839,072
Total General Revenues	<u>44,018,621</u>
Change in Net Position	7,162,401
Net Position - Beginning of Year	<u>140,519,733</u>
<b>Net Position - End of Year</b>	<u>\$ 147,682,134</u>

The notes to the financial statements are an integral part of this statement.

**City of Independence, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*December 31, 2023*

	General Fund	HIDTA	Quadrant Tax Increment Financing	Street Resurfacing	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 10,679,018	\$ -	\$ 13,234,851	\$ 5,544,812	\$ 13,964,402	\$ 43,423,083
Cash and Cash Equivalents:						
In Segregated Accounts	5,046	-	-	-	315	5,361
Accrued Interest Receivable	380,030	-	-	37,844	-	417,874
Accounts Receivable	66,764	-	-	-	23,181	89,945
Interfund Receivable	40,754,924	-	-	-	500,000	41,254,924
Intergovernmental Receivable	123,705	683,681	495,360	-	335,238	1,637,984
Prepaid Items	306,363	-	-	-	-	306,363
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	1,167,327	-	-	-	-	1,167,327
Hotel/Motel Taxes Receivable	85,601	-	-	-	-	85,601
Amusement Taxes Receivable	78,732	-	-	-	-	78,732
Municipal Income Taxes Receivable	8,235,885	-	-	-	-	8,235,885
Property Taxes Receivable	906,087	-	-	-	143,063	1,049,150
Special Assessments Receivable	-	-	-	-	2,883,023	2,883,023
Payment in Lieu of Taxes Receivable	-	-	2,692,608	-	-	2,692,608
Lease Receivable	1,040,258	-	-	-	-	1,040,258
Assets Held for Resale	-	-	-	-	476,426	476,426
<b>Total Assets</b>	<b>\$ 63,829,740</b>	<b>\$ 683,681</b>	<b>\$ 16,422,819</b>	<b>\$ 5,582,656</b>	<b>\$ 18,325,648</b>	<b>\$ 104,844,544</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ 728,692	\$ 284,040	\$ 12,458	\$ 13,418	\$ 427,853	\$ 1,466,461
Accrued Wages and Benefits	336,178	19,954	-	-	-	356,132
Contracts Payable	-	25,362	1,525,765	230,211	333,372	2,114,710
Intergovernmental Payable	248,986	354,325	-	-	74,942	678,253
Matured Compensated Absences Payable	9,125	-	-	-	-	9,125
Retainage Payable	-	-	50,000	134,085	62,490	246,575
Interfund Payable	-	-	40,308,500	96,200	850,224	41,254,924
Payables from Restricted Assets:						
Accounts Payable	626,115	-	-	-	-	626,115
Deposits Held and Due to Others	525,812	-	-	-	-	525,812
<b>Total Liabilities</b>	<b>2,474,908</b>	<b>683,681</b>	<b>41,896,723</b>	<b>473,914</b>	<b>1,748,881</b>	<b>47,278,107</b>
<b>Deferred Inflows of Resources:</b>						
Property Taxes and Payments in Lieu of Taxes	872,522	-	2,561,734	-	137,766	3,572,022
Lease	1,014,130	-	-	-	-	1,014,130
Unavailable Revenue - Delinquent Property Taxes	33,565	-	-	-	5,297	38,862
Unavailable Revenue - Income Taxes	5,174,707	-	-	-	-	5,174,707
Unavailable Revenue - Other	136,046	77,727	626,234	-	3,165,356	4,005,363
<b>Total Deferred Inflows of Resources</b>	<b>7,230,970</b>	<b>77,727</b>	<b>3,187,968</b>	<b>-</b>	<b>3,308,419</b>	<b>13,805,084</b>
<b>Fund Balances:</b>						
Nonspendable	41,076,687	-	-	-	-	41,076,687
Restricted	-	-	-	5,108,742	11,796,889	16,905,631
Committed	-	-	-	-	290,437	290,437
Assigned	1,701,924	-	-	-	1,672,756	3,374,680
Unassigned (Deficit)	11,345,251	(77,727)	(28,661,872)	-	(491,734)	(17,886,082)
<b>Total Fund Balances</b>	<b>54,123,862</b>	<b>(77,727)</b>	<b>(28,661,872)</b>	<b>5,108,742</b>	<b>13,268,348</b>	<b>43,761,353</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 63,829,740</b>	<b>\$ 683,681</b>	<b>\$ 16,422,819</b>	<b>\$ 5,582,656</b>	<b>\$ 18,325,648</b>	<b>\$ 104,844,544</b>

The notes to the financial statements are an integral part of this statement.

**City of Independence, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 December 31, 2023*

**Total Governmental Fund Balances** \$ 43,761,353

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

Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds 141,404,452

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

Delinquent property taxes	\$	38,862	
Municipal income taxes		5,174,707	
Special assessments		2,883,023	
Hotel/Motel and Amusement taxes		15,472	
Payment in Lieu of Taxes		130,874	
Intergovernmental		961,011	
Charges for services		8,779	
Miscellaneous		6,204	
Total			9,218,932

In the Statement of Activities, interest is accrued on outstanding bonds and loans, whereas in Governmental funds, an interest expenditure is reported when due. (49,632)

An Internal Service fund is used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the Internal Service fund is included in Governmental Activities in the Statement of Net Position. 1,259,359

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

Deferred Outflows - Pension		13,073,822	
Deferred Inflows - Pension		(1,639,381)	
Net Pension Asset		72,220	
Net Pension Liability		(35,320,557)	
Deferred Outflows - OPEB		2,034,100	
Deferred Inflows - OPEB		(1,734,166)	
Net OPEB Liability		(1,813,648)	
Total			(25,327,610)

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

General Obligation Bonds		(16,287,514)	
Special Assessment Bonds		(2,835,945)	
OPWC Loan		(2,698,226)	
Deferred Charge on refunding		70,113	
Deferred Outflows Asset Retirement		38,500	
Compensated absences		(651,648)	
Asset Retirement Obligation		(220,000)	
Total			(22,584,720)

**Net Position of Governmental Activities** \$ 147,682,134

The notes to the financial statements are an integral part of this statement.



**City of Independence, Ohio**  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
**Governmental Funds**  
*For the Year Ended December 31, 2023*

	General		Quadrant		Other	Total
	Fund	HIDTA	Tax Increment Financing	Street Resurfacing	Governmental Funds	Governmental Funds
<b>REVENUES</b>						
Property Taxes	\$ 917,594	\$ -	\$ -	\$ -	\$ 144,890	\$ 1,062,484
Municipal Income Taxes	35,454,763	-	-	-	-	35,454,763
Hotel/Motel Taxes	1,491,059	-	-	-	-	1,491,059
Amusement Taxes	337,665	-	-	-	-	337,665
Payments in Lieu of Taxes	-	-	2,561,733	-	-	2,561,733
Intergovernmental	331,780	6,417,465	186,173	36,220	3,570,010	10,541,648
Interest	1,482,732	-	-	509,177	9,726	2,001,635
Fees, Licenses, and Permits	368,333	-	-	-	570,110	938,443
Fines and Forfeitures	138,042	-	-	-	526,705	664,747
Rentals	247,443	-	-	-	12,404	259,847
Charges for Services	866,027	12,753	-	-	-	878,780
Lease	49,470	-	-	-	7,500	56,970
Special Assessments	-	-	-	-	315,193	315,193
All Other Revenues	651,796	1,973	-	164,379	40,548	858,696
<b>Total Revenues</b>	<b>42,336,704</b>	<b>6,432,191</b>	<b>2,747,906</b>	<b>709,776</b>	<b>5,197,086</b>	<b>57,423,663</b>
<b>EXPENDITURES</b>						
Current:						
Security of Persons and Property	9,667,514	-	-	-	1,701,835	11,369,349
Public Health and Welfare	84,140	-	-	-	-	84,140
Leisure Time Activities	3,938,244	-	-	-	223,088	4,161,332
Community Environment	5,111,501	-	-	-	83,814	5,195,315
Basic Utility Services	992,975	-	-	-	532,421	1,525,396
Transportation	870,445	-	206,211	1,118,227	535,208	2,730,091
General Government	8,702,623	6,490,396	-	-	2,026,179	17,219,198
Capital Outlay	-	-	1,951,610	1,706,174	3,312,707	6,970,491
Debt Service:						
Principal Retirement	-	-	-	-	1,509,458	1,509,458
Interest and Fiscal Charges	-	-	-	-	652,168	652,168
<b>Total Expenditures</b>	<b>29,367,442</b>	<b>6,490,396</b>	<b>2,157,821</b>	<b>2,824,401</b>	<b>10,576,878</b>	<b>51,416,938</b>
Excess of Revenues Over (Under) Expenditures	12,969,262	(58,205)	590,085	(2,114,625)	(5,379,792)	6,006,725
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of Capital Assets	64,118	-	-	-	470,000	534,118
Transfers In	620,000	-	-	4,000,000	8,345,327	12,965,327
Transfers Out	(10,578,500)	-	(1,778,058)	-	(833,769)	(13,190,327)
<b>Total Other Financing Sources (Uses)</b>	<b>(9,894,382)</b>	<b>-</b>	<b>(1,778,058)</b>	<b>4,000,000</b>	<b>7,981,558</b>	<b>309,118</b>
Net Change in Fund Balances	3,074,880	(58,205)	(1,187,973)	1,885,375	2,601,766	6,315,843
Fund Balances (Deficit) - Beginning of Year	51,048,982	(19,522)	(27,473,899)	3,223,367	10,666,582	37,445,510
<b>Fund Balances (Deficit)- End of Year</b>	<b>\$ 54,123,862</b>	<b>\$ (77,727)</b>	<b>\$ (28,661,872)</b>	<b>\$ 5,108,742</b>	<b>\$ 13,268,348</b>	<b>\$ 43,761,353</b>

The notes to the financial statements are an integral part of this statement.

**City of Independence, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 In Fund balances of Governmental Funds to the Statement of Activities  
 For the Year Ended December 31, 2023*

**Net Change in Fund Balances-Total Governmental Funds** \$ 6,315,843

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

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

Capital Outlay	\$ 6,970,491	
Depreciation	(5,802,097)	
Total		1,168,394

In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (345,420)

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

Delinquent property taxes	(18,196)	
Municipal income taxes	7,377	
Special assessments	(125,176)	
Hotel/Motel and Amusement taxes	(9,677)	
Payment in Lieu of Taxes	(237,877)	
Intergovernmental	(94,336)	
Charges for services	(11,035)	
Miscellaneous	(14,720)	
Total		(503,640)

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

Pension		2,557,144
OPEB		53,901

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

Pension		(4,384,923)
OPEB		556,083

Repayment of principal on bonds and loans are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 1,509,458

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

Compensated absences	74,055	
Amortization of deferred outflows asset retirement obligation	(5,500)	
Accrued interest on bonds	4,716	
Amortization of bond premiums	130,635	
Amortization of deferred charge on refunding	(17,604)	
Total		186,302

An Internal Service fund is used by management to charge costs to certain activities, such as insurance to individual funds. The net revenue (expense) of an Internal Service fund is reported in the Governmental Activities. 49,259

**Change in Net Position of Governmental Activities** \$ 7,162,401

The notes to the financial statements are an integral part of this statement.

**City of Independence, Ohio**  
*Statement of Revenues, Expenditures, and Changes*  
*in Fund Balance – Budget (Non-GAAP basis) and Actual*  
**General Fund**  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 820,633	\$ 820,633	\$ 917,594	\$ 96,961
Municipal Income Taxes	33,080,406	34,980,406	35,077,485	97,079
Hotel Taxes	1,060,348	1,338,627	1,501,251	162,624
Amusement Taxes	233,993	295,403	331,290	35,887
Intergovernmental	179,046	226,035	253,495	27,460
Interest	841,612	1,062,485	1,191,562	129,077
Fees, Licenses and Permits	260,157	328,433	368,333	39,900
Fines and Forfeitures	106,226	133,852	150,113	16,261
Rentals	225,629	284,843	319,448	34,605
Charges for Services	599,246	756,512	848,418	91,906
All Other Revenues	454,323	564,190	649,089	84,899
<b>Total Revenues</b>	<b>37,861,619</b>	<b>40,791,419</b>	<b>41,608,078</b>	<b>816,659</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	10,945,314	10,675,314	9,708,342	966,972
Public Health and Welfare	99,887	89,887	83,653	6,234
Leisure Time Activities	4,353,657	4,368,657	4,019,741	348,916
Community Environment	6,568,038	6,598,504	5,432,146	1,166,358
Basic Utility Services	1,253,050	1,184,716	1,007,637	177,079
Transportation	1,206,251	1,172,086	936,320	235,766
General Government	7,713,065	8,546,048	7,780,322	765,726
<b>Total Expenditures</b>	<b>32,139,262</b>	<b>32,635,212</b>	<b>28,968,161</b>	<b>3,667,051</b>
Excess of Revenues Over (Under)				
Expenditures	5,722,357	8,156,207	12,639,917	4,483,710
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	64,118	64,118	64,118	-
Advances In	4,041,000	3,926,500	3,926,500	-
Advances Out	(4,081,000)	(4,081,000)	(4,081,000)	-
Transfers In	24,120,000	23,620,000	23,620,000	-
Transfers Out	(31,893,500)	(33,838,500)	(33,838,500)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(7,749,382)</b>	<b>(10,308,882)</b>	<b>(10,308,882)</b>	<b>-</b>
Net Change in Fund Balance	(2,027,025)	(2,152,675)	2,331,035	4,483,710
Fund Balance - Beginning of Year	5,414,759	5,414,759	5,414,759	-
Prior Year Encumbrances Appropriated	1,473,252	1,473,252	1,473,252	-
<b>Fund Balance - End of Year</b>	<b>\$ 4,860,986</b>	<b>\$ 4,735,336</b>	<b>\$ 9,219,046</b>	<b>\$ 4,483,710</b>

The notes to the financial statements are an integral part of this statement.

**City of Independence, Ohio**  
*Statement of Revenues, Expenditures, and Changes*  
*in Fund Balance – Budget (Non-GAAP basis) and Actual*  
*High Intensity Drug Trafficking Area Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 5,984,835	\$ 5,984,835	\$ 5,811,511	\$ (173,324)
Charges for Services	13,133	13,133	12,753	(380)
All Other Revenues	2,032	2,032	1,973	(59)
<b>Total Revenues</b>	<u>6,000,000</u>	<u>6,000,000</u>	<u>5,826,237</u>	<u>(173,763)</u>
<b>Expenditures:</b>				
Current:				
General Government				
Salaries and Wages	1,116,777	1,116,777	1,094,196	22,581
Benefits	348,884	348,884	341,830	7,054
Other	4,534,339	4,534,339	4,442,654	91,685
<b>Total Expenditures</b>	<u>6,000,000</u>	<u>6,000,000</u>	<u>5,878,680</u>	<u>121,320</u>
Net Change in Fund Balance	-	-	(52,443)	(52,443)
Fund Balance - Beginning of Year	52,443	52,443	52,443	-
<b>Fund Balance - End of Year</b>	<u>\$ 52,443</u>	<u>\$ 52,443</u>	<u>\$ -</u>	<u>\$ (52,443)</u>

The notes to the financial statements are an integral part of this statement.

**City of Independence, Ohio**  
*Statement of Fund Net Position*  
*Internal Service Fund*  
*December 31, 2023*

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	<u>Insurance</u>
<b>ASSETS</b>	
<b>Current Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 1,259,359
<b>Total Assets</b>	<u>1,259,359</u>
<b>NET POSITION</b>	
Unrestricted	<u>1,259,359</u>
<b>Total Net Position</b>	<u>\$ 1,259,359</u>

The notes to the financial statements are an integral part of this statement.

**City of Independence, Ohio**  
*Statement of Revenues,  
Expenses, and Changes in Fund Net Position*  
**Internal Service Fund**  
For the Year Ended December 31, 2023

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	<b>Insurance</b>
<b>OPERATING REVENUES</b>	
Miscellaneous	\$ 19,103
<b>Total Operating Revenues</b>	19,103
 <b>OPERATING EXPENSES</b>	
Contractual Services	166,557
Claims	28,287
<b>Total Operating Expense</b>	194,844
Operating Income (Loss)	(175,741)
 Transfers In	 225,000
Change in Net Position	49,259
 Net Position - Beginning of Year	 1,210,100
<b>Net Position - End of Year</b>	<b>\$ 1,259,359</b>

The notes to the financial statements are an integral part of this statement.

**City of Independence, Ohio**  
*Statement of Cash Flows*  
*Internal Service Fund*  
For the Year Ended December 31, 2023

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	<b>Insurance</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Other Cash Receipts	\$ 19,103
Cash Payments for Goods and Services	(166,557)
Cash Payments for Claims	(28,287)
Net Cash (Used in) Operating Activities	(175,741)
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfer In	225,000
Net Cash Provided by Noncapital Financing Activities	225,000
Net Increase in Cash and Cash Equivalents	49,259
Cash and Cash Equivalents - Beginning of Year	1,210,100
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 1,259,359</b>
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>	
Operating Loss	\$ (175,741)
Adjustments:	
Increase (Decrease) in Liabilities:	-
Net Cash (Used in) Operating Activities	<b>\$ (175,741)</b>

The notes to the financial statements are an integral part of this statement.

**City of Independence, Ohio**  
*Statement of Fiduciary Net Position*  
*Custodial Fund*  
*December 31, 2023*

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and Cash Equivalents in Segregated Accounts	\$ 15,803
<b>Total Assets</b>	<b>15,803</b>
 <b>LIABILITIES</b>	
Accounts Payable	6,490
Intergovernmental Payable	1,893
<b>Total Liabilities</b>	<b>8,383</b>
 <b>NET POSITION</b>	
Restricted For:	
Individuals, Organizations, and Other Governments	7,420
<b>Total Net Position</b>	<b>\$ 7,420</b>

The notes to the financial statements are an integral part of this statement.



**City of Independence, Ohio**  
*Statement of Changes in Fiduciary Net Position*  
*Custodial Fund*  
For the Year Ended December 31, 2023

	<b>Custodial Funds</b>
<b>ADDITIONS</b>	
Fines and Forfeitures for Other Governments	\$ 52,084
Miscellaneous	154,392
<b>Total Additions</b>	<b>206,476</b>
<b>DEDUCTIONS</b>	
Fines and Forefietures Distributions to Other Governments	56,217
Miscellaneous	150,905
<b>Total Deductions</b>	<b>207,122</b>
Net Increase in Fiduciary Net Position	(646)
Net Position - Beginning of Year	8,066
<b>Net Position - End of Year</b>	<b>\$ 7,420</b>

The notes to the financial statements are an integral part of this statement.

## Notes to the Basic Financial Statements

**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 1 – Reporting Entity**

The City of Independence (the “City”) is a home-rule municipal corporation formed under the laws of the State of Ohio. The City operates under its own Charter made effective November 4, 1958. The Charter, as amended, provides for a Council-Mayor form of government.

The Mayor, elected by the voters for a four-year term, is the head of the municipal government for ceremonial, administrative, and executive purposes, performs the judicial functions of the City and presides at Council meetings. As the chief conservator of the peace, the Mayor oversees the enforcement of all laws and ordinances. The Mayor also appoints all department directors, with the exception of the Finance Director and the Clerk of Council and executes all contracts, conveyances, and evidences of indebtedness of the City.

Legislative authority is vested in a seven-member council with all seven members elected at-large for a term of two years. Council enacts ordinances and resolutions relating to tax levies, appropriates, and borrows money, and accepts bids for materials and services and other municipal purposes.

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the City consists of all funds, agencies, departments and offices that are not legally separate from the City. For the City of Independence this includes the departments and agencies that provide the following services: police and fire protection, emergency medical services, parks, recreation, a cemetery, street maintenance and Mayor's court.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burden on, the primary government. The reporting entity of the City does not include any component units.

The City participates in five jointly governed organizations: the Southwest Council of Governments, the Northeast Ohio Public Energy Council, the Cuyahoga Valley Regional Council of Governments, the Chagrin Valley Dispatch Council and the Regional Income Tax Agency. These organizations are presented in Note 14 of the basic financial statements.

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

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

***Basis of Presentation***

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

**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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***Government-wide Financial Statements*** The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation. The statements usually distinguish between those activities of the City that are governmental and those that are considered business-type. The City, however, has no business-type activities.

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

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

***Fund Accounting***

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

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

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

***High Intensity Drug Trafficking Area (HIDTA) Fund*** – The HIDTA fund accounts for and reports federal grants restricted for High Intensity Drug Trafficking Area task force law enforcement purposes.

**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
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***Quadrant Tax Increment Financing Fund*** The Quadrant Tax Increment Financing fund accounts for and reports restricted tax increment financing (TIF) activities. Each tax increment financing activity is created to provide additional revenue for the City to help pay for qualified infrastructure improvements in or near each TIF district. The additional revenue represents payments in lieu of taxes that would have gone to the County or School District, but because of the TIF, it now goes to the City to pay principal and interest on TIF bonds and to help pay for the infrastructure improvements in whole or in part.

***Street Resurfacing Fund*** The Street Resurfacing Fund accounts for and reports restricted debt proceeds, grant monies and transfers from the General Fund for infrastructure improvements made within the City.

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

***Proprietary Funds*** Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service. The City has no enterprise funds. The following is a description of the City's internal service fund.

***Internal Service Fund*** The Internal Service Fund accounts for and reports the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The internal service fund reports on the activity of the self-insured general liability program of the City.

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

***Mayor's Court Fund*** To account for fines and forfeitures received and disbursed by the Independence Mayor's Court to the participating governments pursuant to the laws of the State of Ohio.

***Measurement Focus***

***Government-wide Financial Statements*** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

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

**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
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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, the internal service fund and the fiduciary fund are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In the fiduciary fund, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For the internal service fund, the statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activity.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from the custodial fund.

***Basis of Accounting***

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

***Revenues – Exchange and Nonexchange Transactions*** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within 31 days of year-end.

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

**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charge on refunding, asset retirement obligations, pension and OPEB. 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. The deferred outflows of resources related to asset retirement obligations is originally measured at the amount of the corresponding liability. This amount is expensed in a systematic and rational manner over the tangible asset's useful life. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, lease, payments in lieu of taxes, pension, OPEB and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance 2024 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, delinquent payments in lieu of taxes, special assessments, charges for services, hotel/motel and amusement taxes, intergovernmental grants and miscellaneous revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 18. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 11 and 12)

***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

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

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



**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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***Budgetary Process***

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the department and object level within the General Fund and the street construction, maintenance, and repair special revenue fund and at the fund level for all other funds. Any budgetary modifications at this level may only be made by ordinance of Council. Authority to further allocate Council appropriations within departments has been given to the Director of Finance for all funds except for the General Fund and the street construction, maintenance, and repair special revenue fund.

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

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

***Cash and Cash Equivalents***

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents."

The City has segregated bank accounts for monies held separate from the City's central bank account. These depository accounts are presented on the balance sheet as "Cash and Cash Equivalents in Segregated Accounts" and represents deposits.

During 2023, investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio), municipal bonds, and municipal securities. 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 has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2023, 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.



**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
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Except for nonparticipating investment contracts investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit and repurchase agreements, are reported at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2023 amounted to \$1,482,732, which includes \$1,002,666 assigned from other City funds. Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents.

***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2023, 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 the services are consumed.

***Restricted Assets***

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

***Capital Assets***

The City's only capital assets are general capital assets. General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

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

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

**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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Description	Estimated Lives
Buildings and Improvements	50 Years
Land Improvements	20-30 Years
Machinery and Equipment	10 Years
Furniture and Fixtures	20 Years
Vehicles	8-20 Years
Infrastructure	20-100 Years

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

***Interfund Balances***

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “interfund receivables/payables.” Interfund loans which do not represent available expendable resources are classified as nonspendable fund balances. Interfund balance amounts are eliminated in the statement of net position.

***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. Based on City policy, no vacation accrual was recorded.

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

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

***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 the internal service fund are reported on the internal service 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. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net position is not sufficient for payment of those benefits.

**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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***Fund Balance***

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

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

***Restricted*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances). Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party—such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

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

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State statute. State statute authorizes the Director of Finance to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance for compensated absences, for economic development and to cover a gap between estimated revenues and appropriations in 2023’s budget. All remaining assigned amounts in the General Fund were established by City Council.

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

**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
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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.

***Net Position***

Net position represents the difference between all other elements in the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include law enforcement, mayor's court computer, drug enforcement and education, and unclaimed funds.

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

***Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for 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. Any revenues and expenses not meeting the definition of operating are reported as nonoperating.

***Deferred Charge on Refunding***

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) of refunding bonds and the net carrying amount of the old debt, the gain/loss on the refunding, is being amortized as a component of interest expense. This amount is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

***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. The straight-line method of amortization is not materially different from the effective-interest method. Bond premiums are presented as an increase of the face amount of the general obligation bonds payable. On fund financial statements, bond premiums are receipted in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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***Interfund Activity***

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

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

***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.

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**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
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**Note 3 – Fund Balances**

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

Fund Balances	General	HIDTA	Quadrant Tax Increment Financing	Street Surfacing	Other Governmental Funds	Total Governmental Funds
<i>Nonspendable</i>						
Prepaid Items	\$ 306,363	\$ -	\$ -	\$ -	\$ -	\$ 306,363
Interfund Balances	40,754,924	-	-	-	-	40,754,924
Unclaimed Funds	15,400	-	-	-	-	15,400
<i>Total Nonspendable</i>	<u>41,076,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,076,687</u>
<i>Restricted for</i>						
Road Improvements	-	-	-	-	745,033	745,033
Capital Improvements	-	-	-	5,108,742	10,180,280	15,289,022
Police Programs	-	-	-	-	19,630	19,630
Law Enforcement and Education	-	-	-	-	319,513	319,513
Mayor's Court Computer	-	-	-	-	24,809	24,809
FEMA Grant	-	-	-	-	4,280	4,280
Debt Service Payments	-	-	-	-	3,644	3,644
Drug Offense	-	-	-	-	21,699	21,699
Federal Forfeiture	-	-	-	-	337,319	337,319
Motor Vehicle License Tax	-	-	-	-	140,682	140,682
<i>Total Restricted</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,108,742</u>	<u>11,796,889</u>	<u>16,905,631</u>
<i>Committed to</i>						
Handicap Parking	-	-	-	-	28,283	28,283
Citizen-focused Activities	-	-	-	-	12,108	12,108
City Upkeep	-	-	-	-	92,493	92,493
Recreation	-	-	-	-	157,553	157,553
<i>Total Committed</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>290,437</u>	<u>290,437</u>
<i>Assigned to</i>						
Subsequent year Appropriations	347,403	-	-	-	-	347,403
Compensated Absences	534,489	-	-	-	-	534,489
Purchases on Order:						
City Administration	351,016	-	-	-	-	351,016
Buildings and Land Maintenance	30,285	-	-	-	-	30,285
Engineering and Building Services	92,987	-	-	-	-	92,987
Fire & Police Department	82,815	-	-	-	-	82,815
Recreation	42,638	-	-	-	-	42,638
Cemetery	196	-	-	-	-	196
Economic Development	98,081	-	-	-	-	98,081
Transportation and Utility Services	45,304	-	-	-	-	45,304
Technical Services and Information Technology	76,710	-	-	-	-	76,710
Debt Service Payments	-	-	-	-	39	39
Capital Improvement	-	-	-	-	1,672,717	1,672,717
<i>Total Assigned</i>	<u>1,701,924</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,672,756</u>	<u>3,374,680</u>
<i>Unassigned (Deficit)</i>	<u>11,345,251</u>	<u>(77,727)</u>	<u>(28,661,872)</u>	<u>-</u>	<u>(491,734)</u>	<u>(17,886,082)</u>
<b>Total Fund Balances</b>	<u><u>\$ 54,123,862</u></u>	<u><u>\$ (77,727)</u></u>	<u><u>\$ (28,661,872)</u></u>	<u><u>\$ 5,108,742</u></u>	<u><u>\$ 13,268,348</u></u>	<u><u>\$ 43,761,353</u></u>

The City has a General Fund budget stabilization arrangement that does not meet the criteria to be classified as restricted or committed. Pursuant to Ohio Revised Code Section 5705.13, the City established a budget stabilization by ordinance to stabilize against cyclical changes in revenues. Additions are limited by State statute to five percent of the revenue credited in the preceding year to the General Fund. These dollars will only be spent if there are significant reductions in revenue related to unexpected income tax refunds. The balance in the reserve at December 31, 2023, is \$1,026,060.

**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

**Note 4 –Accountability**

The fund deficits in the Quadrant Tax Increment Financing capital projects funds of \$28,661,872 is due to interfund payables for various tax increment financing projects. The fund deficits in HIDTA and the strike force special revenue funds of \$77,727, and \$491,734, respectively, were due to accrued liabilities. The General Fund is liable for any deficit in these funds and provides transfers when cash is required, rather than when accruals occur.

**Note 5 – Budgetary Basis of Accounting**

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

- a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- b) Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
- c) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- d) Budgetary revenues and expenditures of the compensated absences and economic development funds are reclassified to the General Fund for GAAP purposes.
- e) Encumbrances are treated as expenditures (budget basis) rather than as a restricted, committed or assigned fund balance (GAAP basis).

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

	<u>General</u>	<u>HIDTA</u>
GAAP Basis	\$ 3,074,880	\$ (58,205)
Net Adjustment for Revenue Accruals	(728,626)	(712,564)
Net Adjustment for Expenditure Accruals	331,854	718,326
Advance In	3,926,500	-
Advance Out	(4,081,000)	-
Perspective Differences:		
Compensated Absences Fund	77,746	-
Economic Development Fund	791,314	-
Encumbrances	<u>(1,061,633)</u>	<u>-</u>
Budget Basis	<u>\$ 2,331,035</u>	<u>\$ (52,443)</u>



**City of Independence, Ohio**  
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**Note 6 – Deposits and Investments**

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

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

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and



**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
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8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

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

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

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

### **Deposits**

***Custodial credit risk*** for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$22,760,069 of the City's bank balance of \$23,545,198 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be 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 market value at all times shall be at least 105 percent of the deposits being secured; or

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

**City of Independence, Ohio**  
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**Investments**

Investments are reported at fair value. As of December 31, 2023, the City had the following investments:

<u>Investment Type</u>	<u>Measurement Value</u>	<u>Credit Rating</u>	<u>&lt;1</u>	<u>1-3</u>
STAR Ohio	\$ 14,344,976	AAAm	\$ 14,344,976	\$ -
5/3 Securities- Level Two Inputs	992,560	AAAm	-	992,560
Municipal bonds- Level Two Inputs	7,902,801	AAAm	7,902,801	-
<b>Total Investments</b>	<u>\$ 23,240,337</u>		<u>\$ 22,247,777</u>	<u>\$ 992,560</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2023. The City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

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

**Custodial Credit Risk** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Municipal Securities and the Certificates of Deposit 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 risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the finance director or qualified trustee.

**Credit Risk** Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. All investments carry a rating of AAAm by Standard and Poor's. The City has no investment policy that addresses credit risk.

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

**Note 7 – Receivables**

Receivables at December 31, 2023, consisted primarily of payments in lieu of taxes, property taxes, municipal income taxes, lease, accounts (billings for user charged services), special assessments, hotel/motel taxes, amusement taxes and intergovernmental receivables arising from grants, entitlements and shared revenues.

**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
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No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables except payments in lieu of taxes, property taxes, and special assessments are expected to be received within one year. Payments in lieu of taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$2,883,023. At December 31, 2023, the City had \$87,962 in delinquent special assessments.

***Property Taxes***

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2022 for real and public utility property taxes represents collections of 2023 taxes.

2023 real property taxes are levied after October 1, 2023, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes which became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2023, was \$2.20 per \$1,000 of assessed value. The assessed values of real property, public utility tangible property, and tangible personal property upon which 2023 property tax receipts were based are as follows:

Real Property:		
Residential/Agricultural	\$	311,396,860
Other Real Estate		171,320,170
Public Utility Personal Property		36,817,240
Total	\$	<u>519,534,270</u>

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City of Independence. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes and public utility property taxes which were measurable as of December 31, 2023, and for which there is an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2023 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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***Income Tax***

The City levies a municipal income tax of two percent on all wages, salaries, commissions and other compensation and net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the Regional Income Tax Agency (RITA) at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. Taxes collected by RITA in one month are remitted to the City on the first and tenth business days of the following month. In 2023, the proceeds were allocated entirely to the General Fund.

The Regional Income Tax Agency administers and-collects income taxes for the City. Payments are remitted monthly net of collection fees of approximately 0.89 percent.

***Intergovernmental Receivable***

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

	<u>Amount</u>
Kent State University	\$ 495,675
Gasoline Excise Tax	277,332
Auto Registration	49,458
Local Government	76,276
Homestead and Rollback	46,551
Miscellaneous Governmental Agencies	690,907
Permissive Tax	1,785
Total Intergovernmental Receivables	<u>\$ 1,637,984</u>

***Payments in Lieu of Taxes***

According to State law, the City has established several tax incremental financing districts within the City under which the City has granted property tax exemptions and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the City to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if the property had not been declared exempt. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by these owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners.

**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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***Lease Receivable***

For the year ended December 31, 2023, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. 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. For additional information, refer to the disclosures below

The City of Independence had previously entered a lease as Lessor for the use of a Cell Tower. An initial lease receivable was recorded in the amount of \$1,113,070. As of December 31, 2023, the value of the lease receivable is \$1,040,258. The lessee is required to make monthly fixed payments of \$5,666. The lease has an interest rate of 3.00%. The value of the deferred inflow of resources as of December 31, 2023 was \$1,014,130, and City of Independence recognized lease revenue of \$49,470 during the fiscal year. The lessee has four extension option(s), each for 60 months.

Principal and interest requirements for repayment of the lease at December 31, 2023, are as follows:

Fiscal Year	Governmental Activities		Total
	Principal	Interest	
2024	\$ 37,301	\$ 30,698	\$ 67,999
2025	38,436	29,563	67,999
2026	39,605	28,394	67,999
2027	40,810	27,189	67,999
2028	42,051	25,948	67,999
2029 - 2033	230,236	109,759	339,995
2034 - 2038	267,446	72,549	339,995
2039 - 2043	310,669	29,326	339,995
2044	33,704	296	34,000
Total	\$ 1,040,258	\$ 353,722	\$ 1,393,980

**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
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**Note 8 – Risk Management**

***Property and Liability***

The City is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2023, the City contracted with Traveler’ Insurance Company for various types of insurance as follows:

Type	Coverage	Deductible
Inland Marine		
Contractor's Equipment	\$ 250,000	\$ 10,000
Property	53,325,744	10,000
Employee Dishonesty	250,000	5,000
Forgery	250,000	5,000
Computer Fraud	250,000	5,000
Automobile under \$100,000	1,000,000	1,000
Automobile over \$100,000	1,000,000	2,500

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

The City accounts for activity of the self-insured general liability program for all lawsuits within the internal service fund. There were no outstanding claims at December 31, 2023. Changes in the fund’s claims liability amount for 2022 and 2023 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2022	\$ -	\$ 41,419	\$ 41,419	\$ -
2023	-	28,287	28,287	-

***Workers’ Compensation***

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

**City of Independence, Ohio**  
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**Note 9 – Capital Assets**

Capital asset activity for the year ended December 31, 2023 was as follows:

	Balances 12/31/2022	Additions	Disposals	Balances 12/31/2023
<b>Governmental Activities</b>				
Nondepreciable Assets:				
Land	\$ 21,861,131	\$ -	\$ (328,476)	\$ 21,532,655
Construction in progress	28,239,620	3,458,625	(24,548,375)	7,149,870
Total Nondepreciable Assets	<u>50,100,751</u>	<u>3,458,625</u>	<u>(24,876,851)</u>	<u>28,682,525</u>
Depreciable Assets:				
Buildings and Improvements	1,018,718	558,452	-	1,577,170
Land Improvements	41,817,827	690,560	-	42,508,387
Machinery and equipment	8,208,201	1,006,665	(140,275)	9,074,591
Furniture and Fixtures	1,466,585	87,684	-	1,554,269
Vehicles	12,313,076	1,168,505	(274,815)	13,206,766
Infrastructure:				
Roads	84,901,972	24,548,375	-	109,450,347
Sanitary sewer	6,715,499	-	-	6,715,499
Storm sewer	10,849,706	-	-	10,849,706
Water Lines	5,432,820	-	-	5,432,820
Total Depreciable Assets	<u>172,724,404</u>	<u>28,060,241</u>	<u>(415,090)</u>	<u>200,369,555</u>
Less Accumulated Depreciation				
Buildings and Improvements	(177,970)	(31,643)	-	(209,613)
Land Improvements	(20,808,451)	(932,256)	-	(21,740,707)
Machinery and equipment	(5,397,882)	(527,573)	123,032	(5,802,423)
Furniture and Fixtures	(1,383,541)	(36,558)	-	(1,420,099)
Vehicles	(7,129,250)	(652,080)	275,114	(7,506,216)
Infrastructure:	-			
Roads	(38,683,274)	(3,283,510)	-	(41,966,784)
Sanitary sewer	(1,254,751)	(54,328)	-	(1,309,079)
Storm sewer	(5,549,521)	(67,155)	-	(5,616,676)
Water Lines	(1,859,037)	(216,994)	-	(2,076,031)
Total Accumulated Depreciation	<u>(82,243,677)</u>	<u>(5,802,097)</u> *	<u>398,146</u>	<u>(87,647,628)</u>
Total Depreciable Assets, Net	<u>90,480,727</u>	<u>22,258,144</u>	<u>(16,944)</u>	<u>112,721,927</u>
Governmental Activities Capital Assets, Net	<u>\$ 140,581,478</u>	<u>\$ 25,716,769</u>	<u>\$ (24,893,795)</u>	<u>\$ 141,404,452</u>

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

<b>Governmental Activities:</b>	
General government	\$ 5,529,466
Security of persons and property	31,470
Leisure time activities	92,303
Community environment	3,304
Basic utility services	3,747
Transportation	141,807
Total Depreciation Expense	<u>\$ 5,802,097</u>

**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
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**Note 10 – Contingencies**

***Grants***

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

***Litigation***

The City is a party to legal proceedings. The City management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City and that the City has adequate liability insurance coverage to protect itself against any material loss.

**Note 11 - Defined Benefit Pension Plans**

***Net Pension Liability (Asset)***

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

The net pension liability/asset represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability/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 are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.



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

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

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

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

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The base amount of a member’s pension benefit is locked in upon receipt of the initial benefit payment for calculation of the annual cost-of-living adjustment. When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of

**City of Independence, Ohio**  
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retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent. Cost-of-living adjustments for OPERS members in 2022 will be 3 percent for all those eligible to receive the annual benefit increase.

A death benefit of \$500 - \$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Tradition pension plan and the Combined Plan.

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

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

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

	State and Local
<b>2023 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
 <b>2023 Actual Contribution Rates</b>	
Employer:	
Pension **	14.0 %
Post-Employment Health Care Benefits **	0.0
Total Employer	14.0 %
 Employee	 10.0 %

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

\*\* These pension and employer health care rates are for the traditional plan. Beginning July 1, 2022, the employer contribution rate for the combined plan is allocated 2 percent health care with the remainder going to pension. The employer contributions rate for the member-directed plan allocated 4 percent for health care with remainder going to pension.

**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
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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 2023 for the Traditional and Combined plans. The portion of the employer's contribution allocated to health care was 2% for the Combined plan and 4% for the Member-Directed plan for 2023. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions was \$1,220,086 for fiscal year ending December 31, 2023. Of this amount, \$98,042 is reported as an intergovernmental payable.

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the members' base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

	Police	Firefighters
<b>2023 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 <b>2023 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
 Employee		
	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,337,058 for 2023. Of this amount, \$138,449 is reported as an intergovernmental payable.

***Pension Liabilities, Pension 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, 2022, and the total pension liability/asset 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, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net pension liability/asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.049819%	0.034445%	0.2065661%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.052785%	0.030642%	0.2076830%	
Change in Proportionate Share	0.002966%	-0.003803%	0.00111690%	
 Proportionate Share of the:				
Net Pension Liability	\$ 15,592,712	\$ -	\$ 19,727,845	\$ 35,320,557
Net Pension (Asset)	-	(72,220)	-	(72,220)
Pension Expense	\$ 2,100,022	\$ 11,006	\$ 2,273,895	\$ 4,384,923

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At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F	Total
<b>Deferred Outflows of Resources</b>				
Net difference between projected and actual earnings on pension plan investments	\$ 4,444,412	\$ 26,320	\$ 2,872,133	\$ 7,342,865
Differences between expected and actual experience	517,924	4,440	295,912	818,276
Changes of assumptions	164,727	4,785	1,779,384	1,948,896
Changes in proportion and differences between City contributions and proportionate share of contributions	311,929	33,582	61,130	406,641
City contributions subsequent to the measurement date	<u>1,202,729</u>	<u>17,357</u>	<u>1,337,058</u>	<u>2,557,144</u>
Total Deferred Outflows of Resources	<u>\$ 6,641,721</u>	<u>\$ 86,484</u>	<u>\$ 6,345,617</u>	<u>\$ 13,073,822</u>
<b>Deferred Inflows of Resources</b>				
Changes of assumptions	\$ -	\$ -	\$ 384,687	\$ 384,687
Differences between expected and actual experience	-	10,319	449,458	459,777
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>113,272</u>	<u>20,748</u>	<u>660,897</u>	<u>794,917</u>
Total Deferred Inflows of Resources	<u>\$ 113,272</u>	<u>\$ 31,067</u>	<u>\$ 1,495,042</u>	<u>\$ 1,639,381</u>

\$2,557,144 reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in the year ending December 31, 2024. 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 Pension Plan	OPERS Combined Pension Plan	OP&F	Total
Year Ending December 31:				
2024	\$ 701,350	\$ 2,811	\$ 213,420	\$ 917,581
2025	1,138,980	6,586	775,819	1,921,385
2026	1,308,205	8,470	956,140	2,272,815
2027	2,177,185	13,790	1,599,476	3,790,451
2028	-	3,078	(31,338)	(28,260)
Thereafter	<u>-</u>	<u>3,325</u>	<u>-</u>	<u>3,325</u>
Total	<u>\$ 5,325,720</u>	<u>\$ 38,060</u>	<u>\$ 3,513,517</u>	<u>\$ 8,877,297</u>

**Actuarial Assumptions - OPERS**

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

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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

	<u>Traditional Pension Plan</u>	<u>Combined Plan</u>
Wage Inflation		
Current Measurement Date:	2.75 percent	2.75 percent
Prior Measurement Date:	2.75 percent	2.75 percent
Future Salary Increases, including inflation		
Current Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA		
Pre 1/7/2013 retirees:	3 percent, simple	3 percent, simple
Post 1/7/2013 retirees:		
Current Measurement Date:	3 percent, simple through 2023, then 2.05 percent simple	3 percent, simple through 2023, then 2.05 percent simple
Prior Measurement Date:	3 percent, simple through 2022, then 2.05 percent simple	3 percent, simple through 2022, then 2.05 percent simple
Investment Rate of Return		
Current Measurement Date:	6.9 percent	6.9 percent
Prior Measurement Date:	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1 percent for 2022.

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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 the geometric 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, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	22.00 %	2.62 %
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	<u>100.00 %</u>	

**Discount Rate** The discount rate used to measure the total pension liability was 6.9 percent, post-experience study results. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability/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 6.9 percent, as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

City's proportionate share of the net pension liability/(asset)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Traditional Pension Plan	\$ 23,357,363	\$ 15,592,712	\$ 9,133,916
Combined Plan	\$ (37,690)	\$ (72,220)	\$ (99,587)



**City of Independence, Ohio**  
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**Actuarial Assumptions – OP&F**

OP&F’s total pension liability as of December 31, 2022 is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2022, are presented below:

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.50 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

The most recent experience study was completed December 31, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.



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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, 2022 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return **
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	18.60	4.80
International Equity	12.40	5.50
Core Fixed Income *	25.00	2.50
U.S. Inflation Linked Bonds *	15.00	2.00
High Yield Fixed Income	7.00	4.40
Private Real Estate	12.00	5.30
Private Markets	10.00	7.90
Midstream Energy Infrastructure	5.00	5.90
Private Credit	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Commodities	2.00	3.60
<b>Total</b>	<b>125.00 %</b>	

Note: Assumptions are geometric

\* levered 2.5x

\*\* Geometric mean, net of expected inflation

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 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 7.50 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$ 26,027,834	\$ 19,727,845	\$ 14,493,158

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**Note 12 - Defined Benefit OPEB Plans**

***Net OPEB Liability/Asset***

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

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

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

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

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

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Effective January 1, 2022 the Combined Plan is no longer available for member selection.

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

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Currently, Medicare-eligible retirees can 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.

The base HRA allowance is determined by OPERS. Retirees receive a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022 or after must meet the following health care eligibility requirements to receive an HRA allowance:

1. Medicare Retirees – Medicare-eligible with a minimum of 20 years of qualifying service credit.
2. Non-Medicare Retirees – Non-Medicare retirees qualify based on the following age-and-service criteria:
  - a. Group A – 30 years of qualifying service credit at any age;
  - b. Group B – 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;
  - c. Group C – 32 years of qualifying service credit and minimum age 55; or,
  - d. A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don’t meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service. Members with a retirement date prior to January 1, 2022 who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Retirement Date	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
December 1, 2014 or Prior	Any	10	Any	10	Any	10
January 1, 2015 through December 31, 2021	60	20	52	31	55	32
	Any	30	Any	32	60	20

Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS’ Annual Comprehensive Financial Report referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of covered payroll. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate employer contributions to health care for members in the Traditional Pension Plan. Effective July 1, 2022, OPERS began allocating 2.0 percent of the employer contribution rate to health care funding for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2023 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution to OPERS was \$21,831 for 2023.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) a cost-sharing, multiple-employer defined post-employment healthcare plan that provides various levels of health care to retired, disabled and beneficiaries, as well as their dependents. On January 1, 2019, OP&F changed the way it supports retiree health care. A stipend-based health care model has replaced the self-insured group health care plan that had been in place. 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 summary of the full benefit provisions can be found in OP&F's annual comprehensive financial report.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75. The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2023, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The City's contractually required contribution to OP&F was \$32,070 for 2023. Of this amount, \$3,321 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability/asset was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

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

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability/Asset			
Prior Measurement Date	0.051855%	0.2065661%	
Proportion of the Net OPEB Liability			
Current Measurement Date	0.053132%	0.2076827%	
Change in Proportionate Share	<u>0.001277%</u>	<u>0.0011166%</u>	
Proportionate Share of the:			
Net OPEB Liability	\$ 335,007	\$ 1,478,641	\$ 1,813,648
OPEB Expense	\$ (649,034)	\$ 92,951	\$ (556,083)

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At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ -	\$ 88,236	\$ 88,236
Changes of assumptions	327,209	736,872	1,064,081
Net difference between projected and actual earnings on pension plan investments	665,336	126,824	792,160
Changes in proportion and differences between City contributions and proportionate share of contributions	14,146	21,576	35,722
City contributions subsequent to the measurement date	<u>21,831</u>	<u>32,070</u>	<u>53,901</u>
Total Deferred Outflows of Resources	<u>\$ 1,028,522</u>	<u>\$ 1,005,578</u>	<u>\$ 2,034,100</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ 83,563	\$ 291,553	\$ 375,116
Changes of assumptions	26,923	1,209,409	1,236,332
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>-</u>	<u>122,718</u>	<u>122,718</u>
Total Deferred Inflows of Resources	<u>\$ 110,486</u>	<u>\$ 1,623,680</u>	<u>\$ 1,734,166</u>

\$53,901 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2024	\$ 122,230	\$ (49,955)	\$ 72,275
2025	245,090	(36,325)	208,765
2026	207,474	(78,942)	128,532
2027	321,411	(50,075)	271,336
2028	-	(137,305)	(137,305)
Thereafter	<u>-</u>	<u>(297,570)</u>	<u>(297,570)</u>
Total	<u>\$ 896,205</u>	<u>\$ (650,172)</u>	<u>\$ 246,033</u>

***Actuarial Assumptions - OPERS***

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



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Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	
Current Measurement Date:	2.75 percent
Prior Measurement Date:	2.75 percent
Projected Salary Increases, including inflation	
Current Measurement Date:	2.75 to 10.75 percent, including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent, including wage inflation
Single Discount Rate:	
Current Measurement Date:	5.22 percent
Prior Measurement Date:	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	
Current Measurement Date:	4.05 percent
Prior Measurement Date:	1.84 percent
Health Care Cost Trend Rate	
Current Measurement Date:	5.50 percent initial, 3.50 percent ultimate in 2036
Prior Measurement Date:	5.50 percent initial, 3.50 percent ultimate in 2034

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6 percent for 2022.

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The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The 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. The table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
Fixed Income	34.00 %	2.56 %
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	6.00	1.84
Total	<u>100.00 %</u>	

**Discount Rate** A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022. A single discount rate of 6.00 percent was used to measure the OPEB asset on the measurement date of December 31, 2021.

Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.



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

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
City's proportionate share of the net OPEB liability	\$ 1,140,213	\$ 335,007	\$ 329,418

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

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 314,010	\$ 335,007	\$ 358,641

***Actuarial Assumptions – OP&F***

OP&F's total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	4.27 percent
Prior measurement date	2.84 percent
Cost of Living Adjustments	2.2 percent simple

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

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.

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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, 2022, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	18.60	4.80
Non-US Equity	12.40	5.50
Core Fixed Income *	25.00	2.50
U.S. Inflation Linked Bonds *	15.00	2.00
High Yield Fixed Income	7.00	4.40
Private Real Estate	12.00	5.30
Private Markets	10.00	7.90
Midstream Energy Infrastructure	5.00	5.90
Private Credit	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Commodities	2.00	3.60
<b>Total</b>	<b><u>125.00 %</u></b>	

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 in core fixed income and asset classes.

**Discount Rate** The total OPEB liability was calculated using the discount rate of 4.27 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the long-term assumed rate of return on investments of 7.50 percent was applied to periods before December 31, 2035, resulting in a discount rate of 4.27 percent.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.27 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27 percent), or one percentage point higher (5.27 percent) than the current rate.

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	1% Decrease <i>(3.27%)</i>	Current Discount Rate <i>(4.27%)</i>	1% Increase <i>(5.27%)</i>
City's proportionate share of the net OPEB liability	\$ 1,820,807	\$ 1,478,641	\$ 1,189,764

**Note 13 – Compensated Absences**

Non-union employees earn five to twenty-five days of vacation per year, depending upon length of service. Most employees, who are part of a bargaining unit, earn vacation as outlined in the bargaining unit contract. Upon termination, employees are paid for accrued unused vacation and holidays. Based on City policy, there is no vacation accrual as of December 31, 2023. Employees earn sick leave at different rates depending upon length of service and type of employment. Sick leave accrual is continuous, without limit. Upon retirement, most non-union employee can be paid a maximum of one fourth of 960 hours of accumulated, unused sick leave. Retiring employees, who are part of a bargaining unit, are paid unused sick leave as outlined in the bargaining unit contract.

**Note 14 – Jointly Governed Organizations**

***Southwest Council of Governments***

The Southwest Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Board is composed of one member from each of the 19 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. The City made contributions of \$28,000 during 2023.

The Council has established two subsidiary organizations, the SW Emergency Response Team (SERT) which provides hazardous material protection and assistance and the Southwest Enforcement Bureau which provides extra assistance to cities in the form of a SWAT Team. The Council's financial statements may be obtained by contacting the Southwest Council of Governments, Berea, Ohio 44017.

***Northeast Ohio Public Energy Council (NOPEC)***

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

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives on the governing board from each county then elect one person to serve on the nine-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City did not contribute to NOPEC during 2023. Financial information can be obtained by contacting Chuck Keiper, Executive Director, 31360 Solon Road, Suite 23, Solon, Ohio 44139 or at the website [www.nopecinfo.org](http://www.nopecinfo.org).

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***Cuyahoga Valley Regional Council of Governments***

The City participates in the Cuyahoga Valley Regional Council of Governments (the Council). The Council was formed to share jail and community services, foster municipal service, and coordinate action among its members in matters relating to public safety dispatch operations. The Council may also, at its discretion, promote cooperative agreements and contracts among its members or other governmental agencies and private persons, corporations, or agencies. The Council is controlled by an executive Board which is composed of a President, Vice President, Secretary and Fiscal Officer, who serves as Treasurer. The elected officers shall serve for a period of two years. Each member's control over the operation of the Council is limited to its representation on the Board. In 2023, the City made no contributions. Complete financial statements can be obtained from the Cuyahoga Valley Council of Governments, Cuyahoga County, Ohio.

***Chagrin Valley Dispatch Council***

The City is a member of the Chagrin Valley Dispatch Council (CVDC). The CVDC was formed by the Council to foster cooperation through the sharing of operations of a central dispatch center for safety forces of the participating entities. The CVDC is comprised of 31 communities.

The CVDC is provided with legislative oversight from the Majors and City Managers of the various communities. The Administrative Board consists of the chiefs of police and fire of each member municipality. The Administrative Board oversees and manages the operation of the program. The degree of control exercised by a participating government is limited to its representation on the Administrative Board. The City made contributions of \$877,217 to the CVDC during 2023. Financial information can be obtained by contacting Vic Nogalo, Administrator, 9018 Brecksville Road, Brecksville, Ohio 44141.

***Regional Income Tax Agency***

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collection income taxes on behalf of each member. RITA currently has approximately 345 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2023, the City paid RITA \$217,220 for income tax collection services.

**Note 15 – Shared Facilities Joint Operating Agreement**

On July 30, 2002, the City entered into a contribution agreement for constructing, equipping and furnishing a new high school facility, community auditorium, community center and a community field house (shared facility) on property owned by the City and to be partially leased to the School District.

Under the terms of the contribution agreement, the City contributed \$15,000,000 to the School District which included the acquisition of the former middle school property on Brecksville Road. The cost of the shared facility project included the cost of constructing, equipping and furnishing the shared facility; the cost of constructing, equipping and furnishing related joint use areas; and the costs of related design and other professional services. In 2003, the City issued \$15,000,000 in general obligation bonds to meet its obligations. These bonds were refunded in 2011 as a portion of the 2011 various purpose refunding bonds. In 2019, the City defeased a portion of the 2011 various purpose refunding bonds using existing resources.

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The land, community center and community field house are owned by the City; the high school facility and community auditorium are owned by the School District.

The City's contributions were payable based on the percent of project completion as determined by the School District. By the end of 2005, the total principal borrowed had been used for construction. The shared facility was completed in September of 2005.

The School District is responsible for maintaining liability insurance for activities in the shared facility with coverage limits not less than \$2,000,000 for bodily injury and property damage and \$1,000,000 for each occurrence. The City and School District are responsible for personal property insurance on the shared facility owned by them. The City and School District also have additional annual obligations for housekeeping, custodial, equipment, supply and utility costs.

**Note 16 – Long-Term Obligations**

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

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
<b>General Obligation Bonds</b>			
2014 Northeast Quadrant TIF Refunding	1.00-4.00 %	\$ 4,305,000	December 1, 2023
2011 Various Purpose Refunding	1.75-5.00	16,935,000	December 1, 2028
2020 Various Purpose General Obligation	2.00-5.00	15,250,000	December 1, 2035
<b>Special Assessment Bonds</b>			
2018 Rockside Woods N. Sanitary Sewer Bond	2.50-4.00	3,190,000	December 1, 2043
<b>Ohio Public Works Commission Loans from Direct Borrowings</b>			
2011 Pleasant Valley Intersection	0.00	225,000	January 1, 2032
2015 Pleasant Valley Widening	0.00	4,164,161	January 1, 2036

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

	Balance 12/31/2022	Additions	Reductions	Balance 12/31/2023	Amounts Due in One Year
<b>Governmental Activities</b>					
<b>General Obligation Bonds</b>					
2014 Northeast Quadrant TIF Refunding					
Serial Bonds	\$ 2,475,000	\$ -	\$ (270,000)	\$ 2,205,000	\$ 280,000
Unamortized Premium	147,518	-	(18,440)	129,078	-
Total 2014 Northeast Quadrant TIF Refunding	<u>2,622,518</u>	<u>-</u>	<u>(288,440)</u>	<u>2,334,078</u>	<u>280,000</u>
2020 Various Purpose GO					
Serial Bonds	13,480,000	-	(920,000)	12,560,000	935,000
Unamortized Premium	1,501,316	-	(107,880)	1,393,436	-
Total 2020 Various Purpose GO	<u>14,981,316</u>	<u>-</u>	<u>(1,027,880)</u>	<u>13,953,436</u>	<u>935,000</u>
<b>Total General Obligation Bonds</b>	<u>17,603,834</u>	<u>-</u>	<u>(1,316,320)</u>	<u>16,287,514</u>	<u>1,215,000</u>
<b>Special Assessment Bonds</b>					
2018 Rockside Woods N. Sanitary Sewer					
Serial Bonds	500,000	-	(100,000)	400,000	100,000
Term Bonds	2,350,000	-	-	2,350,000	-
Unamortized Premium	90,260	-	(4,315)	85,945	-
<b>Total Special Assessment Bonds</b>	<u>2,940,260</u>	<u>-</u>	<u>(104,315)</u>	<u>2,835,945</u>	<u>100,000</u>
<b>OPWC Loans from Direct Borrowings</b>					
2011 Pleasant Valley Intersection					
	106,875	-	(11,250)	95,625	11,250
2015 Pleasant Valley Widening					
	2,810,809	-	(208,208)	2,602,601	208,208
<b>Total OPWC Loans</b>	<u>2,917,684</u>	<u>-</u>	<u>(219,458)</u>	<u>2,698,226</u>	<u>219,458</u>
<b>Other Long-term Obligations</b>					
Net Pension Liability					
OPERS	4,334,455	11,258,257	-	15,592,712	-
OP&F	12,905,058	6,822,787	-	19,727,845	-
Total Net Pension Liability	<u>17,239,513</u>	<u>18,081,044</u>	<u>-</u>	<u>35,320,557</u>	<u>-</u>
Net OPEB Liability					
OPERS	-	335,007	-	335,007	-
OP&F	2,264,143	-	(785,502)	1,478,641	-
Total Net OPEB Liability	<u>2,264,143</u>	<u>335,007</u>	<u>(785,502)</u>	<u>1,813,648</u>	<u>-</u>
Compensated Absences	725,703	302,929	(376,984)	651,648	300,794
Asset Retirement Obligation	220,000	-	-	220,000	-
<b>Total Other Long-term Obligations</b>	<u>20,449,359</u>	<u>18,718,980</u>	<u>(1,162,486)</u>	<u>38,005,853</u>	<u>300,794</u>
<b>Total General Long-term Obligations</b>	<u>\$ 43,911,137</u>	<u>\$ 18,718,980</u>	<u>\$ (2,802,579)</u>	<u>\$ 59,827,538</u>	<u>\$ 1,835,252</u>

In 2011, the City issued general obligation bonds, in the amount of \$16,935,000, to refund bonds previously issued in fiscal year 2003 for various purposes. The bonds are being retired through the issue II capital project fund, the non-TIF project and the TIF projects debt service funds. Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2003 Various Purpose bonds. As of December 31, 2023, \$2,575,000 of the defeased bonds are still outstanding.

During 2019, the City used funds available to defease a portion of its 2011 various purpose refunding Bonds. The funds were used to advance refund \$4,305,000 of outstanding 2011, various purpose refunding bonds, which had interest rates ranging from 3.00 to 5.00 percent. The portion of the 2011 various purpose refunding bonds defeased included the issue of 2003 various purpose general obligation bond issue. Proceeds of \$4,464,877 were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the \$4,305,000 of principal \$243,196 of premium and (\$83,319) of the accounting loss associated with the 2011 various purpose refunding bonds are considered defeased and the liability for those bonds has been removed from the Statement of Net Position. As of December 31, 2023, there is no outstanding balance.



**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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The various quadrant tax increment financing (TIF) bonds will be paid from the non-TIF Project and the TIF projects debt service funds. A portion of these bonds were refunded in 2014. The OPWC loans will be paid from the TIF Projects debt service fund and the Route 21 and Pleasant Valley capital projects fund.

In 2014, the City issued \$4,305,000 in general obligation bonds for the purpose of refunding a portion of the bonds previously issued in fiscal year 2005 for various quadrant tax increment financing purposes. The bonds were issued with interest rates varying from 1 to 4 percent. The bonds were issued for a sixteen year period with final maturity during 2030. The bonds will be retired through the TIF Projects debt service fund.

Net proceeds of \$4,503,365 (including a \$299,647 premium and after payment of \$101,282 in issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2005 Northeast Quadrant TIF bonds. As a result, \$4,220,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. As of December 31, 2023, \$2,340,000 of the defeased bonds are still outstanding.

In 2020, the City issued \$15,250,000 in general obligation bonds for the purpose of bonding short term notes previously issued in 2019 for various quadrant tax increment financing purposes. The bonds were issued with interest rates varying from 2 to 5 percent. The bonds were issued for a fifteen year period with final maturity during 2035. The bonds will be retired through the TIF Projects debt service fund.

Special assessment bonds are payable from the proceeds of assessments against the specific property owners who primarily benefited from the project. Special assessment monies will be received in and the debt will be retired from the TIF projects debt service funds. In the event that property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments.

The City's outstanding OPWC loans from direct borrowings related to governmental activities of \$2,917,684 contain provisions that in the event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that such payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

Compensated absences will be paid from the General Fund and the Street Construction, Maintenance and Repair special revenue fund. The asset retirement obligation would be paid from the street, construction, maintenance and repair special revenue fund. There are no repayment schedules for the net pension liability and net OPEB liability. However, employer pension and OPEB contributions are made from the General Fund and the Street Construction, Maintenance and Repair special revenue fund. For additional information related to the net pension and net OPEB liabilities see Notes 11 and 12.



**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

The City's overall legal debt margin was \$42,261,098 at December 31, 2023. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2023, are as follows:

	General Obligation Bonds		Special Assessment Bonds		From Direct Borrowings
	Principal	Interest	Principal	Interest	OPWC Loans
2024	\$ 1,215,000	\$ 493,550	\$ 100,000	\$ 102,018	\$ 219,458
2025	1,245,000	437,000	100,000	99,394	219,458
2026	1,275,000	379,100	100,000	96,644	219,458
2027	1,310,000	318,350	100,000	93,644	219,458
2028	1,345,000	256,000	110,000	90,644	219,458
2029-2033	6,070,000	630,750	605,000	384,420	1,080,415
2034-2038	2,305,000	69,400	740,000	253,620	520,521
2039-2043	-	-	895,000	99,506	-
	<u>\$ 14,765,000</u>	<u>\$ 2,584,150</u>	<u>\$ 2,750,000</u>	<u>\$ 1,219,890</u>	<u>\$ 2,698,226</u>

**Note 17 – Interfund Transactions**

***Interfund Balances***

Interfund Payable	Interfund Receivable		Total
	General	Other Governmental Funds	
Quadrant Tax Increment Financing	\$ 39,808,500	\$ 500,000	\$ 40,308,500
Street Resurfacing	96,200	-	96,200
Other Governmental Funds	850,224	-	850,224
Total	<u>\$ 40,754,924</u>	<u>\$ 500,000</u>	<u>\$ 41,254,924</u>

The interfund receivables and payables are advances for grant monies and payment in lieu of tax revenue that were not repaid by year end. The City advances grant monies in the event that the award was not received when expected. The City advances money to fund the various TIF projects. All interfund balances, except the balance of \$39,808,500, are expected to be repaid within one year.

**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

***Interfund Transfers***

Interfund transfers for the year ended December 31, 2023, consisted of the following:

Transfer To	Transfer From			Total
	General	Tax Increment Financing	Other Governmental	
<b>Major Funds:</b>				
General	\$ -	\$ -	\$ 620,000	\$ 620,000
Street Resurfacing	4,000,000	-	-	4,000,000
<b>Total Major Funds</b>	<b>4,000,000</b>	<b>-</b>	<b>620,000</b>	<b>4,620,000</b>
<b>Other Governmental Funds:</b>				
SCMR	200,000	-	-	200,000
Police Pension	600,000	-	-	600,000
Twenty Five and Alive	15,000	-	-	15,000
Tree Trust	30,000	-	-	30,000
Capital Improvement	4,150,000	-	-	4,150,000
Non-TIF Projects	-	-	213,769	213,769
TIF Projects	-	1,778,058	-	1,778,058
Drain Water	900,000	-	-	900,000
Public Safety Equipment	450,000	-	-	450,000
Route 21 and Pleasant Valley	8,500	-	-	8,500
<b>Total Other Governmental Funds</b>	<b>6,353,500</b>	<b>1,778,058</b>	<b>213,769</b>	<b>8,345,327</b>
<b>Internal Service Fund:</b>				
Self-Insurance	225,000	-	-	225,000
<b>Total</b>	<b>\$ 10,578,500</b>	<b>\$ 1,778,058</b>	<b>\$ 833,769</b>	<b>\$ 13,190,327</b>

The General Fund transfer to the Street Resurfacing capital projects fund was made to pay for street improvement and maintenance costs. The General Fund transfer to the SCMR, Police Pension, Twenty-Five and Alive, and Tree Trust special revenue fund were to provide additional support for various programs and services. The General Fund transfer to the Capital Improvement, Drain Water, and Route 21 and Pleasant valley capital project funds were to pay for capital improvements and debt service requirements. The General Fund transfer to the Public Safety Equipment capital projects fund was for the purchase of public safety equipment from emergency medical services revenue. The General Fund transfer to Self-Insurance fund was to reverse funds for the self-insurance program of the City. The Quadrant Tax Increment Financing transfer to the TIF Projects debt service fund was to pay for debt service requirements. The other governmental transfer to General Fund was from the Recreation Trust Fund and the I Can Fund as most recreation program revenues are receipted into and expensed from the General Fund. The other governmental transfers to the Non-TIF project debt service fund was to pay for debt service requirements.

**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

**Note 18 – Significant Commitments**

***Encumbrances***

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

Governmental Funds:	
General	\$ 1,061,633
Quadrant Tax Increment Financing	1,250,000
Street Surfacing	4,345,738
Other Governmental Funds	<u>21,700,871</u>
Total Governmental Funds	<u>\$ 28,358,242</u>
Internal Service Fund	<u>\$ 101,368</u>

***Contractual Commitments***

As of December 31, 2023, the City had the following contract balances for various construction projects:

Project	Original Contract	Amount Paid to Date	Remaining Amount
Brecksville Road SR 21 to Cloverleaf	\$ 1,069,619	\$ 741,432	\$ 328,187
Brookside Road SR 21 to Eastview	451,870	224,489	227,381
Hillside Road West Sidewalks	1,437,332	1,337,714	99,618
Kleber Court	1,218,645	1,115,447	103,198
Longano Drive	208,000	187,235	20,765
Old Rockside Road Bridge	1,732,524	1,671,406	61,118
Welty Parking Lot Phase 2	<u>2,100,000</u>	<u>328,710</u>	<u>1,771,290</u>
<b>Total</b>	<u>\$ 8,217,990</u>	<u>\$ 5,606,433</u>	<u>\$ 2,611,557</u>

Remaining commitments were encumbered at year-end. The amounts of \$2,178,674 and \$60,000 in contracts and retainage payable for governmental activities, respectively, have been capitalized.

**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 19 – Changes in Accounting Principle**

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

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. These changes were incorporated in the City’s financial statements; however, there was no effect on the beginning net position/fund balance.

*GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The implementation of this Statement did not have an effect on the financial statements of the City.

*GASB Statement No. 96, Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The implementation of this Statement did not have an effect on the financial statements of the City.

*GASB Statement No. 99, Omnibus 2022.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of this Statement did not have an effect on the financial statements of the City.

**Note 20 – Asset Retirement Obligations**

The Governmental Accounting Standard Board's (GASB) Statement No. 83, *Certain Asset Retirement Obligations*, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset.

The Bureau of Underground Storage Tank Regulations (BUSTR) regulates petroleum and hazardous substances stored in underground storage tanks. These regulations are included in Ohio Administrative Code Section 1301-7-9 and require a County/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 \$220,000 associated with the City’s underground storage tanks was estimated by the Service Director who is also a licensed engineer. The remaining useful life of these USTs are nine years. The City maintains insurance related to any potential pollution remediation associated with the USTs.

## Required Supplementary Information

**City of Independence, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the*  
*Net Pension Liability*  
*Ohio Public Employees Retirement System – Traditional Plan*  
*Last Ten Years*

<b>Traditional Plan</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
City's Proportion of the Net Pension Liability	0.052785%	0.049819%	0.048226%	0.050283%
City's Proportionate Share of the Net Pension Liability	\$ 15,592,712	\$ 4,334,455	\$ 7,141,221	\$ 9,938,776
City's Covered Payroll	\$ 8,182,250	\$ 7,230,321	\$ 6,792,450	\$ 7,074,786
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	190.57%	59.95%	105.13%	140.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%

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

See accompanying notes to the required supplementary information

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<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.568610%	0.056655%	0.057299%	0.058494%	0.058229%	0.058229%
\$ 15,573,075	\$ 7,486,608	\$ 13,011,628	\$ 10,131,898	\$ 7,023,068	\$ 6,864,440
\$ 6,828,821	\$ 7,486,608	\$ 7,407,167	\$ 7,280,083	\$ 7,139,083	\$ 7,003,438
228.05%	100.00%	175.66%	139.17%	98.37%	98.02%
74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

**City of Independence, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the*  
*Net Pension Asset*  
*Ohio Public Employees Retirement System – Combined Plan*  
*Last Six Years (1)*

<b>Combined Plan</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
City's Proportion of the Net Pension (Asset)	0.030642%	0.034445%	0.036180%
City's Proportionate Share of the Net Pension (Asset)	\$ (72,220)	\$ (135,715)	\$ (104,438)
City's Covered Payroll	\$ 142,257	\$ 157,029	\$ 159,443
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	50.77%	86.43%	65.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	137.14%	169.88%	157.67%

(1) Information prior to 2018 is not available for the combined plan. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information



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<b>2020</b>	<b>2019</b>	<b>2018</b>
0.050896%	0.063693%	0.055387%
\$ (106,129)	\$ (71,224)	\$ (75,399)
\$ 226,564	\$ 240,443	\$ 226,838
46.84%	29.62%	33.24%
145.28%	126.64%	137.28%

**City of Independence, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the*  
*Net OPEB Liability (Asset)*  
*Ohio Public Employees Retirement System*  
*Last Seven Years (1)*

	2023	2022	2021
City's Proportion of the Net OPEB Liability/Asset	0.053132%	0.051855%	0.050222%
City's Proportionate Share of the Net OPEB Liability/(Asset)	\$ 335,007	\$ (1,624,178)	\$ (894,745)
City's Covered Payroll	\$ 8,843,193	\$ 8,086,325	\$ 7,595,343
City's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	3.79%	-20.09%	-11.78%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	94.79%	128.23%	115.57%

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

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

See accompanying notes to the required supplementary information

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2020	2019	2018	2017
0.052731%	0.059666%	0.058040%	0.056000%
\$ 7,283,521	\$ 7,779,038	\$ 6,302,718	\$ 5,656,190
\$ 7,966,625	\$ 7,689,389	\$ 8,220,296	\$ 7,738,900
91.43%	101.17%	76.67%	73.09%
47.80%	46.33%	54.14%	54.04%

**City of Independence, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the*  
*Net Pension Liability*  
*Ohio Police and Fire Pension Fund*  
*Last Ten Years*

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	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's Proportion of the Net Pension Liability	0.207683%	0.206566%	0.211395%	0.224523%
City's Proportionate Share of the Net Pension Liability	\$ 19,727,846	\$ 12,905,058	\$ 14,410,986	\$ 15,125,096
City's Covered Payroll	\$ 5,721,907	\$ 5,865,426	\$ 5,765,205	\$ 5,934,116
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	344.78%	220.02%	249.96%	254.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.90%	75.03%	70.65%	69.89%

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

See accompanying notes to the required supplementary information

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<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.225731%	0.224963%	0.226952%	0.220588%	0.218770%	0.218770%
\$ 18,425,616	\$ 13,806,996	\$ 14,374,911	\$ 14,190,580	\$ 11,333,209	\$ 10,654,795
\$ 5,683,774	\$ 5,440,063	\$ 5,220,495	\$ 4,980,611	\$ 4,818,626	\$ 4,301,102
324.18%	253.80%	275.36%	284.92%	235.20%	247.72%
63.07%	70.91%	68.36%	66.77%	71.71%	73.00%

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

	2023	2022	2021
City's Proportion of the Net OPEB Liability	0.2076827%	0.2065661%	0.2113950%
City's Proportionate Share of the Net OPEB Liability	\$ 1,478,641	\$ 2,264,143	\$ 2,239,766
City's Covered Payroll	\$ 5,721,907	\$ 5,865,426	\$ 5,765,205
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	25.84%	38.60%	38.85%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	52.59%	46.86%	45.42%

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

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

See accompanying notes to the required supplementary information

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2020	2019	2018	2017
0.2245234%	0.2257310%	0.2249630%	0.2269520%
\$ 2,217,781	\$ 2,055,627	\$ 12,746,089	\$ 10,772,901
\$ 5,934,116	\$ 5,683,774	\$ 5,440,063	\$ 5,220,495
37.37%	36.17%	234.30%	206.36%
47.08%	46.57%	14.13%	15.96%

**City of Independence, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Contributions – Pension*  
*Ohio Public Employees Retirement System*  
*Last Ten Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Contractually Required Contributions</u>				
Traditional Plan	\$ 1,202,729	\$ 1,145,515	\$ 1,012,245	\$ 950,943
Combined Plan	17,357	19,916	21,984	22,322
Total Required Contributions	\$ 1,220,086	\$ 1,165,431	\$ 1,034,229	\$ 973,265
Contributions in Relation to the Contractually Required Contribution	(1,220,086)	(1,165,431)	(1,034,229)	(973,265)
Contribution Deficiency / (Excess)	\$ -	\$ -	\$ -	\$ -
<u>City's Covered Payroll</u>				
Traditional Plan	\$ 8,590,921	\$ 8,182,250	\$ 7,230,321	\$ 6,792,450
Combined Plan	\$ 123,979	\$ 142,257	\$ 157,029	\$ 159,443
<u>Pension Contributions as a Percentage of Covered Payroll</u>				
Traditional Plan	14.00%	14.00%	14.00%	14.00%
Combined Plan	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information



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<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 990,470	\$ 956,035	\$ 973,259	\$ 888,860	\$ 873,610	\$ 856,690
31,719	33,662	29,489	17,455	9,447	8,643
\$ 1,022,189	\$ 989,697	\$ 1,002,748	\$ 906,315	\$ 883,057	\$ 865,333
(1,022,189)	(989,697)	(1,002,748)	(906,315)	(883,057)	(865,333)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 7,074,786	\$ 6,828,821	\$ 7,486,608	\$ 7,407,167	\$ 7,280,083	\$ 7,139,083
\$ 226,564	\$ 240,443	\$ 226,838	\$ 145,458	\$ 78,725	\$ 72,025
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%

**City of Independence, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Contributions – OPEB*  
*Ohio Public Employees Retirement System*  
*Last Eight Years (1)*

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually Required Contribution	\$ 21,831	\$ 20,748	\$ 27,959
Contributions in Relation to the Contractually Required Contribution	<u>(21,831)</u>	<u>(20,748)</u>	<u>(27,959)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 9,209,021	\$ 8,843,193	\$ 8,086,325
Contributions as a Percentage of Covered Payroll	0.24%	0.23%	0.35%

(1) Information prior to 2016 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

See accompanying notes to the required supplementary information

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<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 25,739	\$ 26,611	\$ 24,805	\$ 97,408	\$ 158,504
<u>(25,739)</u>	<u>(26,611)</u>	<u>(24,805)</u>	<u>(97,408)</u>	<u>(158,504)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,595,343	\$ 7,966,625	\$ 7,689,389	\$ 8,220,296	\$ 7,738,900
0.34%	0.33%	0.32%	1.18%	2.05%

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

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	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Contractually Required Contributions	\$ 1,337,058	\$ 1,193,524	\$ 1,114,431	\$ 1,095,389
Contributions in Relation to the Contractually Required Contribution	(1,337,058)	(1,193,524)	(1,114,431)	(1,095,389)
Contribution Deficiency / (Excess)	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 6,413,881	\$ 5,721,907	\$ 5,865,426	\$ 5,765,205
Contributions as a Percentage of Covered Payroll	20.85%	20.86%	19.00%	19.00%

See accompanying notes to the required supplementary information

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<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 1,127,482	\$ 1,079,917	\$ 1,033,612	\$ 991,894	\$ 946,316	\$ 915,539
(1,127,482)	(1,079,917)	(1,033,612)	(991,894)	(946,316)	(915,539)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 5,934,116	\$ 5,683,774	\$ 5,440,063	\$ 5,220,495	\$ 4,980,611	\$ 4,818,626
19.00%	19.00%	19.00%	19.00%	19.00%	19.00%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 32,070	\$ 28,610	\$ 26,661	\$ 26,265
Contributions in Relation to the Contractually Required Contribution	<u>(32,070)</u>	<u>(28,610)</u>	<u>(26,661)</u>	<u>(26,265)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 6,413,881	\$ 5,721,907	\$ 5,865,426	\$ 5,765,205
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%

See accompanying notes to the required supplementary information

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<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 27,190	\$ 26,066	\$ 24,874	\$ 23,884	\$ 22,810	\$ 22,077
<u>(27,190)</u>	<u>(26,066)</u>	<u>(24,874)</u>	<u>(23,884)</u>	<u>(22,810)</u>	<u>(22,077)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,934,116	\$ 5,683,774	\$ 5,440,063	\$ 5,220,495	\$ 4,980,611	\$ 4,818,626
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

**City of Independence, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2023*

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***OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)***

***Net Pension Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014-2023.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple. For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% simple through 2020 to 0.50% simple through 2021, then 2.15% simple. For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75% (b) the cost-of-living adjustments for post-1/7/2013 retirees were increased from 0.50% simple through 2021 to 3.00% simple through 2022, then 2.05% simple (c) the expected investment return was reduced from 7.20% to 6.90%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2023.

***Net OPEB Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2018-2023.

*Changes in assumptions:* For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2019, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%. For 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00% (c) the health care cost trend rate changed from 10.50% initial and 3.50% ultimate in 2030 to 8.50% initial and 3.50% ultimate in 2035.



**City of Independence, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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For 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75%. (b) the municipal bond rate changed from 2.00% to 1.84% (c) the health care cost trend rate changed from 8.50% initial and 3.50% ultimate in 2035 to 5.50% initial and 3.50% ultimate in 2034. For 2023, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22% (b) the municipal bond rate changed from 1.84% to 4.05% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2034 to 5.50% initial and 3.50% ultimate in 2036.

## **OHIO POLICE AND FIRE (OP&F) PENSION FUND**

### ***Net Pension Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014-2023.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the investment rate of return was reduced from 8.25 percent to 8.00 percent (b) the projected salary increases was reduced from 4.25% to 3.75% (c) the payroll increases was reduced from 3.75% to 3.25% (d) the inflation assumptions was reduced from 3.25% to 2.75% (e) the cost of living adjustments was reduced from 2.60% to 2.20% (f) rates of withdrawal, disability and service retirement were updated to reflect recent experience (g) mortality rates were updated to the RP-2014 Total Employee and Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2016 (h) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2016. For 2019-2021, there have been no OP&F pension plan amendments adopted or changes in assumptions between the measurement date and the report date that would have impacted the actuarial valuation of the pension plan as of the measurement date. For 2022, the investment rate of return was reduced from 8.00 percent to 7.50 percent. For 2023, Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates 68 adjusted by 108.9% for males and 131% for females. Mortality for active members is based on the Pub-2010 Below Medium Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

### ***Net OPEB Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2018 and 2020-2023. For 2019, see below regarding changes to stipend-based model.

*Changes in assumptions:* For 2018, the single discount rate changed from 3.79 percent to 3.24 percent. For 2019, the changes of assumptions were: (a) 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 Independence, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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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 (b) beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5% (c) the single discount rate changed from 3.24 percent to 4.66 percent. For 2020, the single discount rate changed from 4.66 to 3.56. For 2021, the single discount rate changed from 3.56 to 2.96. For 2022, the single discount rate changed from 2.96 to 2.84. For 2023, the changes of assumptions were: (a) the single discount rate changed from 2.84% to 4.27% (b) the depletion year of OPEB assets is projected in year 2036 (c) mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

## Combining and Individual Fund Statements and Schedules

### Combining Statements – Nonmajor Governmental Funds

#### *Nonmajor Special Revenue Funds*

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

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

***Motor Vehicle License Tax Fund*** – To account for and report the City’s restricted share of additional motor vehicle registration fees. Expenditures are restricted by State law for the maintenance and repair of streets and the purchase of road salt.

***Street Construction, Maintenance and Repair Fund*** – To account for and report that portion of the State gasoline tax and motor vehicle registration fees restricted for street maintenance and repair.

***Enforcement and Education Fund*** – To account for and report fines levied when arrests are made for driving under the influence of alcohol restricted for the education of officers and members of the community.

***Drug Offense Fund*** – To account for and report fines levied when arrests are made involving a drug offense. This money is restricted for the education of officers and members of the community.

***Law Enforcement Fund*** – To account for and report forfeitures collected that are restricted for specific law enforcement purposes.

***Federal Forfeiture Fund*** – To account for and report federal forfeitures restricted for specific law enforcement purposes.

***Strike Force Fund*** – To account for and report forfeitures restricted for Strike Force task force law enforcement purposes.

***Mayor’s Court Computer Fund*** – To account for and report court fines restricted to maintain and support the mayor’s court computer system.

***FEMA Grant Fund*** – To account for and report grants received from the Federal and State governments restricted for restoration of areas hit by natural disasters.

***Handicap Parking Fund*** – To account for and report fine monies collected from handicap parking violations committed to pay for costs associated with signage and notice requirements, educational and assistive technology programs and public improvements that assist persons with disabilities.

***Friends for Life Fund*** – To account for and report donations committed to assist former residents who wish to attend City sponsored events.

***Twenty-Five and Alive Fund*** – To account for and report donations committed to assist in educating our youth with regards to the dangers that drugs pose to them.

(continued)

### ***Nonmajor Special Revenue Funds (continued)***

***I Can Fund*** – To account for and report donations, fundraiser profits and participation fees committed to provide individuals 10 years old and up with physical, cognitive, and sensory disabilities with recreational, social and fitness opportunities.

***Tree Fund*** – To account for and report donations committed for trees to be planted in the City.

***Recreation Fund*** – To account for and report receipts of recreation fees committed to pay for the cost of operating the City's recreation programs.

***Police Pension Fund*** – To account for and report restricted property taxes levied for the payment of current employer contributions for police disability and pension benefits and accrued liability.

***American Rescue Plan Act Fund*** – To account for and report restricted federal monies used to assist local governments with the coronavirus pandemic.

***Compensated Absences Fund*** - To account for and report the accumulation of resources for accumulated sick leave and vacation leave, upon the termination of employment of employees in the City. This fund is included with the General Fund for GAAP reporting as it does not have a restricted or committed revenue source.

***Rainy Day Fund*** – To account for and report transfers from the General Fund to stabilize against cyclical changes in revenues. This fund is included in the General Fund for GAAP reporting as it does not have a restricted or committed revenue source.

***Economic Development Fund*** – To account for and report transfers from the General Fund assigned for economic development. This fund is included in the General Fund for GAAP reporting as it does not have a restricted or committed revenue source.

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

To account for and report financial resources that are restricted to expenditures for principal and interest.

***Bond Retirement Fund*** – To account for and report restricted property taxes for the repayment of general obligation bonds and notes of the City.

***Non-TIF Project Fund*** – To account for and report assigned transfers from the General Fund for the repayment of Non-TIF debt obligations of the City.

***TIF Projects Fund*** – The TIF projects fund accounts for and reports restricted TIF revenue transfers for the repayment of TIF project debt obligations and notes of the City.

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

To account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays including the acquisition of construction of major capital facilities and other capital assets.

***Capital Improvements Fund*** – To account for and report restricted general obligation bond proceeds, rentals and transfers from the General Fund for departmental capital improvements.

***Drain Water Fund*** – To account for and report Ohio Water Development Authority loan proceeds that are restricted for storm water drainage problems along with drain water improvement projects.

(continued)

***Nonmajor Capital Projects Funds (continued)***

***Public Safety Equipment Fund*** – To account for and report transfers from the General Fund assigned to upgrade equipment used by the Independence Police and Fire Departments.

***Rockside Woods Fund*** – To account for and report restricted special assessments for street lighting improvements made to Rockside Woods Boulevard North.

***Route 21 and Pleasant Valley Fund*** – To account for and report transfers from the General Fund assigned for the maintenance and improvement projects for the intersection of Route 21 and Pleasant Valley.

***Issue II Fund*** – To account for and report grant and loan monies received from the Ohio Public Works Commission plus matching funds from the City that are restricted for various City road improvements.

***Residential Special Assessments Fund*** – To account for and report expenses incurred as a result of certain public-private partnerships.

***PACE Special Assessment Fund*** – To account for and report pass-thru funds received from PACE financing recipients that are subsequently forwarded on to the appropriate lenders.

**City of Independence, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2023*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 2,288,804	\$ 3,683	\$ 11,671,915	\$ 13,964,402
Cash and Cash Equivalents:				
In Segregated Accounts	315	-	-	315
Accounts Receivable	23,181	-	-	23,181
Interfund Receivable	-	-	500,000	500,000
Intergovernmental Receivable	335,238	-	-	335,238
Property Taxes Receivable	143,063	-	-	143,063
Special Assessments Receivable	-	-	2,883,023	2,883,023
Assets Held for Resale	-	-	476,426	476,426
<b>Total Assets</b>	<b>\$ 2,790,601</b>	<b>\$ 3,683</b>	<b>\$ 15,531,364</b>	<b>\$ 18,325,648</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 28,371	\$ -	\$ 399,482	\$ 427,853
Contracts Payable	-	-	333,372	333,372
Intergovernmental Payable	74,942	-	-	74,942
Retainage Payable	-	-	62,490	62,490
Interfund Payable	850,224	-	-	850,224
<b>Total Liabilities</b>	<b>953,537</b>	<b>-</b>	<b>795,344</b>	<b>1,748,881</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	137,766	-	-	137,766
Unavailable Revenue - Delinquent Property Taxes	5,297	-	-	5,297
Unavailable Revenue - Other	282,333	-	2,883,023	3,165,356
<b>Total Deferred Inflows of Resources</b>	<b>425,396</b>	<b>-</b>	<b>2,883,023</b>	<b>3,308,419</b>
<b>Fund Balances:</b>				
Restricted	1,612,965	3,644	10,180,280	11,796,889
Committed	290,437	-	-	290,437
Assigned	-	39	1,672,717	1,672,756
Unassigned (Deficit)	(491,734)	-	-	(491,734)
<b>Total Fund Balances</b>	<b>1,411,668</b>	<b>3,683</b>	<b>11,852,997</b>	<b>13,268,348</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,790,601</b>	<b>\$ 3,683</b>	<b>\$ 15,531,364</b>	<b>\$ 18,325,648</b>

**City of Independence, Ohio**  
*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2023*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>				
Property Taxes	\$ 144,890	\$ -	\$ -	\$ 144,890
Intergovernmental	3,563,810	-	6,200	3,570,010
Interest	9,726	-	-	9,726
Fees, Licenses, and Permits	570,110	-	-	570,110
Fines and Forfeitures	526,705	-	-	526,705
Rentals	-	-	12,404	12,404
Contributions and Donations	7,500	-	-	7,500
Special Assessments	-	-	315,193	315,193
All Other Revenues	31,386	-	9,162	40,548
<b>Total Revenues</b>	<b>4,854,127</b>	<b>-</b>	<b>342,959</b>	<b>5,197,086</b>
<b>EXPENDITURES</b>				
Current:				
Security of Persons and Property	1,603,159	-	98,676	1,701,835
Leisure Time Activities	215,167	-	7,921	223,088
Community Environment	-	-	83,814	83,814
Basic Utility Services	-	-	532,421	532,421
Transportation	535,208	-	-	535,208
General Government	1,910,909	12,001	103,269	2,026,179
Capital Outlay	30,332	-	3,282,375	3,312,707
Debt Service:				
Principal Retirement	-	1,509,458	-	1,509,458
Interest and Fiscal Charges	-	652,168	-	652,168
<b>Total Expenditures</b>	<b>4,294,775</b>	<b>2,173,627</b>	<b>4,108,476</b>	<b>10,576,878</b>
Excess of Revenues Over (Under) Expenditures	559,352	(2,173,627)	(3,765,517)	(5,379,792)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	-	-	470,000	470,000
Transfers In	845,000	1,991,827	5,508,500	8,345,327
Transfers Out	(620,000)	-	(213,769)	(833,769)
<b>Total Other Financing Sources (Uses)</b>	<b>225,000</b>	<b>1,991,827</b>	<b>5,764,731</b>	<b>7,981,558</b>
Net Change in Fund Balances	784,352	(181,800)	1,999,214	2,601,766
Fund Balances - Beginning of Year	627,316	185,483	9,853,783	10,666,582
<b>Fund Balances - End of Year</b>	<b>\$ 1,411,668</b>	<b>\$ 3,683</b>	<b>\$ 11,852,997</b>	<b>\$ 13,268,348</b>

**City of Independence, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2023*

	<u>State Highway</u>	<u>Motor Vehicle License Tax</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Enforcement and Education</u>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 282,300	\$ 138,897	\$ 429,994	\$ 16,092
Cash and Cash Equivalents:				
In Segregated Accounts	-	-	-	-
Accounts Receivable	-	-	-	-
Intergovernmental Receivable	24,513	1,785	302,277	-
Property Taxes Receivable	-	-	-	-
<b>Total Assets</b>	<u>\$ 306,813</u>	<u>\$ 140,682</u>	<u>\$ 732,271</u>	<u>\$ 16,092</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	-	-	\$ 18,066	\$ -
Intergovernmental Payable	-	-	-	-
Interfund Payable	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>18,066</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	-	-	-	-
Unavailable Revenue - Delinquent Property Taxes	-	-	-	-
Unavailable Revenue - Other	20,702	-	255,283	-
<b>Total Deferred Inflows of Resources</b>	<u>20,702</u>	<u>-</u>	<u>255,283</u>	<u>-</u>
<b>Fund Balances:</b>				
Restricted	286,111	140,682	458,922	16,092
Committed	-	-	-	-
Unassigned (Deficits)	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<u>286,111</u>	<u>140,682</u>	<u>458,922</u>	<u>16,092</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 306,813</u>	<u>\$ 140,682</u>	<u>\$ 732,271</u>	<u>\$ 16,092</u>



<u>Drug Offense</u>	<u>Law Enforcement</u>	<u>Federal Forfeiture</u>	<u>Strike Force</u>	<u>Mayor's Court Computer</u>	<u>FEMA Grant</u>
\$ 21,699	\$ 281,840	\$ 337,319	\$ 359,421	\$ 24,279	\$ 4,280
-	-	-	-	315	-
-	21,581	-	-	-	-
-	-	-	-	315	-
-	-	-	-	-	-
<u>\$ 21,699</u>	<u>\$ 303,421</u>	<u>\$ 337,319</u>	<u>\$ 359,421</u>	<u>\$ 24,909</u>	<u>\$ 4,280</u>
\$ -	\$ -	\$ -	\$ 931	\$ -	\$ -
-	-	-	-	100	-
-	-	-	850,224	-	-
-	-	-	<u>851,155</u>	<u>100</u>	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
21,699	303,421	337,319	-	24,809	4,280
-	-	-	-	-	-
-	-	-	(491,734)	-	-
<u>21,699</u>	<u>303,421</u>	<u>337,319</u>	<u>(491,734)</u>	<u>24,809</u>	<u>4,280</u>
<u>\$ 21,699</u>	<u>\$ 303,421</u>	<u>\$ 337,319</u>	<u>\$ 359,421</u>	<u>\$ 24,909</u>	<u>\$ 4,280</u>

**City of Independence, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2023*

	<u>Handicap Parking</u>	<u>Friends for Life</u>	<u>Twenty- Five and Alive</u>	<u>I Can</u>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 28,283	\$ 2,085	\$ 8,423	\$ 30,683
Cash and Cash Equivalents:				
In Segregated Accounts	-	-	-	-
Accounts Receivable	-	-	1,600	-
Intergovernmental Receivable	-	-	-	-
Property Taxes Receivable	-	-	-	-
<b>Total Assets</b>	<u>\$ 28,283</u>	<u>\$ 2,085</u>	<u>\$ 10,023</u>	<u>\$ 30,683</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ 1,525
Intergovernmental Payable	-	-	-	-
Interfund Payable	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,525</u>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	-	-	-	-
Unavailable Revenue - Delinquent Property Taxes	-	-	-	-
Unavailable Revenue - Other	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Restricted	-	-	-	-
Committed	28,283	2,085	10,023	29,158
Unassigned (Deficits)	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<u>28,283</u>	<u>2,085</u>	<u>10,023</u>	<u>29,158</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 28,283</u>	<u>\$ 2,085</u>	<u>\$ 10,023</u>	<u>\$ 30,683</u>

<u>Tree</u>	<u>Recreation</u>	<u>Police Pension</u>	<u>American Rescue Plan Act</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 63,335	\$ 165,402	\$ 94,472	\$ -	\$ 2,288,804
-	-	-	-	315
-	-	-	-	23,181
-	-	6,348	-	335,238
-	-	143,063	-	143,063
<u>\$ 63,335</u>	<u>\$ 165,402</u>	<u>\$ 243,883</u>	<u>\$ -</u>	<u>\$ 2,790,601</u>
\$ -	\$ 7,849	\$ -	\$ -	28,371
-	-	74,842	-	74,942
-	-	-	-	850,224
<u>-</u>	<u>7,849</u>	<u>74,842</u>	<u>-</u>	<u>953,537</u>
-	-	137,766	-	137,766
-	-	5,297	-	5,297
-	-	6,348	-	282,333
<u>-</u>	<u>-</u>	<u>149,411</u>	<u>-</u>	<u>425,396</u>
-	-	19,630	-	1,612,965
63,335	157,553	-	-	290,437
-	-	-	-	(491,734)
<u>63,335</u>	<u>157,553</u>	<u>19,630</u>	<u>-</u>	<u>1,411,668</u>
<u>\$ 63,335</u>	<u>\$ 165,402</u>	<u>\$ 243,883</u>	<u>\$ -</u>	<u>\$ 2,790,601</u>

**City of Independence, Ohio**  
*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2023*

	<b>State Highway</b>	<b>Motor Vehicle License Tax</b>	<b>Street Construction, Maintenance and Repair</b>	<b>Enforcement and Education</b>
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	55,310	25,264	682,139	-
Interest	3,501	1,746	4,479	-
Fees, Licenses, and Permits	-	-	-	-
Fines and Forfeitures	-	-	-	693
Contributions and Donations	-	-	-	-
All Other Revenues	-	-	11,500	-
<b>Total Revenues</b>	<u>58,811</u>	<u>27,010</u>	<u>698,118</u>	<u>693</u>
<b>EXPENDITURES</b>				
Current:				
Security of Persons and Property	-	-	-	-
Leisure Time Activities	-	-	-	-
Transportation	-	-	535,208	-
General Government	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>535,208</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>58,811</u>	<u>27,010</u>	<u>162,910</u>	<u>693</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	-	-	200,000	-
Transfer Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Net Change in Fund Balances	58,811	27,010	362,910	693
Fund Balances (Deficits) - Beginning of Year	227,300	113,672	96,012	15,399
<b>Fund Balances (Deficits)- End of Year</b>	<u>\$ 286,111</u>	<u>\$ 140,682</u>	<u>\$ 458,922</u>	<u>\$ 16,092</u>

<b>Drug Offense</b>	<b>Law Enforcement</b>	<b>Federal Forfeiture</b>	<b>Strike Force</b>	<b>Mayor's Court Computer</b>	<b>FEMA Grant</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	29,144	-	2,006,168	-	-
-	-	-	-	-	-
-	-	-	-	-	-
244	243,304	274,321	-	8,143	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>244</u>	<u>272,448</u>	<u>274,321</u>	<u>2,006,168</u>	<u>8,143</u>	<u>-</u>
-	122,505	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,872,888	9,744	-
-	-	30,332	-	-	-
-	<u>122,505</u>	<u>30,332</u>	<u>1,872,888</u>	<u>9,744</u>	<u>-</u>
<u>244</u>	<u>149,943</u>	<u>243,989</u>	<u>133,280</u>	<u>(1,601)</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>244</u>	<u>149,943</u>	<u>243,989</u>	<u>133,280</u>	<u>(1,601)</u>	<u>-</u>
21,455	153,478	93,330	(625,014)	26,410	4,280
<u>\$ 21,699</u>	<u>\$ 303,421</u>	<u>\$ 337,319</u>	<u>\$ (491,734)</u>	<u>\$ 24,809</u>	<u>\$ 4,280</u>

**City of Independence, Ohio**  
*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Year Ended December 31, 2023*

	<b>Handicap Parking</b>	<b>Friends for Life</b>	<b>Twenty- Five and Alive</b>	<b>I Can</b>
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Interest	-	-	-	-
Fees, Licenses, and Permits	-	-	-	-
Fines and Forfeitures	-	-	-	-
Contributions and Donations	-	-	-	7,500
All Other Revenues	-	-	1,600	16,906
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>1,600</b>	<b>24,406</b>
<b>EXPENDITURES</b>				
Current:				
Security of Persons and Property	-	-	-	-
Leisure Time Activities	-	-	-	-
Transportation	-	-	-	-
General Government	-	-	15,294	11,211
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>15,294</b>	<b>11,211</b>
Excess of Revenues Over (Under) Expenditures	-	-	(13,694)	13,195
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	-	-	15,000	-
Transfer Out	-	-	-	(20,000)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>(20,000)</b>
Net Change in Fund Balances	-	-	1,306	(6,805)
Fund Balances (Deficits) - Beginning of Year	28,283	2,085	8,717	35,963
<b>Fund Balances (Deficits)- End of Year</b>	<b>\$ 28,283</b>	<b>\$ 2,085</b>	<b>\$ 10,023</b>	<b>\$ 29,158</b>

<u>Tree</u>	<u>Recreation</u>	<u>Police Pension</u>	<u>American Rescue Plan Act</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ 144,890	\$ -	\$ 144,890
-	-	12,696	753,089	3,563,810
-	-	-	-	9,726
-	570,110	-	-	570,110
-	-	-	-	526,705
-	-	-	-	7,500
1,380	-	-	-	31,386
<u>1,380</u>	<u>570,110</u>	<u>157,586</u>	<u>753,089</u>	<u>4,854,127</u>
-	-	727,565	753,089	1,603,159
-	215,167	-	-	215,167
-	-	-	-	535,208
1,772	-	-	-	1,910,909
-	-	-	-	30,332
<u>1,772</u>	<u>215,167</u>	<u>727,565</u>	<u>753,089</u>	<u>4,294,775</u>
<u>(392)</u>	<u>354,943</u>	<u>(569,979)</u>	<u>-</u>	<u>559,352</u>
30,000	-	600,000	-	845,000
-	(600,000)	-	-	(620,000)
<u>30,000</u>	<u>(600,000)</u>	<u>600,000</u>	<u>-</u>	<u>225,000</u>
29,608	(245,057)	30,021	-	784,352
<u>33,727</u>	<u>402,610</u>	<u>(10,391)</u>	<u>-</u>	<u>627,316</u>
<u>\$ 63,335</u>	<u>\$ 157,553</u>	<u>\$ 19,630</u>	<u>\$ -</u>	<u>\$ 1,411,668</u>

**City of Independence, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Debt Service Funds*  
*December 31, 2023*

	<b>Bond Retirement</b>	<b>Non-TIF Project Debt Service</b>	<b>TIF Project Debt Service</b>	<b>Total Nonmajor Debt Service Funds</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 3,556	\$ 39	\$ 88	\$ 3,683
<b>Fund Balances:</b>				
Restricted	3,556	-	88	3,644
Assigned	-	39	-	39
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 3,556</b>	<b>\$ 39</b>	<b>\$ 88</b>	<b>\$ 3,683</b>



**City of Independence, Ohio**  
*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Nonmajor Debt Service Funds*  
*For the Year Ended December 31, 2023*

	<b>Bond Retirement</b>	<b>Non-TIF Project Debt Service</b>	<b>TIF Project Debt Service</b>	<b>Total Nonmajor Debt Service Funds</b>
<b>EXPENDITURES</b>				
General Government	\$ 12,001	\$ -	\$ -	\$ 12,001
Debt Service:				
Principal Retirement	-	111,250	1,398,208	1,509,458
Interest and Fiscal Charges	-	104,518	547,650	652,168
<b>Total Expenditures</b>	<u>12,001</u>	<u>215,768</u>	<u>1,945,858</u>	<u>2,173,627</u>
Excess Revenues Over Expenditures	<u>(12,001)</u>	<u>(215,768)</u>	<u>(1,945,858)</u>	<u>(2,173,627)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfer In	-	213,769	1,778,058	1,991,827
Net Change in Fund Balances	<u>(12,001)</u>	<u>(1,999)</u>	<u>(167,800)</u>	<u>(181,800)</u>
Fund Balances - Beginning of Year	15,557	2,038	167,888	185,483
<b>Fund Balances - End of Year</b>	<u>\$ 3,556</u>	<u>\$ 39</u>	<u>\$ 88</u>	<u>\$ 3,683</u>

**City of Independence, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2023*

	<b>Capital Improvements</b>	<b>Drain Water</b>	<b>Public Safety Equipment</b>
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 8,638,919	\$ 1,053,124	\$ 1,911,358
Interfund Receivable	500,000	-	-
Special Assessments Receivable	-	-	-
Assets Held for Resale	476,426	-	-
<b>Total Assets</b>	<b>\$ 9,615,345</b>	<b>\$ 1,053,124</b>	<b>\$ 1,911,358</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 145,746	\$ 15,000	\$ 238,736
Contracts Payable	325,368	8,004	-
Retainage Payable	24,469	38,021	-
<b>Total Liabilities</b>	<b>495,583</b>	<b>61,025</b>	<b>238,736</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable Revenue - Other	-	-	-
<b>Fund Balances:</b>			
Restricted	9,119,762	992,099	-
Assigned	-	-	1,672,622
<b>Total Fund Balances</b>	<b>9,119,762</b>	<b>992,099</b>	<b>1,672,622</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 9,615,345</b>	<b>\$ 1,053,124</b>	<b>\$ 1,911,358</b>

<b>Rockside Woods</b>	<b>Route 21 and Pleasant Valley</b>	<b>Issue II</b>	<b>Residential Special Assessments</b>	<b>PACE Special Assessment</b>	<b>Total Nonmajor Capital Projects Funds</b>
\$ 50,480	\$ 95	\$ 14,311	\$ 2,395	\$ 1,233	\$ 11,671,915
-	-	-	-	-	500,000
2,837,962	-	-	45,061	-	2,883,023
-	-	-	-	-	476,426
<u>\$ 2,888,442</u>	<u>\$ 95</u>	<u>\$ 14,311</u>	<u>\$ 47,456</u>	<u>\$ 1,233</u>	<u>\$ 15,531,364</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 399,482
-	-	-	-	-	333,372
-	-	-	-	-	62,490
-	-	-	-	-	795,344
2,837,962	-	-	45,061	-	2,883,023
50,480	-	14,311	2,395	1,233	10,180,280
-	95	-	-	-	1,672,717
<u>50,480</u>	<u>95</u>	<u>14,311</u>	<u>2,395</u>	<u>1,233</u>	<u>11,852,997</u>
<u>\$ 2,888,442</u>	<u>\$ 95</u>	<u>\$ 14,311</u>	<u>\$ 47,456</u>	<u>\$ 1,233</u>	<u>\$ 15,531,364</u>

**City of Independence, Ohio**  
*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2023*

	<b>Capital Improvements</b>	<b>Drain Water</b>	<b>Public Safety Equipment</b>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 6,200	\$ -
Rentals	12,404	-	-
Special Assessments	-	-	-
All Other Revenues	1,450	7,712	-
<b>Total Revenues</b>	<b>13,854</b>	<b>13,912</b>	<b>-</b>
<b>EXPENDITURES</b>			
Current:			
Security of Persons and Property	-	-	98,676
Leisure Time Activities	7,921	-	-
Community Environment	1,485	-	-
Basic Utility Services	-	532,421	-
General Government	103,269	-	-
Capital Outlay	3,043,639	-	238,736
<b>Total Expenditures</b>	<b>3,156,314</b>	<b>532,421</b>	<b>337,412</b>
Excess of Revenues (Under) Expenditures	(3,142,460)	(518,509)	(337,412)
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of Capital Assets	470,000	-	-
Transfer In	4,150,000	900,000	450,000
Transfer Out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>4,620,000</b>	<b>900,000</b>	<b>450,000</b>
Net Change in Fund Balances	1,477,540	381,491	112,588
Fund Balances (Deficits) - Beginning of Year	7,642,222	610,608	1,560,034
<b>Fund Balances - End of Year</b>	<b>\$ 9,119,762</b>	<b>\$ 992,099</b>	<b>\$ 1,672,622</b>

<b>Rockside Woods</b>	<b>Route 21 and Pleasant Valley</b>	<b>Issue II</b>	<b>Residential Special Assessments</b>	<b>PACE Special Assessment</b>	<b>Total Nonmajor Capital Projects Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,200
-	-	-	-	-	12,404
230,326	-	143	2,395	82,329	315,193
-	-	-	-	-	9,162
<u>230,326</u>	<u>-</u>	<u>143</u>	<u>2,395</u>	<u>82,329</u>	<u>342,959</u>
-	-	-	-	-	98,676
-	-	-	-	-	7,921
-	-	-	-	82,329	83,814
-	-	-	-	-	532,421
-	-	-	-	-	103,269
-	-	-	-	-	3,282,375
-	-	-	-	82,329	4,108,476
<u>230,326</u>	<u>-</u>	<u>143</u>	<u>2,395</u>	<u>-</u>	<u>(3,765,517)</u>
-	-	-	-	-	470,000
-	8,500	-	-	-	5,508,500
<u>(204,519)</u>	<u>(9,250)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(213,769)</u>
<u>(204,519)</u>	<u>(750)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,764,731</u>
25,807	(750)	143	2,395	-	1,999,214
24,673	845	14,168	-	1,233	9,853,783
<u>\$ 50,480</u>	<u>\$ 95</u>	<u>\$ 14,311</u>	<u>\$ 2,395</u>	<u>\$ 1,233</u>	<u>\$ 11,852,997</u>

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

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
**General Fund**  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 820,633	\$ 820,633	\$ 917,594	\$ 96,961
Municipal Income Taxes	33,080,406	34,980,406	35,077,485	97,079
Hotel Taxes	1,060,348	1,338,627	1,501,251	162,624
Amusement Taxes	233,993	295,403	331,290	35,887
Intergovernmental	179,046	226,035	253,495	27,460
Interest	841,612	1,062,485	1,191,562	129,077
Fees, Licenses and Permits	260,157	328,433	368,333	39,900
Fines and Forfeitures	106,226	133,852	150,113	16,261
Rentals	225,629	284,843	319,448	34,605
Charges for Services	599,246	756,512	848,418	91,906
All Other Revenues	454,323	564,190	649,089	84,899
<b>Total Revenues</b>	<b>37,861,619</b>	<b>40,791,419</b>	<b>41,608,078</b>	<b>816,659</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police				
Salaries/Wages and Benefits	5,330,600	5,095,600	4,646,193	449,407
Other	1,139,858	1,104,858	1,091,527	13,331
<b>Total Police</b>	<b>6,470,458</b>	<b>6,200,458</b>	<b>5,737,720</b>	<b>462,738</b>
Fire				
Salaries/Wages and Benefits	4,131,389	4,131,389	3,711,505	419,884
Other	343,467	343,467	259,117	84,350
<b>Total Fire</b>	<b>4,474,856</b>	<b>4,474,856</b>	<b>3,970,622</b>	<b>504,234</b>
<b>Total Security of Persons and Property</b>	<b>10,945,314</b>	<b>10,675,314</b>	<b>9,708,342</b>	<b>966,972</b>
Public Health and Welfare				
Cemetery				
Salaries/Wages and Benefits	89,700	79,700	71,559	8,141
Other	10,187	10,187	12,094	(1,907)
<b>Total Public Health and Welfare</b>	<b>99,887</b>	<b>89,887</b>	<b>83,653</b>	<b>6,234</b>
Leisure Time Activities				
Recreation				
Salaries/Wages and Benefits	2,301,450	2,255,450	2,099,617	155,833
Other	276,249	322,249	288,123	34,126
<b>Total Recreation</b>	<b>2,577,699</b>	<b>2,577,699</b>	<b>2,387,740</b>	<b>189,959</b>
Civic Center				
Salaries/Wages and Benefits	1,310,300	1,290,300	1,216,484	73,816
Other	465,658	500,658	415,517	85,141
<b>Total Civic Center</b>	<b>1,775,958</b>	<b>1,790,958</b>	<b>1,632,001</b>	<b>158,957</b>
<b>Total Leisure Time Activities</b>	<b>4,353,657</b>	<b>4,368,657</b>	<b>4,019,741</b>	<b>348,916</b>

(Continued)

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
**General Fund**  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Community Environment				
Building and Lands				
Salaries/Wages and Benefits	1,398,334	1,340,000	1,292,016	47,984
Other	426,776	426,776	306,911	119,865
Total Building and Lands	1,825,110	1,766,776	1,598,927	167,849
Technical Services				
Salaries/Wages and Benefits	689,500	704,500	692,861	11,639
Other	343,532	378,532	348,588	29,944
Total Technical Services	1,033,032	1,083,032	1,041,449	41,583
IT Department				
Salaries/Wages and Benefits	192,500	192,500	185,715	6,785
Other	514,301	552,301	472,901	79,400
Total IT Department	706,801	744,801	658,616	86,185
Building Department				
Salaries/Wages and Benefits	475,300	475,300	392,031	83,269
Other Expenses	82,500	82,500	37,807	44,693
Total Building Department	557,800	557,800	429,838	127,962
Engineering Department				
Salaries/Wages and Benefits	963,000	963,000	819,156	143,844
Other	632,509	632,509	361,275	271,234
Total Engineering Department	1,595,509	1,595,509	1,180,431	415,078
Economic Department				
Salaries/Wages and Benefits	324,000	324,800	306,857	17,943
Other	421,886	421,886	173,121	248,765
Total Economic Department	745,886	746,686	479,978	266,708
Boards and Commissions				
Salaries/Wages and Benefits	43,900	43,900	14,177	29,723
Other	60,000	60,000	28,730	31,270
Total Boards and Commissions	103,900	103,900	42,907	60,993
Total Community Environment	6,568,038	6,598,504	5,432,146	1,166,358
Basic Utility Services				
Rubbish				
Salaries/Wages and Benefits	359,167	325,000	262,578	62,422
Other	423,584	423,584	336,090	87,494
Total Rubbish	782,751	748,584	598,668	149,916
Sewer/Water Control				
Salaries/Wages and Benefits	445,067	410,900	407,927	2,973
Other	25,232	25,232	1,042	24,190
Total Sewer/Water Control	470,299	436,132	408,969	27,163
Total Basic Utility Services	1,253,050	1,184,716	1,007,637	177,079

(Continued)



**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
**General Fund**  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Transportation				
Equipment and Motor Pool				
Salaries/Wages and Benefits	331,465	297,300	329,387	(32,087)
Other	874,786	874,786	606,933	267,853
Total Transportation	<u>1,206,251</u>	<u>1,172,086</u>	<u>936,320</u>	<u>235,766</u>
General Government				
General Government				
Salaries/Wages and Benefits	833,645	833,645	783,190	50,455
Other	3,445,971	3,480,971	2,968,965	512,006
Total General Government	<u>4,279,616</u>	<u>4,314,616</u>	<u>3,752,155</u>	<u>562,461</u>
Finance Department				
Salaries/Wages and Benefits	576,000	572,000	559,860	12,140
Other	2,872	6,872	3,098	3,774
Total Finance Department	<u>578,872</u>	<u>578,872</u>	<u>562,958</u>	<u>15,914</u>
Council				
Salaries/Wages and Benefits	436,000	436,000	409,612	26,388
Other	8,500	8,500	4,081	4,419
Total Council	<u>444,500</u>	<u>444,500</u>	<u>413,693</u>	<u>30,807</u>
Law Director				
Other	503,674	703,674	667,274	36,400
Total Law Director	<u>503,674</u>	<u>703,674</u>	<u>667,274</u>	<u>36,400</u>
Other				
Other	1,000	1,000	377	623
Total Other	<u>1,000</u>	<u>1,000</u>	<u>377</u>	<u>623</u>
Court				
Salaries/Wages and Benefits	258,300	223,300	204,967	18,333
Other	17,171	17,171	8,677	8,494
Total Court	<u>275,471</u>	<u>240,471</u>	<u>213,644</u>	<u>26,827</u>
Service Administration				
Salaries/Wages and Benefits	75,196	705,401	789,211	(83,810)
Other	15,407	13,185	5,343	7,842
Total Service Administration	<u>90,603</u>	<u>718,586</u>	<u>794,554</u>	<u>(75,968)</u>
Income Tax Collection				
Other	1,100,000	1,100,000	1,009,585	90,415
Total Income Tax Collection	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,009,585</u>	<u>90,415</u>

(Continued)

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
**General Fund**  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Mayor's Office				
Salaries/Wages and Benefits	428,700	428,700	357,393	71,307
Other	10,629	15,629	8,689	6,940
<b>Total Mayor's Office</b>	<u>439,329</u>	<u>444,329</u>	<u>366,082</u>	<u>78,247</u>
General Government	7,713,065	8,546,048	7,780,322	765,726
<b>Total Expenditures</b>	<u>32,139,262</u>	<u>32,635,212</u>	<u>28,968,161</u>	<u>3,667,051</u>
Excess of Revenues Over (Under)				
Expenditures	5,722,357	8,156,207	12,639,917	4,483,710
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	64,118	64,118	64,118	-
Advances In	4,041,000	3,926,500	3,926,500	-
Advances Out	(4,081,000)	(4,081,000)	(4,081,000)	-
Transfers In	24,120,000	23,620,000	23,620,000	-
Transfers Out	(31,893,500)	(33,838,500)	(33,838,500)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(7,749,382)</u>	<u>(10,308,882)</u>	<u>(10,308,882)</u>	<u>-</u>
Net Change in Fund Balance	(2,027,025)	(2,152,675)	2,331,035	4,483,710
Fund Balance - Beginning of Year	5,414,759	5,414,759	5,414,759	-
Prior Year Encumbrances Appropriated	1,473,252	1,473,252	1,473,252	-
<b>Fund Balance - End of Year</b>	<u>\$ 4,860,986</u>	<u>\$ 4,735,336</u>	<u>\$ 9,219,046</u>	<u>\$ 4,483,710</u>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*High Intensity Drug Trafficking Area Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 5,984,835	\$ 5,984,835	\$ 5,811,511	\$ (173,324)
Charges for Services	13,133	13,133	12,753	(380)
All Other Revenues	2,032	2,032	1,973	(59)
<b>Total Revenues</b>	<u>6,000,000</u>	<u>6,000,000</u>	<u>5,826,237</u>	<u>(173,763)</u>
<b>Expenditures:</b>				
Current:				
General Government				
Salaries and Wages	1,116,777	1,116,777	1,094,196	22,581
Benefits	348,884	348,884	341,830	7,054
Other	4,534,339	4,534,339	4,442,654	91,685
<b>Total Expenditures</b>	<u>6,000,000</u>	<u>6,000,000</u>	<u>5,878,680</u>	<u>121,320</u>
Net Change in Fund Balance	-	-	(52,443)	(52,443)
Fund Balance - Beginning of Year	52,443	52,443	52,443	-
<b>Fund Balance - End of Year</b>	<u>\$ 52,443</u>	<u>\$ 52,443</u>	<u>\$ -</u>	<u>\$ (52,443)</u>

The notes to the financial statements are an integral part of this statement.

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Quadrant Tax Increment Financing Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts <u>Original</u>	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Payments in Lieu of Taxes	\$ 2,073,136	\$ 2,561,233	\$ 2,561,733	\$ 500
Intergovernmental	150,664	186,137	186,173	36
<b>Total Revenues</b>	<u>2,223,800</u>	<u>2,747,370</u>	<u>2,747,906</u>	<u>536</u>
<b>Expenditures:</b>				
Current:				
Capital Outlay	<u>13,190,580</u>	<u>13,297,580</u>	<u>13,155,339</u>	<u>142,241</u>
Excess of Revenues Over (Under) Expenditures	(10,966,780)	(10,550,210)	(10,407,433)	142,777
<b>Other Financing Sources (Uses)</b>				
Advances In	2,081,000	2,081,000	2,081,000	-
Advances Out	(1,041,000)	(1,026,500)	(1,026,500)	-
Transfers In	663,000	833,000	833,000	-
Transfers Out	<u>(2,441,058)</u>	<u>(2,611,058)</u>	<u>(2,611,058)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(738,058)</u>	<u>(723,558)</u>	<u>(723,558)</u>	<u>-</u>
Net Change in Fund Balance	(11,704,838)	(11,273,768)	(11,130,991)	142,777
Fund Balance - Beginning of Year	412,914	412,914	412,914	-
Prior Year Encumbrances Appropriated	<u>11,534,580</u>	<u>11,534,580</u>	<u>11,534,580</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u>\$ 242,656</u>	<u>\$ 673,726</u>	<u>\$ 816,503</u>	<u>\$ 142,777</u>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Street Resurfacing Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts <u>Original</u>	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 9,271	\$ 34,207	\$ 36,220	\$ 2,013
Interest	93,653	345,548	365,878	20,330
All Other Revenues	<u>42,076</u>	<u>155,245</u>	<u>164,379</u>	<u>9,134</u>
<b>Total Revenues</b>	<u>145,000</u>	<u>535,000</u>	<u>566,477</u>	<u>31,477</u>
<b>Expenditures:</b>				
Current:				
Capital Outlay	<u>\$ 8,902,662</u>	<u>\$ 9,202,662</u>	<u>\$ 8,281,396</u>	<u>\$ 921,266</u>
Excess of Revenues Over (Under) Expenditures	<u>(8,757,662)</u>	<u>(8,667,662)</u>	<u>(7,714,919)</u>	<u>952,743</u>
<b>Other Financing Sources</b>				
Transfers In	<u>4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>-</u>
Net Change in Fund Balance	(4,757,662)	(4,667,662)	(3,714,919)	952,743
Fund Balance - Beginning of Year	121,983	121,983	121,983	-
Prior Year Encumbrances Appropriated	<u>4,702,662</u>	<u>4,702,662</u>	<u>4,702,662</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u>\$ 66,983</u>	<u>\$ 156,983</u>	<u>\$ 1,109,726</u>	<u>\$ 952,743</u>

**City of Independence, 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, 2023*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 50,780	\$ 55,206	\$ 4,426
Interest	3,220	3,501	281
<b>Total Revenues</b>	<u>54,000</u>	<u>58,707</u>	<u>4,707</u>
<b>Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	54,000	58,707	4,707
Fund Balance - Beginning of Year	<u>223,593</u>	<u>223,593</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u>\$ 277,593</u>	<u>\$ 282,300</u>	<u>\$ 4,707</u>

**City of Independence, 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, 2023*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 23,388	\$ 25,328	\$ 1,940
Interest	1,612	1,746	134
<b>Total Revenues</b>	<u>25,000</u>	<u>27,074</u>	<u>2,074</u>
<b>Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	25,000	27,074	2,074
Fund Balance - Beginning of Year	111,823	111,823	-
<b>Fund Balance - End of Year</b>	<u>\$ 136,823</u>	<u>\$ 138,897</u>	<u>\$ 2,074</u>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Street Construction Maintenance and Repair Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ 629,233	\$ 680,865	\$ 51,632
Interest	4,139	4,479	340
All Other Revenues	10,628	11,500	872
<b>Total Revenues</b>	<u>644,000</u>	<u>696,844</u>	<u>52,844</u>
<b>Expenditures:</b>			
Current:			
Transportation			
Streets, Sidewalks, and Maintenance:			
Other	<u>882,358</u>	<u>749,233</u>	<u>133,125</u>
Excess of Revenues Over (Under) Expenditures	<u>(238,358)</u>	<u>(52,389)</u>	<u>185,969</u>
<b>Other Financing Sources</b>			
Transfers In	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net Change in Fund Balance	(38,358)	147,611	185,969
Fund Balance - Beginning of Year	17,607	17,607	-
Prior Year Encumbrances Appropriated	<u>117,358</u>	<u>117,358</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u>\$ 96,607</u>	<u>\$ 282,576</u>	<u>\$ 185,969</u>



**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Enforcement and Education Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Fines and Forfeitures	\$ 660	\$ 693	\$ 33
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Police Department:			
Other	500	-	500
Net Change in Fund Balance	160	693	533
Fund Balance - Beginning of Year	15,399	15,399	-
<b>Fund Balance - End of Year</b>	<b>\$ 15,559</b>	<b>\$ 16,092</b>	<b>\$ 533</b>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Drug Offense Fund*  
*For the Year Ended December 31, 2023*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Fines and Forfeitures	\$ 120	\$ 244	\$ 124
<b>Expenditures:</b>			
Current:			
Security of Persons and Property:			
Police Department:			
Other	10,000	10,000	-
Net Change in Fund Balance	(9,880)	(9,756)	124
Fund Balance - Beginning of Year	13,955	13,955	-
Prior Year Encumbrances Appropriated	7,500	7,500	-
<b>Fund Balance - End of Year</b>	<u>\$ 11,575</u>	<u>\$ 11,699</u>	<u>\$ 124</u>

**City of Independence, 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, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ 218,660	\$ 241,942	\$ 23,282
Fines and Forfeitures	26,340	29,144	2,804
<b>Total Revenues</b>	<u>245,000</u>	<u>271,086</u>	<u>26,086</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Police Department:			
Salaries and Wages	134,872	114,298	20,574
Other	37,711	37,208	503
<b>Total Expenditures</b>	<u>172,583</u>	<u>151,506</u>	<u>21,077</u>
Net Change in Fund Balance	72,417	119,580	47,163
Fund Balance - Beginning of Year	111,898	111,898	-
Prior Year Encumbrances Appropriated	22,583	22,583	-
<b>Fund Balance - End of Year</b>	<u>\$ 206,898</u>	<u>\$ 254,061</u>	<u>\$ 47,163</u>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Federal Forfeiture Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 260,000	\$ 274,321	\$ 14,321
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Police Department:			
Other	30,700	30,332	368
Net Change in Fund Balance	229,300	243,989	14,689
Fund Balance - Beginning of Year	93,330	93,330	-
<b>Fund Balance - End of Year</b>	<u>\$ 322,630</u>	<u>\$ 337,319</u>	<u>\$ 14,689</u>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Strike Force Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 2,500,000	\$ 2,575,766	\$ 75,766
<b>Expenditures:</b>			
Current:			
General Government			
Strike Force:			
Other	2,149,171	2,054,085	95,086
Excess of Revenues Over (Under) Expenditures	350,829	521,681	170,852
<b>Other Financing Sources (Uses)</b>			
Advances In	2,000,000	2,000,000	-
Advances Out	(2,900,000)	(2,900,000)	-
<b>Total Other Financings Sources (Uses)</b>	(900,000)	(900,000)	-
Net Change in Fund Balance	(549,171)	(378,319)	170,852
Fund Balance - Beginning of Year	\$ 414,668	\$ 414,668	\$ -
Prior Year Encumbrances Appropriated	149,171	149,171	-
<b>Fund Balance - End of Year</b>	<u>\$ 14,668</u>	<u>\$ 185,520</u>	<u>\$ 170,852</u>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Mayor’s Court Computer Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$ 8,800	\$ 8,873	\$ 73
<b>Expenditures:</b>			
Current:			
General Government			
Mayor's Court Computer:			
Other	<u>12,560</u>	<u>11,349</u>	<u>1,211</u>
Net Change in Fund Balance	(3,760)	(2,476)	1,284
Fund Balance - Beginning of Year	24,590	24,590	-
Prior Year Encumbrances Appropriated	<u>560</u>	<u>560</u>	-
<b>Fund Balance - End of Year</b>	<u><u>\$ 21,390</u></u>	<u><u>\$ 22,674</u></u>	<u><u>\$ 1,284</u></u>

**City of Independence, 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, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	4,280	4,280	-
<b>Fund Balance - End of Year</b>	<b>\$ 4,280</b>	<b>\$ 4,280</b>	<b>\$ -</b>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Handicap Parking Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Fines and Forfeitures	\$ -	\$ -	\$ -
<b>Expenditures</b>	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	28,283	28,283	-
<b>Fund Balance - End of Year</b>	<u>\$ 28,283</u>	<u>\$ 28,283</u>	<u>\$ -</u>



**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Friends for Life Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	2,085	2,085	-
<b>Fund Balance - End of Year</b>	<b>\$ 2,085</b>	<b>\$ 2,085</b>	<b>\$ -</b>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Twenty-Five and Alive Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts <u>Final</u>	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures:</b>			
Current:			
General Government			
Other General Government:			
Other	19,150	15,294	3,856
Excess of Revenues Over (Under) Expenditures	(19,150)	(15,294)	3,856
<b>Other Financing Sources</b>			
Transfers In	15,000	15,000	-
Net Change in Fund Balance	(4,150)	(294)	3,856
Fund Balance - Beginning of Year	4,567	4,567	-
<b>Fund Balance - End of Year</b>	<u>\$ 4,567</u>	<u>\$ 8,423</u>	<u>\$ 3,856</u>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*I Can Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Contributions and Donations	\$ 7,068	\$ 7,500	\$ 432
All Other Revenues	15,932	16,906	974
<b>Total Revenues</b>	<u>23,000</u>	<u>24,406</u>	<u>1,406</u>
<b>Expenditures:</b>			
Current:			
General Government			
Other General Government:			
Personal Services	9,090	9,089	1
Other	910	910	-
<b>Total Expenditures</b>	<u>10,000</u>	<u>9,999</u>	<u>1</u>
Excess of Revenues Over (Under) Expenditures	<u>13,000</u>	<u>14,407</u>	<u>1,407</u>
<b>Other Financing Sources (Uses)</b>			
Transfer Out	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Net Change in Fund Balance	(7,000)	(5,593)	1,407
Fund Balance - Beginning of Year	36,816	35,963	(853)
<b>Fund Balance - End of Year</b>	<u>\$ 29,816</u>	<u>\$ 30,370</u>	<u>\$ 554</u>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Tree Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
All Other Revenues	\$ -	\$ 1,380	\$ 1,380
<b>Expenditures:</b>			
Current:			
General Government			
Other General Government:			
Other	60,000	1,772	58,228
Excess of Revenues Over (Under) Expenditures	(60,000)	(392)	59,608
<b>Other Financing Sources (Uses)</b>			
Transfers In	30,000	30,000	-
Net Change in Fund Balance	(30,000)	29,608	59,608
Fund Balance - Beginning of Year	33,727	33,727	-
<b>Fund Balance - End of Year</b>	<u>\$ 3,727</u>	<u>\$ 63,335</u>	<u>\$ 59,608</u>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
**Recreation Fund**  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Fines	\$ 550,000	\$ 570,110	\$ 20,110
<b>Expenditures:</b>			
Current:			
Leisure Time Activities			
Recreation:			
Other	265,287	224,387	40,900
Excess of Revenues Over (Under) Expenditures	284,713	345,723	61,010
<b>Other Financing Uses</b>			
Transfers Out	(600,000)	(600,000)	-
Net Change in Fund Balance	(315,287)	(254,277)	61,010
Fund Balance - Beginning of Year	392,830	392,830	-
Prior Year Encumbrances Appropriated	15,287	15,287	-
<b>Fund Balance - End of Year</b>	<u>\$ 92,830</u>	<u>\$ 153,840</u>	<u>\$ 61,010</u>

**City of Independence, 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, 2023*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$ 142,269	\$ 157,586	\$ 15,317
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Police Department:			
Other	790,000	733,035	56,965
Excess of Revenues Over (Under) Expenditures	(647,731)	(575,449)	72,282
<b>Other Financing Sources</b>			
Transfers In	600,000	600,000	-
Net Change in Fund Balance	(47,731)	24,551	72,282
Fund Balance - Beginning of Year	69,921	69,921	-
<b>Fund Balance - End of Year</b>	<u>\$ 22,190</u>	<u>\$ 94,472</u>	<u>\$ 72,282</u>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*American Rescue Plan Act Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>	\$ -	\$ -	\$ -
<b>Expenditures:</b>			
Current:			
Security of Persons and Property:			
Police and Others:			
Personal Services	753,089	753,089	-
Net Change in Fund Balance	(753,089)	(753,089)	-
Fund Balance - Beginning of Year	-	-	-
Prior Year Encumbrances Appropriated	753,089	753,089	-
<b>Fund Balance - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Compensated Absences Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>	\$ -	\$ -	\$ -
<b>Expenditures:</b>			
Current:			
General Government			
Other General Government			
Other	100,000	77,746	22,254
Net Change in Fund Balance	(100,000)	(77,746)	22,254
Fund Balance - Beginning of Year	612,235	612,235	-
<b>Fund Balance - End of Year</b>	<b>\$ 512,235</b>	<b>\$ 534,489</b>	<b>\$ 22,254</b>



**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Rainy Day Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures:</b>	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	1,026,060	1,026,060	-
<b>Fund Balance - End of Year</b>	<b>\$ 1,026,060</b>	<b>\$ 1,026,060</b>	<b>\$ -</b>

**City of Independence, 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, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures:</b>			
Current:			
General Government			
Economic Development			
Other	1,052,119	1,051,314	805
Excess of Revenues Over (Under) Expenditures	(1,052,119)	(1,051,314)	805
<b>Other Financing Sources</b>			
Transfers In	260,000	260,000	-
Net Change in Fund Balance	(792,119)	(791,314)	805
Fund Balance - Beginning of Year	125,307	125,307	-
Prior Year Encumbrances Appropriated	671,119	671,119	-
<b>Fund Balance - End of Year</b>	<b>\$ 4,307</b>	<b>\$ 5,112</b>	<b>\$ 805</b>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Bond Retirement Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures:</b>			
Current:			
General Government			
Other	12,000	12,001	(1)
Net Change in Fund Balance	(12,000)	(12,001)	(1)
Fund Balance - Beginning of Year	15,557	15,557	-
<b>Fund Balance - End of Year</b>	<u>\$ 3,557</u>	<u>\$ 3,556</u>	<u>\$ (1)</u>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Non-TIF Project Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures:</b>			
Current:			
Debt Service			
Principal	111,250	111,250	-
Interest & Fiscal Charges	104,518	104,518	-
<b>Total Expenditures</b>	<u>215,768</u>	<u>215,768</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>(215,768)</u>	<u>(215,768)</u>	<u>-</u>
<b>Other Financing Sources</b>			
Transfers In	<u>213,769</u>	<u>213,769</u>	<u>-</u>
Net Change in Fund Balance	(1,999)	(1,999)	-
Fund Balance - Beginning of Year	2,038	2,038	-
<b>Fund Balance - End of Year</b>	<u>\$ 39</u>	<u>\$ 39</u>	<u>\$ -</u>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*TIF Project Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures:</b>			
Current:			
Debt Service:			
Principal	1,398,208	1,398,208	-
Interest & Fiscal Charges	547,650	547,650	-
<b>Total Expenditures</b>	1,945,858	1,945,858	-
Excess of Revenues Over (Under) Expenditures	(1,945,858)	(1,945,858)	-
<b>Other Financing Sources</b>			
Transfers In	1,778,058	1,778,058	-
Net Change in Fund Balance	(167,800)	(167,800)	-
Fund Balance - Beginning of Year	167,888	167,888	-
<b>Fund Balance - End of Year</b>	\$ 88	\$ 88	\$ -

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Capital Improvements Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Rentals	\$ 4,477	\$ 12,404	\$ 7,927
All Other Revenues	523	1,450	927
<b>Total Revenues</b>	<u>5,000</u>	<u>13,854</u>	<u>8,854</u>
<b>Expenditures:</b>			
Current:			
Capital Outlay	<u>11,588,939</u>	<u>11,283,858</u>	<u>305,081</u>
Excess of Revenues Over (Under) Expenditures	(11,583,939)	(11,270,004)	313,935
<b>Other Financing Sources</b>			
Sale of Capital Assets	470,000	470,000	-
Transfers In	<u>4,150,000</u>	<u>4,150,000</u>	-
<b>Total Other Financing Sources (Uses)</b>	<u>4,620,000</u>	<u>4,620,000</u>	-
Net Change in Fund Balance	(6,963,939)	(6,650,004)	313,935
Fund Balance - Beginning of Year	43,345	43,345	-
Prior Year Encumbrances Appropriated	<u>7,438,939</u>	<u>7,438,939</u>	-
<b>Fund Balance - End of Year</b>	<u>\$ 518,345</u>	<u>\$ 832,280</u>	<u>\$ 313,935</u>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Drain Water Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ 5,125	\$ 6,200	\$ 1,075
All Other Revenues	6,375	7,712	1,337
<b>Total Revenues</b>	<u>11,500</u>	<u>13,912</u>	<u>2,412</u>
<b>Expenditures:</b>			
Current:			
Capital Outlay	1,663,553	1,091,432	572,121
Excess of Revenues Over (Under) Expenditures	(1,652,053)	(1,077,520)	574,533
<b>Other Financing Sources</b>			
Transfers In	900,000	900,000	-
Net Change in Fund Balance	(752,053)	(177,520)	574,533
Fund Balance - Beginning of Year	15,226	15,226	-
Prior Year Encumbrances Appropriated	738,553	738,553	-
<b>Fund Balance - End of Year</b>	<u>\$ 1,726</u>	<u>\$ 576,259</u>	<u>\$ 574,533</u>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Public Safety Equipment Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures:</b>			
Current:			
Capital Outlay	2,000,576	1,999,922	654
Excess of Revenues Over (Under) Expenditures	(2,000,576)	(1,999,922)	654
<b>Other Financing Sources</b>			
Transfers In	450,000	450,000	-
Net Change in Fund Balance	(1,550,576)	(1,549,922)	654
Fund Balance - Beginning of Year	15,198	15,198	-
Prior Year Encumbrances Appropriated	1,544,876	1,544,876	-
<b>Fund Balance - End of Year</b>	<b>\$ 9,498</b>	<b>\$ 10,152</b>	<b>\$ 654</b>



**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Rockside Woods Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Special Assessments	\$ 230,300	\$ 230,326	\$ 26
Excess of Revenues Over (Under) Expenditures	230,300	230,326	26
<b>Other Financing Uses</b>			
Transfers Out	(204,519)	(204,519)	-
Net Change in Fund Balance	25,781	25,807	26
Fund Balance - Beginning of Year	49,441	49,441	-
<b>Fund Balance - End of Year</b>	<b>\$ 75,222</b>	<b>\$ 75,248</b>	<b>\$ 26</b>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Route 21 and Pleasant Valley Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<b>Other Financing Sources (Uses)</b>			
Transfers In	8,500	8,500	-
Transfers Out	(9,250)	(9,250)	-
<b>Total Other Financing Sources (Uses)</b>	(750)	(750)	-
Net Change in Fund Balance	(750)	(750)	-
Fund Balance - Beginning of Year	845	845	-
<b>Fund Balance - End of Year</b>	<u>\$ 95</u>	<u>\$ 95</u>	<u>\$ -</u>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Issue II Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Special Assessments	\$ 143	\$ 143	\$ -
<b>Expenditures</b>	-	-	-
Net Change in Fund Balance	143	143	-
Fund Balance - Beginning of Year	14,168	14,168	-
<b>Fund Balance - End of Year</b>	<b>\$ 14,311</b>	<b>\$ 14,311</b>	<b>\$ -</b>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Residential Special Assessments Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Special Assessments	\$ 2,400	\$ 2,395	\$ (5)
<b>Total Expenditures</b>	-	-	-
Net Change in Fund Balance	2,400	2,395	(5)
Fund Balance - Beginning of Year	-	-	-
<b>Fund Balance - End of Year</b>	<u>\$ 2,400</u>	<u>\$ 2,395</u>	<u>\$ (5)</u>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*PACE Special Assessment Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Special Assessments	\$ 82,300	\$ 82,329	\$ 29
<b>Expenditures:</b>			
Current:			
Capital Outlay	82,350	82,329	21
Net Change in Fund Balance	(50)	-	50
Fund Balance - Beginning of Year	1,233	1,233	-
<b>Fund Balance - End of Year</b>	<b>\$ 1,183</b>	<b>\$ 1,233</b>	<b>\$ 50</b>

**City of Independence, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*In Fund Balance – Budget (Non-GAAP Basis) and Actual*  
*Insurance Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
All Other Revenues	\$ 20,000	\$ 19,103	\$ (897)
<b>Expenses:</b>			
Current:			
Contractual Services	570,103	267,926	302,177
Claims	72,589	28,287	44,302
<b>Total Expenses</b>	<b>642,692</b>	<b>296,213</b>	<b>346,479</b>
Excess of Revenues Over (Under) Expenses	(622,692)	(277,110)	345,582
<b>Other Financing Sources</b>			
Transfer In	225,000	225,000	-
Net Change in Fund Equity	(397,692)	(52,110)	345,582
Fund Equity - Beginning of Year, Restated	1,067,407	1,067,407	-
Prior Year Encumbrances Appropriated	142,692	142,692	-
<b>Fund Equity - End of Year</b>	<b>\$ 812,407</b>	<b>\$ 1,157,989</b>	<b>\$ 345,582</b>

# Statistical Section







## 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.

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<b>Contents</b>	<b>Page(s)</b>
<b><i>Financial Trends</i></b> .....	<b><i>S2 – S9</i></b>
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
<b>Revenue Capacity</b> .....	<b>S10 – S18</b>
These schedules contain information to help the reader assess the City’s most significant local revenue sources, the property tax and the municipal income tax.	
<b>Debt Capacity</b> .....	<b>S19 – S24</b>
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b> .....	<b>S25 – S26</b>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.	
<b>Operating Information</b> .....	<b>S28 – S35</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Governmental Activities				
Net Investment in Capital Assets	\$117,414,206	\$116,599,862	\$115,631,357	\$106,232,967
Restricted:				
Capital Projects	18,673,343	14,942,202	15,370,828	16,430,739
Debt Service	3,556	137,807	0	0
State Highway	541,394	464,776	199,256	140,732
Pension	72,220	0	0	0
Street Construction, Maintenance and Repair	620,306	228,937	700,290	724,278
Police Pension	31,275	3,677	6,853	305,087
Other Purposes	707,620	314,352	362,749	314,542
Unrestricted (Deficit)	<u>9,618,214</u>	<u>7,828,120</u>	<u>(1,390,546)</u>	<u>(7,347,063)</u>
<i>Total Governmental Activities Net Position</i>	<u>\$147,682,134</u>	<u>\$140,519,733</u>	<u>\$130,880,787</u>	<u>\$116,801,282</u>

Note: 2021 Net position was restated for Net Investment in Capital Assets.  
 In 2020, the City implemented GASB 83 which affected Net Position for 2019.  
 In 2019, the City implemented GASB 84 which affected Net Position for 2018.  
 In 2018, the City implemented GASB 75 which affected Unrestricted Net Position for 2017.

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<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$90,680,280	\$83,597,246	\$78,544,131	\$75,112,616	\$75,013,690	\$70,074,840
18,022,928	15,519,182	12,649,662	7,059,950	8,807,685	7,906,956
0	0	7,805	0	0	0
125,892	92,047	174,035	141,225	149,136	111,791
0	0	0	0	0	0
977,347	917,090	846,051	690,663	539,077	585,918
770,741	734,813	681,144	626,477	532,177	463,968
279,520	423,959	282,001	354,824	248,778	210,794
<u>(4,543,637)</u>	<u>(10,618,923)</u>	<u>(13,909,573)</u>	<u>7,494,703</u>	<u>(294,571)</u>	<u>(618,913)</u>
<u>\$106,313,071</u>	<u>\$90,665,414</u>	<u>\$79,275,256</u>	<u>\$91,480,458</u>	<u>\$84,995,972</u>	<u>\$78,735,354</u>

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

	2023	2022	2021	2020
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services and Sales:				
General Government	\$500,162	\$588,213	\$432,755	\$323,442
Security of Persons and Property	1,088,355	751,895	648,169	466,272
Public Health and Welfare	4,862	4,378	4,041	3,388
Leisure Time Activities	801,303	734,539	620,060	384,963
Community Environment	282,667	168,262	209,510	170,255
Basic Utility Services	57,748	58,845	54,315	44,200
Transportation	51,359	42,953	37,987	32,013
Operating Grants and Contributions	9,909,802	8,462,943	8,007,755	8,677,082
Capital Grants and Assessments	393,842	849,667	364,198	1,308,456
<i>Total Government Activities Program Revenues</i>	<u>13,090,100</u>	<u>11,661,695</u>	<u>10,378,790</u>	<u>11,410,071</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	22,869,407	20,064,299	17,098,075	18,699,177
Security of Persons and Property	12,401,123	10,083,849	9,688,910	10,968,040
Public Health and Welfare	86,019	52,766	27,616	78,053
Leisure Time Activities	4,326,695	3,102,677	1,549,736	3,081,336
Community Environment	5,293,332	4,211,112	2,034,654	3,823,600
Basic Utility Services	1,548,052	1,292,502	408,135	1,037,179
Transportation	2,887,271	4,098,350	5,518,977	3,188,190
Interest and Fiscal Charges	534,421	589,968	652,808	635,064
<i>Total Governmental Activities Expenses</i>	<u>49,946,320</u>	<u>43,495,523</u>	<u>36,978,911</u>	<u>41,510,639</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	<u>(36,856,220)</u>	<u>(31,833,828)</u>	<u>(26,600,121)</u>	<u>(30,100,568)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Property Taxes Levied For:				
General Purposes	901,879	933,595	842,190	855,374
Other Purposes	142,409	143,737	132,978	128,361
Municipal Income Tax levied for General Purposes	35,462,140	34,852,612	34,967,308	33,573,510
Hotel/Motel Tax Levied for General Purposes	1,480,601	1,359,555	1,067,992	648,140
Amusement Tax Levied for General Purposes	338,446	286,205	277,817	217,515
Grants and Entitlements not Restricted to Specific Program:	339,885	458,074	413,573	364,692
Investment Income	2,001,635	546,463	242,765	389,269
Payments in Lieu of Taxes	2,323,856	2,347,836	2,539,322	2,097,681
Gain on Sale of Capital Assets	188,698	117,852	82,300	39,283
Miscellaneous	839,072	426,845	538,092	2,274,954
<i>Total Governmental Activities General Revenues</i>	<u>44,018,621</u>	<u>41,472,774</u>	<u>41,104,337</u>	<u>40,588,779</u>
<b>Change in Governmental Activities Net Position</b>	<u>\$7,162,401</u>	<u>\$9,638,946</u>	<u>\$14,504,216</u>	<u>\$10,488,211</u>

- (1) Expenses are first impacted by the implementation of GASB Statement No. 84 beginning in 2019.
- (2) Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in 2018.
- (3) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015.

2019 (1)	2018 (2)	2017	2016	2015 (3)	2014
\$729,996	\$568,552	\$422,384	\$390,744	\$396,719	\$377,216
671,078	773,764	685,495	666,445	606,527	562,774
22,990	21,597	24,535	26,534	17,350	23,565
615,300	667,903	665,636	696,312	603,786	559,216
251,164	254,142	259,837	236,571	236,479	198,060
54,750	65,332	66,879	29,317	29,160	30,306
42,816	54,902	49,462	51,358	56,063	45,279
6,859,993	4,963,281	2,883,237	658,459	524,252	493,672
1,838,283	5,215,374	352,701	122,246	1,189,630	1,567,822
11,086,370	12,584,847	5,410,166	2,877,986	3,659,966	3,857,910
19,039,488	15,473,963	12,449,390	9,239,305	9,037,847	8,650,919
1,295,610	11,766,180	10,502,201	10,377,823	8,961,555	9,005,655
93,402	63,584	68,850	58,324	48,133	78,417
4,336,089	4,216,895	4,138,515	3,798,602	3,684,540	3,767,299
4,700,395	3,579,814	4,052,023	3,542,366	3,543,729	3,096,160
1,071,857	994,675	1,116,697	477,590	490,196	547,380
3,796,646	4,317,772	3,662,443	3,832,243	4,669,027	4,465,226
741,662	652,612	658,360	608,434	632,480	652,020
35,075,149	41,065,495	36,648,479	31,934,687	31,067,507	30,263,076
(23,988,779)	(28,480,648)	(31,238,313)	(29,056,701)	(27,407,541)	(26,405,166)
837,220	772,071	337,278	798,355	818,505	814,219
131,305	121,828	53,254	125,714	131,059	129,669
33,313,603	34,444,017	31,470,365	30,809,785	28,691,285	24,615,423
1,321,108	1,447,692	1,368,052	1,438,252	1,356,711	1,319,446
22,972	21,065	16,345	55,777	0	0
322,822	271,459	354,005	192,221	270,740	259,332
705,271	243,358	104,063	68,228	60,762	61,208
2,084,777	2,020,950	528,917	1,577,104	1,635,817	1,348,759
25,381	30,933	0	0	0	0
1,031,477	528,182	1,107,641	475,751	703,280	561,514
39,795,936	39,901,555	35,339,920	35,541,187	33,668,159	29,109,570
\$15,807,157	\$11,420,907	\$4,101,607	\$6,484,486	\$6,260,618	\$2,704,404

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

	2023	2022	2021	2020
<b>General Fund</b>				
Nonspendable	\$41,076,687	\$39,087,035	\$34,818,737	\$24,245,225
Assigned	1,701,924	4,361,413	5,673,477	6,244,527
Unassigned	11,345,251	7,600,534	5,148,071	9,675,231
Total General Fund	<u>54,123,862</u>	<u>51,048,982</u>	<u>45,640,285</u>	<u>40,164,983</u>
<b>All Other Governmental Funds</b>				
Nonspendable	0	5,444	13,722	846
Restricted	16,905,631	12,445,608	12,169,178	13,203,186
Committed	290,437	511,385	774,926	549,842
Assigned	1,672,756	1,562,917	1,148,246	766,858
Unassigned (Deficit)	<u>(29,231,333)</u>	<u>(28,128,826)</u>	<u>(25,193,651)</u>	<u>(19,772,365)</u>
Total All Other Governmental Funds	<u>(10,362,509)</u>	<u>(13,603,472)</u>	<u>(11,087,579)</u>	<u>(5,251,633)</u>
<b>Total Governmental Funds</b>	<u>\$43,761,353</u>	<u>\$37,445,510</u>	<u>\$34,552,706</u>	<u>\$34,913,350</u>

Note: In 2019, the City implemented GASB 84.

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2019	2018	2017	2016	2015	2014
\$20,479,064	\$18,741,346	\$18,310,024	\$16,648,085	\$16,339,485	\$14,475,791
3,012,332	5,954,127	2,475,871	2,148,860	1,081,128	2,469,127
8,386,497	8,063,509	10,818,370	8,847,647	5,037,506	4,227,716
<u>31,877,893</u>	<u>32,758,982</u>	<u>31,604,265</u>	<u>27,644,592</u>	<u>22,458,119</u>	<u>21,172,634</u>
999	3,603	2,154	3,091	4,510	7,174
15,139,231	17,303,467	14,000,427	11,223,004	9,644,441	8,703,905
645,948	560,493	533,145	478,845	417,280	355,523
1,083,249	98	0	0	0	0
<u>(30,446,244)</u>	<u>(24,147,401)</u>	<u>(27,923,733)</u>	<u>(17,384,288)</u>	<u>(14,332,066)</u>	<u>(12,423,277)</u>
<u>(13,576,817)</u>	<u>(6,279,740)</u>	<u>(13,388,007)</u>	<u>(5,679,348)</u>	<u>(4,265,835)</u>	<u>(3,356,675)</u>
<u>\$18,301,076</u>	<u>\$26,479,242</u>	<u>\$18,216,258</u>	<u>\$21,965,244</u>	<u>\$18,192,284</u>	<u>\$17,815,959</u>

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

	2023	2022	2021	2020
<b>Revenues</b>				
Taxes (1)	\$38,345,971	\$37,039,814	\$37,712,437	\$34,974,154
Intergovernmental	10,541,648	9,469,635	8,666,516	10,522,993
Investment Income	2,001,635	546,463	242,765	389,269
Fees, Licenses and Permits	938,443	957,449	812,901	484,486
Fines and Forfeitures	664,747	281,622	236,435	164,162
Charges for Services	878,780	797,668	710,882	618,815
Lease	56,970	49,470	0	0
Rentals	259,847	248,924	244,764	158,721
Special Assessments	315,193	322,166	194,358	304,187
Payment in Lieu of Taxes	2,561,733	2,155,416	2,499,966	1,999,806
Contributions and Donations	0	0	0	5,000
Miscellaneous	858,696	466,366	518,060	2,220,563
<i>Total Revenues</i>	<u>57,423,663</u>	<u>52,334,993</u>	<u>51,839,084</u>	<u>51,842,156</u>
<b>Expenditures</b>				
Current:				
General Government	17,219,198	16,523,559	15,111,669	13,696,634
Security of Persons and Property	11,369,349	10,534,958	9,850,216	9,458,283
Public Health and Welfare	84,140	75,595	71,765	70,497
Leisure Time Activities	4,161,332	4,042,374	3,309,625	2,834,373
Community Environment	5,195,315	4,794,593	3,714,331	3,537,045
Basic Utility Services	1,525,396	1,464,508	958,578	917,501
Transportation	2,730,091	4,072,242	1,871,857	2,005,916
Capital Outlay	6,970,491	5,360,135	10,856,308	17,948,722
Debt Service:				
Principal Retirement	1,509,458	1,484,458	5,609,187	924,729
Payment to Refunded Bond Escrow Agent	0	0	0	0
Refunded Notes Redeemed	0	0	0	0
Interest and Fiscal Charges	652,168	707,619	928,492	593,442
Debt Issuance Costs	0	0	0	258,089
<i>Total Expenditures</i>	<u>51,416,938</u>	<u>49,060,041</u>	<u>52,282,028</u>	<u>52,245,231</u>
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	<u>6,006,725</u>	<u>3,274,952</u>	<u>(442,944)</u>	<u>(403,075)</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	534,118	117,852	82,300	39,283
Refunding Notes Issued	0	0	0	0
General Obligation Bonds Issued	0	0	0	15,250,000
General Obligation Refunding Bonds Issued	0	0	0	0
General Obligation Notes Issued	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0
OPWC Loan Issued	0	0	0	0
OWDA Loan Issued	0	0	0	0
Premium on General Obligation Bonds	0	0	0	1,726,066
Premium on Special Assessment Bonds	0	0	0	0
Premium on Refunding Notes	0	0	0	0
Premium on Notes	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	12,965,327	8,734,538	14,800,540	9,921,650
Transfers Out	(13,190,327)	(9,234,538)	(14,800,540)	(9,921,650)
<i>Total Other Financing Sources (Uses)</i>	<u>309,118</u>	<u>(382,148)</u>	<u>82,300</u>	<u>17,015,349</u>
<i>Net Change in Fund Balances</i>	<u>\$6,315,843</u>	<u>\$2,892,804</u>	<u>(\$360,644)</u>	<u>\$16,612,274</u>
Debt Service as a Percentage of Noncapital Expenditures	4.9%	5.0%	14.4%	4.3%

(1) Includes All Taxes



2019 (2)	2018	2017	2016	2015	2014
\$36,280,879	\$36,010,214	\$33,443,423	\$32,863,392	\$30,002,321	\$26,344,858
7,841,460	7,299,392	3,586,708	1,010,882	1,921,663	2,409,871
705,271	243,358	79,860	52,886	50,096	45,874
827,217	922,325	802,189	928,863	864,963	737,548
423,876	512,922	424,521	358,482	311,054	259,754
866,044	700,941	712,245	569,893	549,570	557,486
0	0	0	0	0	0
278,142	260,772	235,273	240,043	220,497	241,628
198,880	35,017	33,086	34,267	57,495	175,629
2,124,598	2,017,208	1,431,139	1,438,276	1,497,224	1,273,291
0	0	0	0	0	0
1,022,399	517,540	1,101,577	447,970	461,420	550,560
<u>50,568,766</u>	<u>48,519,689</u>	<u>41,850,021</u>	<u>37,944,954</u>	<u>35,936,303</u>	<u>32,596,499</u>
13,911,302	10,787,548	7,946,192	5,412,864	5,855,234	5,549,948
9,763,014	9,581,281	9,171,683	8,876,769	8,303,665	8,313,475
72,067	60,713	58,523	56,141	48,085	76,612
3,523,973	3,668,531	3,621,031	3,527,981	3,529,611	3,449,266
3,854,204	3,180,703	3,611,465	3,330,249	3,422,437	2,942,887
838,536	818,316	906,884	412,156	420,393	448,869
1,944,350	2,139,277	1,783,539	2,537,295	2,606,959	2,589,496
18,312,015	10,319,276	9,795,563	9,338,664	12,814,813	8,431,969
974,458	1,884,458	1,839,458	1,696,531	1,572,078	1,540,123
4,464,877	0	0	0	0	0
0	0	5,700,000	3,950,000	4,300,000	4,700,000
787,976	693,007	802,768	652,432	682,233	719,884
49,558	140,481	86,901	52,907	18,631	124,813
<u>58,496,330</u>	<u>43,273,591</u>	<u>45,324,007</u>	<u>39,843,989</u>	<u>43,574,139</u>	<u>38,887,342</u>
<u>(7,927,564)</u>	<u>5,246,098</u>	<u>(3,473,986)</u>	<u>(1,899,035)</u>	<u>(7,637,836)</u>	<u>(6,290,843)</u>
49,398	49,755	0	0	0	0
0	0	0	3,600,000	3,950,000	4,300,000
0	0	0	0	0	0
0	0	0	0	0	4,305,000
0	0	0	2,100,000	0	0
0	3,190,000	0	0	0	0
0	0	0	0	4,164,161	0
0	0	0	0	0	0
0	0	0	0	0	299,647
0	107,880	0	0	0	0
0	0	0	24,990	0	0
0	0	0	47,005	0	0
0	0	0	0	0	(4,503,365)
16,923,400	15,256,500	9,514,900	8,580,625	9,416,500	7,821,500
<u>(17,223,400)</u>	<u>(15,556,500)</u>	<u>(9,789,900)</u>	<u>(8,680,625)</u>	<u>(9,516,500)</u>	<u>(7,821,500)</u>
<u>(250,602)</u>	<u>3,047,635</u>	<u>(275,000)</u>	<u>5,671,995</u>	<u>8,014,161</u>	<u>4,401,282</u>
<u>(\$8,178,166)</u>	<u>\$8,293,733</u>	<u>(\$3,748,986)</u>	<u>\$3,772,960</u>	<u>\$376,325</u>	<u>(\$1,889,561)</u>
14.9%	7.3%	22.4%	19.9%	19.9%	21.6%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2023	\$311,396,860	\$171,320,170	\$1,379,191,514	\$36,817,240	\$41,837,773
2022	306,618,410	171,685,450	1,366,582,457	34,502,080	39,206,909
2021	280,040,760	183,500,830	1,324,404,543	32,443,030	36,867,080
2020	276,147,370	176,434,890	1,293,092,171	31,782,550	36,116,534
2019	271,635,690	174,509,960	1,274,701,857	29,497,910	33,520,352
2018	254,195,690	180,737,320	1,242,665,743	24,612,240	27,968,455
2017	252,851,300	173,420,510	1,217,919,457	22,521,000	25,592,045
2016	251,749,270	181,909,760	1,239,025,800	20,192,650	22,946,193
2015	240,611,760	198,450,590	1,254,463,857	18,952,480	21,536,909
2014	239,083,160	199,757,400	1,253,830,171	17,533,550	19,924,489

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property.

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

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Assessed Value	Total Estimated Actual Value	Ratio	Tax Rate
\$519,534,270	\$1,421,029,287	36.56%	\$2.20
512,805,940	1,405,789,366	36.48	2.20
495,984,620	1,361,271,623	36.44	2.20
484,364,810	1,329,208,705	36.44	2.20
475,643,560	1,308,222,209	36.36	2.20
459,545,250	1,270,634,198	36.17	2.20
448,792,810	1,243,511,502	36.09	2.20
453,851,680	1,261,971,993	35.96	2.20
458,014,830	1,276,000,766	35.89	2.20
456,374,110	1,273,754,660	35.83	2.20

**City of Independence, Ohio**  
*Property Tax Rates – Direct and Overlapping Governments*  
*(Per \$1,000 of Assed Valuations)*  
*Last Ten Years*

	2023	2022	2021	2020	2019
<b>Unvoted Millage</b>					
Operating	\$1.9000	\$1.9000	\$1.9000	\$1.9000	\$1.9000
Police Pension	0.3000	0.3000	0.3000	0.3000	0.3000
<b>Total Millage</b>	<b>\$2.2000</b>	<b>\$2.2000</b>	<b>\$2.2000</b>	<b>\$2.2000</b>	<b>\$2.2000</b>
<b>Overlapping Rates by Taxing District</b>					
Independence Local School District					
Residential/Agricultural Real	\$32.4496	\$32.4511	\$33.0848	\$33.4400	\$34.4400
Commercial/Industrial and Public Utility Real	34.3562	34.3721	34.0147	34.5600	35.6800
General Business and Public Utility Personal	34.8500	34.8500	35.3000	35.7000	36.7000
Cuyahoga Valley Career Center					
Residential/Agricultural Real	2.0000	2.0000	2.0000	2.0000	2.0000
Commercial/Industrial and Public Utility Real	2.0000	2.0000	2.0000	2.0000	2.0000
General Business and Public Utility Personal	2.0000	2.0000	2.0000	2.0000	2.0000
Cuyahoga County					
Residential/Agricultural Real	12.2519	12.2552	14.0063	12.8000	12.8000
Commercial/Industrial and Public Utility Real	13.6331	13.6706	14.3037	13.2300	13.0800
General Business and Public Utility Personal	14.8500	14.8500	14.8500	14.0500	14.0500
Special Taxing Districts (1)					
Residential/Agricultural Real	9.6118	9.0236	10.3637	9.3500	8.9500
Commercial/Industrial and Public Utility Real	10.5106	10.2402	10.7300	9.7000	8.2100
General Business and Public Utility Personal	11.2800	11.2800	11.2800	10.2800	9.8800

Source: Cuyahoga County Fiscal Officer

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

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

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

(1) Metro Parks, Port Authority, County Library, Community College

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2018	2017	2016	2015	2014
\$1.9000	\$1.9000	\$1.9000	\$1.9000	\$1.9000
0.3000	0.3000	0.3000	0.3000	0.3000
<u>\$2.2000</u>	<u>\$2.2000</u>	<u>\$2.2000</u>	<u>\$2.2000</u>	<u>\$2.2000</u>

\$34.7439	\$34.7329	\$34.1022	\$34.3753	\$34.5646
35.8131	36.5959	36.1000	35.8000	36.0000
36.7000	36.7000	36.1000	35.8000	36.0000

2.0000	2.0000	2.0000	2.0000	2.0000
2.0000	2.0000	2.0000	2.0000	2.0000
2.0000	2.0000	2.0000	2.0000	2.0000

13.9141	13.8802	13.8698	14.0500	14.0500
14.0060	14.0124	14.0500	14.0195	13.9495
14.0500	14.0500	14.0500	14.0500	14.0500

9.7637	9.2408	9.2368	9.3643	8.4639
9.8422	9.3438	9.3676	9.3401	8.3843
9.8800	9.3800	9.3800	9.3800	8.4800

**City of Independence, Ohio**  
*Property Tax Levies and Collection*  
*Last Ten Years*

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Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Tax Levy	Delinquent Tax Collections
2023	\$3,909,851	\$3,367,857	86.14%	\$349,373
2022	3,430,717	3,131,655	91.28	151,794
2021	3,556,583	3,439,820	96.72	126,462
2020	3,260,725	3,025,569	92.79	22,638
2019	3,150,231	3,126,845	99.26	40,080
2018	2,688,656	2,936,178	109.21	46,071
2017	2,591,568	2,339,478	90.27	19,378
2016	4,118,067	2,339,522	56.81	36,769
2015	4,118,077	2,413,170	58.60	39,654
2014	3,605,250	2,039,162	56.56	175,193

Source: Cuyahoga County, Ohio; County Fiscal Officer

Note: The County's current operating system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance.

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

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<u>Total Tax Collections (1)</u>	<u>Percent of Total Tax Collections to Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Tax to Total Tax Lev</u>
\$3,717,230	95.07%	\$169,736	4.34%
3,283,449	95.71	57,058	1.66
3,566,282	100.27	38,916	1.09
3,048,207	93.48	181,742	5.57
3,166,925	100.53	64,020	2.03
2,982,249	110.92	108,441	4.03
2,358,856	91.02	112,177	4.33
2,376,291	57.70	1,484,093	50.77
2,452,824	59.56	1,281,155	43.89
2,214,355	61.42	1,072,868	37.09

**City of Independence, Ohio**  
*Principal Real Property Taxpayers*  
 2023 and 2014

<i>2023</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Park Center Plaza LP	\$17,482,500	3.62 %
Cumberland 6801 LLC	16,170,010	3.35
Summit Cleveland Realty	10,817,230	2.24
AHIP OH Cleveland Properties LLC	10,205,440	2.11
Rockside-77 Properties LLC	10,202,120	2.11
Corporate Plaza LP	8,190,010	1.70
Independence City	7,598,320	1.57
JDI Oak Tree Holdings LLC	5,549,780	1.15
Rockside Magnolia SCC LLC	5,283,020	1.09
6055 Properties LTD	5,203,350	1.08
Total	\$96,701,780	20.03 %
Total Real Property Assessed Valuation	\$482,717,030	

<i>2014</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
FMC Investment Opportunities	\$25,607,900	5.84 %
Cleveland - Cuyahoga County Port Authority	14,700,000	3.35
Cleveland Clinic	13,708,040	3.12
Summit Cleveland Realty LP	12,938,500	2.95
Cleveland Electric Illuminating Company	11,650,540	2.65
Rockside - 77 Properties LLC	11,365,520	2.59
Jagi Cleveland Independence LLC	8,710,680	1.98
City of Independence	7,464,460	1.70
AP/AM Independence Suites LLC	6,064,450	1.38
JDI Oak Tree Holdings LLC	5,982,410	1.36
Total	\$118,192,500	26.93 %
Total Real Property Assessed Valuation	\$438,840,560	

Source: Cuyahoga County Fiscal Officer



**City of Independence, Ohio**  
*Income Tax Revenue Base and Collection*  
*Last Ten Years*

<u>Tax Year</u>	<u>Tax Rate (1)</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2023	2.00%	\$34,043,068	\$27,586,181	81.03%	\$4,600,503	13.51%	\$1,856,384	5.45%
2022	2.00	32,738,076	26,876,226	82.09	4,353,639	13.32	1,508,211	4.59
2021	2.00	34,967,308	29,799,389	85.22	3,562,033	10.19	1,605,886	4.44
2020	2.00	33,573,510	29,031,738	86.47	3,052,661	9.09	1,489,111	4.44
2019	2.00	33,313,603	28,235,391	84.75	3,776,444	11.34	1,301,768	3.91
2018	2.00	34,444,017	29,122,416	84.55	4,140,171	12.02	1,181,430	3.43
2017	2.00	31,470,365	26,872,545	85.39	3,553,004	11.29	1,044,816	3.32
2016	2.00	30,809,785	26,293,071	85.34	3,395,238	11.02	1,121,476	3.64
2015	2.00	28,691,285	24,396,200	85.03	3,110,135	10.84	1,184,950	4.13
2014	2.00	24,615,423	21,248,033	86.32	2,424,619	9.85	942,771	3.83

(1) The City's basic income tax rate may only be increased by a majority vote of the City's residents.

**City of Independence, Ohio**  
*Income Tax Filers by Income Level*  
*Tax Years 2023 and 2014*

Tax Year 2023

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	992	34.83 %	\$247,966,621	77.83 %
75,001-100,000	273	9.59	23,717,284	7.44
50,001-75,000	363	12.75	22,565,141	7.08
25,000-50,000	450	15.80	16,941,730	5.32
Under 25,000	770	27.04	7,407,422	2.33
Total	<u>2,848</u>	<u>100.01 %</u>	<u>\$318,598,198</u>	<u>100.00 %</u>

Tax Year 2014

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	744	26.16 %	\$144,083,645	65.60 %
75,001-100,000	286	10.06	25,068,696	11.41
50,001-75,000	392	13.78	24,101,528	10.97
25,000-50,000	472	16.60	17,333,466	7.89
Under 25,000	950	33.40	9,049,499	4.12
Total	<u>2,844</u>	<u>100.00 %</u>	<u>\$219,636,834</u>	<u>100.00 %</u>

Sources: Regional Income Tax data - certain amounts may be estimates

Note: Number of filers does not equal total taxpayers due to taxpayers paying City taxes through employer withholding only without having a filing requirement.

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

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Year	Gross Bonded Debt	Estimated Actual Values of Taxable Property	Ratio of Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt per Capita
2023	\$16,287,514	\$1,421,029,287	1.15%	\$2,166
2022	17,603,834	1,405,789,366	1.25	2,340
2021	18,895,154	1,361,271,623	1.39	2,512
2020	24,436,536	1,329,208,705	1.84	3,406
2019	8,241,033	1,308,222,209	0.63	1,149
2018	13,530,802	1,270,634,198	1.06	1,891
2017	15,274,188	1,243,511,502	1.23	2,144
2016	16,972,574	1,261,971,993	1.34	2,386
2015	18,620,960	1,276,000,766	1.46	2,583
2014	20,253,380	1,273,754,660	1.59	2,825

Note: Population is presented on page S25.

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

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

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Fiscal Year	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	OWDA Loans	Notes Payable
2023	\$16,287,514	\$2,835,945	\$2,698,226	\$0	\$0
2022	17,603,834	2,940,260	2,917,684	0	0
2021	18,895,154	3,044,575	3,137,142	0	0
2020	24,436,536	3,138,890	3,466,329	0	0
2019	8,241,033	3,233,205	3,576,058	0	0
2018	13,530,802	3,297,520	3,795,516	0	0
2017	15,274,188	0	4,014,974	0	0
2016	16,972,574	0	4,234,432	0	5,717,998
2015	18,620,960	0	4,349,786	11,177	3,950,000
2014	20,253,380	0	196,875	22,005	4,300,000

Note: Population and Personal Income data are presented on page S25.

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<u>Total</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$21,821,685	5.36 %	\$2,902
23,461,778	5.54	3,119
25,076,871	6.34	3,333
31,041,755	8.01	4,326
15,050,296	4.28	2,098
20,623,838	6.67	2,882
19,289,162	6.55	2,708
26,925,004	10.16	3,785
26,931,923	10.46	3,757
24,772,260	10.02	3,471

**City of Independence, Ohio**  
*Legal Debt Margin*  
*Last Ten Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Assessed Property Value	<u>\$519,534,270</u>	<u>\$512,805,940</u>	<u>\$495,984,620</u>	<u>\$484,364,810</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>\$54,551,098</u>	<u>\$53,844,624</u>	<u>\$52,078,385</u>	<u>\$50,858,305</u>
Debt Outstanding:				
General Obligation Bonds	14,765,000	15,955,000	17,120,000	22,310,000
Special Assessment Bonds	2,750,000	2,850,000	2,950,000	3,040,000
OPWC Loans	2,698,226	2,917,684	3,137,142	3,466,329
OWDA Loan	0	0	0	0
Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Gross Indebtedness	20,213,226	21,722,684	23,207,142	28,816,329
Less:				
General Obligation Bonds	(2,475,000)	(2,740,000)	(2,740,000)	(3,000,000)
Special Assessment Bonds	(2,750,000)	(2,850,000)	(2,950,000)	(3,040,000)
OPWC Loans	<u>(2,698,226)</u>	<u>(2,917,684)</u>	<u>(3,137,142)</u>	<u>(3,466,329)</u>
Total Net Debt Applicable to Debt Limit	<u>12,290,000</u>	<u>13,215,000</u>	<u>14,380,000</u>	<u>19,310,000</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$42,261,098</u>	<u>\$40,629,624</u>	<u>\$37,698,385</u>	<u>\$31,548,305</u>
Legal Debt Margin as a Percentage of the Debt Limit	77.47%	75.46%	72.39%	62.03%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$28,574,385</u>	<u>\$28,204,327</u>	<u>\$27,279,154</u>	<u>\$26,640,065</u>
Gross Indebtedness	20,213,226	21,722,684	23,207,142	28,816,329
Less:				
General Obligation Bonds	(2,475,000)	(2,740,000)	(2,740,000)	(3,000,000)
Special Assessment Bonds	(2,750,000)	(2,850,000)	(2,950,000)	(3,040,000)
OPWC Loans	<u>(2,698,226)</u>	<u>(2,917,684)</u>	<u>(3,137,142)</u>	<u>(3,466,329)</u>
Net Debt Within 5 ½ % Limitations	<u>12,290,000</u>	<u>13,215,000</u>	<u>14,380,000</u>	<u>19,310,000</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$16,284,385</u>	<u>\$14,989,327</u>	<u>\$12,899,154</u>	<u>\$7,330,065</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	56.99%	53.15%	47.29%	27.52%

Source: City Financial Records

2019	2018	2017	2016	2015	2014
<u>\$475,643,560</u>	<u>\$459,545,250</u>	<u>\$448,792,810</u>	<u>\$453,851,680</u>	<u>\$458,014,830</u>	<u>\$456,374,110</u>
<u>\$49,942,574</u>	<u>\$48,252,251</u>	<u>\$47,123,245</u>	<u>\$47,654,426</u>	<u>\$48,091,557</u>	<u>\$47,919,282</u>
7,785,000	12,785,000	14,450,000	16,070,000	17,640,000	19,190,000
3,130,000	3,190,000	0	0	0	0
3,576,058	3,795,516	4,014,974	4,234,432	4,349,786	196,875
0	0	0	0	11,177	22,005
<u>17,375,000</u>	<u>12,300,000</u>	<u>12,150,000</u>	<u>12,550,000</u>	<u>4,300,000</u>	<u>4,700,000</u>
31,866,058	32,070,516	30,614,974	32,854,432	26,300,963	24,108,880
(3,255,000)	(3,740,000)	(3,740,000)	(3,980,000)	(4,215,000)	(4,445,000)
(3,130,000)	(3,190,000)	0	0	0	0
<u>(3,576,058)</u>	<u>(3,795,516)</u>	<u>(4,014,974)</u>	<u>(4,234,432)</u>	<u>(4,349,786)</u>	<u>(196,875)</u>
<u>21,905,000</u>	<u>21,345,000</u>	<u>22,860,000</u>	<u>24,640,000</u>	<u>17,736,177</u>	<u>19,467,005</u>
<u>\$28,037,574</u>	<u>\$26,907,251</u>	<u>\$24,263,245</u>	<u>\$23,014,426</u>	<u>\$30,355,380</u>	<u>\$28,452,277</u>
56.14%	55.76%	51.49%	48.29%	63.12%	59.38%
<u>\$26,160,396</u>	<u>\$25,274,989</u>	<u>\$24,683,605</u>	<u>\$24,961,842</u>	<u>\$25,190,816</u>	<u>\$25,100,576</u>
31,866,058	32,070,516	30,614,974	32,854,432	26,300,963	24,108,880
(3,255,000)	(3,740,000)	(3,740,000)	(3,980,000)	(4,215,000)	(4,445,000)
(3,130,000)	(3,190,000)	0	0	0	0
<u>(3,576,058)</u>	<u>(3,795,516)</u>	<u>(4,014,974)</u>	<u>(4,234,432)</u>	<u>(4,349,786)</u>	<u>(196,875)</u>
<u>21,905,000</u>	<u>21,345,000</u>	<u>22,860,000</u>	<u>24,640,000</u>	<u>17,736,177</u>	<u>19,467,005</u>
<u>\$4,255,396</u>	<u>\$3,929,989</u>	<u>\$1,823,605</u>	<u>\$321,842</u>	<u>\$7,454,639</u>	<u>\$5,633,571</u>
16.27%	15.55%	7.39%	1.29%	29.59%	22.44%

**City of Independence, Ohio**  
*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2023*

	Debt Attributable to Governmental Activities	Percentage Applicable to City (1)	Amount of Direct and Overlapping Debt
<b>Direct Debt:</b>			
City of Independence			
General Obligation Bonds	\$16,287,514	100.00 %	\$16,287,514
Special Assessment Bonds	2,835,945	100.00	2,835,945
OPWC Loan	2,698,226	100.00	2,698,226
<i>Total Direct Debt</i>	<u>21,821,685</u>		<u>21,821,685</u>
<b>Overlapping Debt:</b>			
Independence Local School District			
General Obligation Bonds	3,380,000	100.00	3,380,000
Cuyahoga County			
General Obligation Bonds	228,740,000	1.49	3,402,292
Cuyahoga Community College			
General Obligation Bonds	183,840,000	1.49	2,734,447
<i>Total Overlapping Debt</i>	<u>415,960,000</u>		<u>9,516,739</u>
<i>Total Direct and Overlapping Debt</i>	<u><u>\$437,781,685</u></u>		<u><u>\$31,338,424</u></u>

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

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the City by the total assessed valuation of the government. The valuations used were for the 2023 collection year.



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

Year	Population (1)	Total Personal Income (2)	Personal Income Per Capita (2)	Median Household Income (1)	Unemployment Rate (3)		City Square Miles (4)
					Cuyahoga County	State of Ohio	
2023	7,520	\$407,343,360	\$54,168	\$109,691	3.2%	3.1%	9.73
2022	7,523	423,481,280	56,292	108,674	3.6	3.6	9.73
2021	7,523	395,687,231	52,597	105,107	4.1	3.4	9.73
2020	7,175	387,586,325	54,019	100,278	6.8	5.2	9.73
2019	7,175	351,417,150	48,978	95,341	3.6	3.8	9.73
2018	7,156	309,231,352	43,213	86,360	5.3	4.6	9.73
2017	7,124	294,697,450	41,367	84,900	4.8	4.8	9.73
2016	7,114	265,053,412	37,258	75,566	5.4	4.9	9.73
2015	7,209	257,570,361	35,729	74,411	5.0	4.9	9.73
2014	7,169	247,258,810	34,490	67,471	5.5	5.1	9.73

(1) Years 2013-2022 - City estimates

(2) City estimates

(3) Ohio Bureau of Employment Services; U.S. Department of Labor, Bureau of Labor Statistics

(4) City Records

**City of Independence, Ohio**  
*Principal Employers*  
 2023 and 2014

2023

Employer	Nature of Activity	Employees	Percentage of Total City Employment
Cleveland Clinic Foundation	Health Care	1,725	8.97 %
Airgas USA LLC	Gas Industry	542	2.82
Apple American Group LLC	Restaurant Franchisee Group	478	2.49
City of Independence	Municipality	452	2.34
Independence Excavating Inc.	Excavating Contractor	422	2.19
Independence Local School District	Education	304	1.58
ROE Dental Laboratory Inc.	Dental Lab	273	1.42
MAI Wealth Management Inc.	Financial Advisor/Wealth Mgmt.	272	1.41
CBIZ Operations	Financial and Insurance	240	1.25
CSA America Inc.	Testing Laboratory	212	1.10
Total		<u>4,920</u>	<u>25.58 %</u>
Total Employment within the City		<u>19,231</u>	

2014

Employer	Nature of Activity	Employees	Percentage of Total City Employment
Cleveland Clinic Foundation	Health Care	2,728	15.25 %
City of Independence	Municipality	507	2.83
L D Kichler Co	Lighting Products	438	2.45
Independence Local School District	Education	349	1.73
Airgas USA LLC	Gas Industry	337	1.88
Farmers Group Incorporated	Insurance Company	309	1.73
Independence Excavating Inc.	Excavating Contractor	281	1.57
Dayton Heidelberg Distributing	Wholesale Beverages	253	1.40
Total		<u>5,410</u>	<u>30.24 %</u>
Total Employment within the City		<u>17,891</u>	

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

Function/Program	2023	2022	2021	2020
<b>General Government</b>				
Council	5.50	5.50	4.50	4.50
Mayor	2.50	2.50	2.50	1.50
Finance	3.50	3.50	3.50	3.50
Purchasing	1.00	1.00	1.00	1.00
Mayor's Court	2.00	1.00	1.00	2.00
Technology	2.00	2.00	1.00	1.50
Engineering	8.50	8.50	6.00	5.00
Administrative Support	5.00	5.00	6.00	5.00
<b>Security of Persons and Property</b>				
Police	41.00	41.00	40.00	39.00
Fire	29.00	29.50	29.50	30.00
<b>Leisure Time Activities</b>				
Recreation Center	47.00	45.00	43.00	33.00
Community Services	47.00	46.50	41.00	7.00
<b>Community Environment</b>				
Building Inspection	4.50	4.50	5.00	4.50
<b>Transportation</b>				
Service and Technical Service	38.00	37.50	40.50	39.00
<b>Totals:</b>	<u>236.50</u>	<u>233.00</u>	<u>224.50</u>	<u>176.50</u>

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee as of December 31.

Source: City Records

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<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
4.50	4.50	4.50	4.50	4.50	4.50
1.00	1.50	1.50	1.50	3.50	3.50
3.50	4.00	4.00	3.00	3.50	3.00
1.00	1.00	1.00	1.00	1.00	1.00
3.50	3.50	3.50	3.50	3.00	3.00
1.00	2.00	2.00	2.00	2.00	2.00
5.50	5.50	5.00	5.00	5.50	4.50
4.00	4.00	4.00	4.00	7.50	5.00
39.00	48.50	48.50	47.00	46.50	47.50
32.50	29.50	28.00	27.50	28.00	24.50
46.00	53.00	52.50	54.50	51.50	50.00
24.00	28.00	17.50	18.00	17.00	14.00
3.50	4.00	4.00	3.00	4.50	5.00
<u>38.50</u>	<u>34.00</u>	<u>39.00</u>	<u>40.00</u>	<u>40.00</u>	<u>41.00</u>
<u>207.50</u>	<u>223.00</u>	<u>215.00</u>	<u>214.50</u>	<u>218.00</u>	<u>208.50</u>

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

Function/Program	2023	2022	2021	2020
<b>General Government</b>				
Square Footage of Building (1)	35,200	35,200	35,200	35,200
Building Department Vehicles	3	3	5	5
Other Department Vehicles	13	13	12	11
<b>Police</b>				
Stations	1	1	1	1
Square Footage of Building (1)	35,200	35,200	35,200	35,200
Vehicles	38	38	30	29
<b>Fire</b>				
Stations	1	1	1	1
Square Footage of Building	19,350	19,350	19,350	19,350
Vehicles	13	12	12	12
<b>Service Department</b>				
Streets (miles)	55	55	55	55
Vehicles	40	40	48	40
<b>Recreation</b>				
Recreation Centers	1	1	2	2
New Recreation Center Square Footage (2)	82,000	82,000	82,000	82,000
Old Recreation Facility Square Footage	7,570	7,570	7,570	7,570
Number of Parks	1	1	1	1
Number of Baseball Diamonds	6	6	6	6
Number of Playgrounds	3	3	2	2
Number of Tennis Courts	4	4	4	4
Number of Pickle Ball Courts	6	6	6	6
Number of Horse Shoe Pitts	6	6	6	6
Number of Bocce Ball Courts	3	3	3	3
Number of Full Sized Soccer Fields	3	3	3	3
Vehicles	6	6	6	5
<b>Community Services</b>				
Community Services Center Square Footage (2)	82,000	82,000	82,000	82,000
Vehicles	6	6	6	6

(1) The City Hall and Police Station reside in the same building.

(2) The Recreation Center and the Community Services Center reside in the same building.

Source: City Records

2019	2018	2017	2016	2015	2014
35,200	35,200	35,200	35,200	35,200	35,200
2	2	2	15	15	4
11	8	7	8	7	5
1	1	1	1	1	1
35,200	35,200	35,200	35,200	35,200	35,200
44	46	35	31	35	39
1	1	1	1	1	1
19,350	19,350	19,350	19,350	19,350	19,350
12	13	13	13	13	13
52	52	52	52	52	52
49	51	43	45	43	53
2	2	2	2	2	2
82,000	82,000	82,000	82,000	82,000	82,000
7,570	7,570	7,570	7,570	7,570	7,570
1	1	1	1	1	1
6	6	6	6	6	6
2	2	2	2	2	2
4	4	4	4	4	5
6	6	6	6	6	0
6	6	6	6	6	0
3	3	3	3	3	0
3	3	3	3	3	3
5	4	4	4	4	3
82,000	82,000	82,000	82,000	82,000	82,000
7	9	10	9	7	7

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

Function/Program	2023	2022	2021	2020
<b>General Government</b>				
Law Expenditures (in thousands)	\$659	\$418	\$438	\$373
Engineering Expenditures (in thousands)	1,055	788	656	603
Finance Expenditures (in thousands)	563	531	495	525
Mayor's Office Expenditures (in thousands)	365	340	436	369
Council Expenditures (in thousands)	414	367	372	368
<b>Security of Persons and Property</b>				
Police Expenditures (in thousands)	\$6,809	\$6,399	\$5,881	\$5,612
Total Arrests	563	575	266	1,170
OVI Arrests	68	64	42	35
Prisoners	364	294	109	240
Motor Vehicle Accidents	562	415	396	298
Calls for Service	19,152	17,684	17,885	18,008
Incidents per Citizen	2.5468	2.3507	2.3774	2.5098
Cost per Citizen	\$905.45	\$843.75	\$781.74	\$782.16
Fire Expenditures (in thousands)	\$4,297	\$3,967	\$3,794	\$3,569
Emergency Responses	2,218	2,092	2,192	1,967
Fire Safety Inspections	566	593	621	394
Fire Protection Systems Inspected	201	180	204	320
Building Fire Protection Plans Reviewed	8	10	7	8
Percentage of Business Inspected	71%	71%	66%	20%
Number of Community Programs	19	19	19	19
Emergency Responses per Citizen	0.2949	0.2761	0.2890	0.2741
Cost per Citizen	\$571.40	\$527.32	\$504.32	\$497.42
Fire Safety Education - Business	14	4	8	13
Street Lights Expenditures (in thousands)	\$261	\$269	\$294	\$242



2019	2018	2017	2016	2015	2014
\$218	\$223	\$200	\$286	\$282	\$239
576	522	540	485	452	448
454	515	470	475	439	452
352	328	317	317	481	506
337	333	296	285	263	246
\$6,106	\$5,368	\$5,057	\$4,973	\$4,688	\$4,650
3,928	4,127	3,651	3,086	2,838	3,204
36	44	41	76	77	83
261	365	364	319	363	378
558	481	457	542	575	597
23,689	25,857	27,510	24,797	22,073	25,531
3.3016	3.6133	3.8616	3.4857	3.0619	3.5613
\$851.01	\$750.14	\$709.85	\$699.04	\$650.30	\$648.63
\$3,524	\$3,370	\$3,286	\$3,179	\$3,026	\$3,009
2,189	1,979	1,971	2,001	1,919	1,902
831	577	850	705	591	860
272	326	300	474	796	584
6	20	21	53	452	177
86%	74%	98%	98%	98%	75%
19	20	20	20	20	20
0.3051	0.2766	0.2767	0.2813	0.2662	0.2666
\$491.15	\$470.93	\$461.26	\$446.87	\$419.75	\$421.84
13	13	13	14	8	3
\$261	\$268	\$258	\$279	\$295	\$256

**City of Independence, Ohio**  
*Operating Indicators by Function/Program (continued)*  
*Last Ten Years*

Function/Program	2023	2022	2021	2020
<b>Leisure Time Activities</b>				
Recreational Expenditures (in thousands)	\$2,516	\$2,414	\$2,154	\$1,905
Civic Center Expenditures (in thousands)	1,658	1,608	1,099	993
Totals	\$4,174	\$4,022	\$3,253	\$2,898
Cost per Citizen	\$555.05	\$534.63	\$432.41	\$403.90
Civic Center Square Feet	82,000	82,000	82,000	82,000
Square Feet per Citizen	10.90	10.90	10.90	11.43
Total Recreational Revenue (in thousands)	\$840	\$756 #	\$627	\$421
Civic Center Members	6,792	6,220	6,118	4,319
Total Participations	110,616	100,283	77,413	62,888
Participations of Members Over Age 60	29,521	18,640	17,085	14,096
<b>Community Environment</b>				
Building Department Expenditures (in thousands)	\$411	\$454	\$418	\$334
Cost per Citizen	\$54.65	\$60.35	\$55.56	\$46.55
Building Permits - Residential	65	65	98	93
Dollar Value of Permits (in thousands)	\$3,125	\$2,752	\$10,619	\$9,560
Building Permits - Commercial	34	41	45	35
Dollar Value of Permits (in thousands)	\$12,382	\$38,498	\$9,238	\$11,240
<b>Transportation</b>				
Service Department Expenditures (in thousands)	\$4,894	\$4,979	\$4,701	\$4,569
Street Construction Maintenance and Repair Expenditures (in thousands)	\$602	\$857	\$1,307	\$1,189
Snow and Ice Removal Expenditures (in thousands)	\$223	\$324	\$336	\$189
Leaves, grass, chipped material (in cubic yards)	8,537	9,262	12,420	9,232

Source: City Records

2019	2018	2017	2016	2015	2014
\$2,197	\$2,243	\$1,397	\$1,950	\$1,979	\$2,002
1,287	855	1,325	972	912	848
\$3,484	\$3,098	\$2,722	\$2,922	\$2,891	\$2,850
\$485.57	\$432.92	\$382.09	\$410.74	\$401.03	\$397.55
82,000	82,000	82,000	82,000	82,000	82,000
11.43	11.46	11.51	11.53	11.37	11.44
\$432	\$350	\$582	\$412	\$715	\$676
6,915	7,227	7,034	7,376	9,898	7,243
128,229	148,678	144,842	153,546	149,001	152,187
28,233	27,226	23,823	23,017	19,834	20,792
\$339	\$308	\$300	\$318	\$350	\$343
\$47.25	\$43.04	\$42.11	\$44.70	\$48.55	\$47.84
87	80	88	51	68	50
\$12,103	\$6,872	\$11,836	\$4,391	\$6,493	\$4,734
36	64	45	48	59	57
\$15,581	\$37,363	\$4,797	\$27,133	\$25,884	\$12,627
\$4,526	\$4,279	\$3,980	\$3,218	\$3,349	\$3,529
\$1,257	\$930	\$914	\$841	\$750	\$739
\$316	\$396	\$153	\$174	\$340	\$433
9,328	6,317	8,512	10,489	8,603	9,598

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**CITY OF INDEPENDENCE  
CUYAHOGA COUNTY, OHIO**

**SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2023**

***Zupka & Associates***  
**Certified Public Accountants**

**CITY OF INDEPENDENCE  
CUYAHOGA COUNTY, OHIO  
SINGLE AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**CITY OF INDEPENDENCE  
 CUYAHOGA COUNTY, OHIO  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2023**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Assistance Listing Number</b>	<b>Pass-Through Entity Number</b>	<b>Total Federal Expenditures</b>
<b><u>Executive Office of the President - Office of National Drug Control Policy</u></b>			
<i>Direct Programs</i>			
High Intensity Drug Trafficking Areas Program	95.001	G20OH0003A	\$ 22,548
High Intensity Drug Trafficking Areas Program	95.001	G21OH0003A	192,974
High Intensity Drug Trafficking Areas Program	95.001	G22OH0003A	2,642,251
High Intensity Drug Trafficking Areas Program	95.001	G23OH0003A	2,953,738
<i>Total ALN #95.001</i>			<u>5,811,511</u>
<b>Total Executive Office of the President - Office of National Drug Control Policy</b>			<u>5,811,511</u>
<b><u>U.S. Department of the Treasury</u></b>			
<i>Passed Through Ohio Office of Budget Management</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	753,089
<b>Total U.S. Department of the Treasury</b>			<u>753,089</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 6,564,600</u>

See notes to the Schedule of Expenditures of Federal Awards.



**CITY OF INDEPENDENCE  
CUYAHOGA COUNTY, OHIO  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**NOTE 1: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Independence under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Independence, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Independence.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3: INDIRECT COST RATE**

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

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

City of Independence  
Cuyahoga County  
6800 Brecksville Road  
Independence, Ohio 44131

To the Members of City Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Independence, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 31, 2024.

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

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

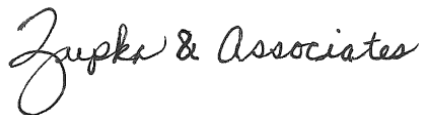
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

**Purpose of This Report**

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



Zupka & Associates  
Certified Public Accountants

July 31, 2024

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

City of Independence  
Cuyahoga County  
6800 Brecksville Road  
Independence, Ohio 44131

To the Members of City Council:

**Report on Compliance for Each Major Federal Program**

***Qualified and Unmodified Opinions***

We have audited the City of Independence, Cuyahoga County, Ohio's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

*Qualified Opinion on the High Intensity Drug Trafficking Areas Program*

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, the City of Independence complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the High Intensity Drug Trafficking Areas Program for the year ended December 31, 2023.

*Unmodified Opinion on the Other Major Federal Program*

In our opinion, the City of Independence complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2023.

***Basis for Qualified and Unmodified Opinions***

We conducted an audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Independence, and to meet our other ethical responsibilities, in accordance with 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 qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the City of Independence's compliance with the compliance requirements referred to above.

*Matter Giving Rise to Qualified Opinion on High Intensity Drug Trafficking Areas Program*

As described in finding 2023-001 in the accompanying Schedule of Findings and Questioned Costs, the City did not comply with requirements regarding Cash Management applicable to its AL #95.001 High Intensity Drug Trafficking Areas Program major federal program.

Compliance with this requirement is necessary, in our opinion, for the City to comply with requirements applicable to that program.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City of Independence's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Independence's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Independence's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 City of Independence's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City of Independence's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Independence's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Other Matters**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

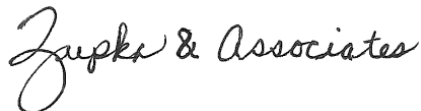
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Independence's response to the internal control over compliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

We have also audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated July 31, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Zupka & Associates  
Certified Public Accountants

July 31, 2024

**CITY OF INDEPENDENCE  
 CUYAHOGA COUNTY, OHIO  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED DECEMBER 31, 2023**

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**1. SUMMARY OF AUDITOR'S RESULTS**

2023(i)	Type of Financial Statement Opinion	Unmodified
2023(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2023(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2023(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2023(iv)	Were there any material internal control weaknesses reported for major federal programs?	Yes
2023(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2023(v)	Type of Major Programs' Compliance Opinions	Qualified/Unmodified
	Qualified: High Intensity Drug Trafficking Area Programs - ALN #95.001	
	Unmodified: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - ALN #21.027	
2023(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	Yes
2023(vii)	Major Programs (list):	
	High Intensity Drug Trafficking Areas Program - ALN #95.001	
	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - CFDA #21.019	
2023(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others
2023(ix)	Low Risk Auditee?	No

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

None.



**CITY OF INDEPENDENCE  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(CONTINUED)**

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**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**Finding #2023-001 – Material Weakness and Non-Compliance-Timeliness of Advance Liquidation**

ALN Number and Title:	ALN# 95.001 - High Intensity Drug Trafficking Areas Program
Federal Award Identification Number/Year:	2021-2022
Federal Agency:	Office of National Drug Control Policy
Compliance Requirement:	Cash Management
Pass-Through Entity:	N/A
Repeat Finding from Prior Audit?	Yes

**Statement of Condition/Criteria**

2 CFR Section 3603.1 gives regulatory effect to the Office of National Drug Control Policy for 2 CFR Section 200.305(b) which states, in part:

Non-Federal entities other than states must minimize the time elapsing between the transfer of funds from the United States Treasury or pass-through entity and disbursement by the non-Federal entity whether the payment is made by electronic funds transfer or issuance or redemption of checks, warrants, or payment by other means.

Section 7.25.2 of the High Intensity Drug Trafficking Area (HIDTA) Program Policy and Guidance states if an advance of funds is requested, details specifying the need for the advance must accompany the request. Documentation of how the advance was spent must be submitted within 21 days of use of funds and prior to another advance or reimbursement request.

During our testing, we noted in 7 out of 34 receipts the advance was not spent within 21 days after the advance was deposited into HIDTA’s account. The timeliness of the submissions was not in compliance with the above-mentioned requirements.

**Cause/Effect**

Failure to properly document how advances are spent per the HIDTA Program Policy and Guidance may result in a reduction of future funding.

**Recommendation**

We recommend the City review this matter with the HIDTA Financial Manager to establish procedures in order to submit support for expenses within the 21-day requirement. HIDTA may consider requesting advances of smaller dollar amounts, or requesting reimbursement rather than advances of funds.

**Client’s Response**

See Corrective Action Plan on the next page of this document.



THE HEART OF CUYAHOGA COUNTY  
 6800 Brecksville Road  
 Independence, Ohio 44131  
 216.524.4131

**CITY OF INDEPENDENCE  
 CUYAHOGA COUNTY, OHIO**

**CORRECTIVE ACTION PLAN  
 2 CFR § 176.190  
 DECEMBER 31, 2023**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2023-001	The HIDTA Financial Manager, in conjunction with the City's Finance Assistant, will request smaller dollar amounts with new advances in order to liquidate the prescribed HIDTA guideline of 21 days.	Effective 7/31/2024	Vern Blaze, Finance Director

**CITY OF INDEPENDENCE  
 CUYAHOGA COUNTY, OHIO  
 SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2023**

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The prior issued audit report, as of December 31, 2022, included a material weakness and noncompliance finding.

Finding Number	Finding Summary	Status	Additional Information
2022-001	Material Weakness and Non-Compliance - Timeliness of Advance Liquidation	Not Corrected	Repeated as Finding 2023-001

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

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# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF INDEPENDENCE**

**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 10/10/2024**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)