

**CITY OF BRECKSVILLE
CUYAHOGA COUNTY, OHIO**

AUDIT REPORT

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

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



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Members of Council
City of Brecksville
9069 Brecksville Road
Brecksville, Ohio 44141

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

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

Keith Faber
Auditor of State
Columbus, Ohio

June 25, 2020

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**CITY OF BRECKSVILLE
CUYAHOGA COUNTY, OHIO
SCHEDULE OF PRIOR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

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

The Honorable Keith Faber
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brecksville, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 26, 2020, wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. Also, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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



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

May 26, 2020

**CITY OF BRECKSVILLE
CUYAHOGA COUNTY, OHIO
SCHEDULE OF PRIOR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019**

The prior audit report, as of December 31, 2018, included no findings or management letter recommendations.

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City of Brecksville, Ohio

Comprehensive Annual Financial Report



For the period ended December 31, 2019

Brecksville City Council



Michael Harwood,
President



Laura Redinger,
Vice-President



Dominic Caruso



Lou Carouse, Jr.



Ann Koepke



Jack Petsche



Kim Veras

CITY OF BRECKSVILLE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019

ISSUED BY THE DEPARTMENT OF FINANCE

Laura Starosta, CGFM, CPFO

FINANCE DIRECTOR



City of Brecksville, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2019
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May 26, 2020

To Members of Brecksville City Council and
The Citizens of Brecksville, 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 cities reporting on a GAAP basis to file an annual report with the Auditor of State within 150 days of fiscal 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 it has 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.

State statutes require the City of Brecksville (the City) to be subjected to an annual examination by the Auditor of State. Either the Auditor of State of Ohio or, if the Auditor permits, an independent public accounting firm conducts these audits. The City selected James G. Zupka, CPA to perform these services for the year ended December 31, 2019. The Independent Auditor's Report on the basic financial statements 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. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Brecksville was founded in 1811. It was incorporated as a village under the laws of the State of Ohio in 1921 and attained City status in 1960 by virtue of its population exceeding 5,000. It is located in Cuyahoga County in northeastern Ohio, in the heart of rolling woodlands approximately fifteen miles south of the City of Cleveland. The City covers 19.54 square miles. In the year 2010, the U.S. Census Bureau reported that Brecksville had a population of 13,656, up two percent from 13,382 in 2000.

The City of Brecksville operates under and is governed by its Charter, first adopted by the voters on November 6, 1956 and amended from time to time. The Charter provides for a Mayor-Council form of government. The nine-member Charter Review Commission reviewed the Charter in 2013. Ten proposed charter changes were placed on the November ballot with nine of them passing.

Legislative authority is vested in a seven-member City Council which is elected at large and whose terms are staggered. Four Council members are elected at each regular municipal election in November of odd numbered years. Of the four elected, the three receiving the highest number of votes serve a term of four years and the fourth serves a term of two years. The Council fixes compensation of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, the appropriation and borrowing of money, the licensing and regulation of business and the trades, and other municipal purposes. The presiding officer is the President who is elected by the Council for a one-year term.



The City of Brecksville's chief executive officer is the Mayor who is elected by the voters for a four-year term. The Mayor appoints, subject to approval of Council, the directors of the City's departments except for the Director of Finance, the Law Director and the Clerk of Council, all of whom are appointed by Council. He is the chief conservator of the peace, oversees the enforcement of all laws and ordinances, and executes all contracts, conveyances, evidences of indebtedness and all other instruments to which the municipality is a party. He is the official and ceremonial head of the City. The Mayor is also the Safety Director and presides over the Mayor's Court.

As Mayor serving my ninth consecutive term after being re-elected in the November 2019 general election, I am the only Brecksville mayor to be elected to nine consecutive four-year terms since Brecksville became a village in 1921.

The City's Service Department works hard to respond to the needs of the residents, providing curbside rubbish and recycling collection, street maintenance, snow removal and maintenance of City recreational facilities, among other services. The Department is responsible for an annual, aggressive road repair and maintenance program.

Security of one's person and property is foremost on the minds of our full-time Police Department and Fire Department with full-time paramedic service. Brecksville takes pride in its low crime rate and rapid response by both police and fire units. Our safety departments are constantly updating training, procedures and equipment to provide effective services to our City.

Water service is provided to City residents by the City of Cleveland and sewer services are provided by the Northeast Regional Sewer District. Certain water lines and sewer lines are owned and maintained by the City.

Profile of the City

We're proud of our City's beautiful, safe and uncongested environment. We are a community that is "building our future with respect for our past," a dynamic idea that combines forward thinking with our Western Reserve heritage which is evident not only in our prevailing architectural style but in our business-friendly philosophy.

Residents have a variety of nearby transportation options. By automobile or by connections through downtown Cleveland on the Regional Transit Authority bus and rail lines, one can reach all areas of Cuyahoga County conveniently. State Routes 21 and 82 bisect Brecksville and there is easy access to interstate highways. I-77 and I-80, which is the Ohio Turnpike, both criss cross Brecksville. I-480, an east-west interstate is just 6 miles north of Brecksville. Amtrak cross-country rail service is available in downtown Cleveland and Hopkins International Airport is located about fifteen miles from Brecksville.

Entertainment abounds just a short distance away for residents of Brecksville. In downtown Cleveland, the Cleveland Browns of the National Football League play in their spectacular First Energy Stadium. Progressive Field is the home of Major League Baseball's Cleveland Indians. The Cleveland Cavaliers of the National Basketball Association, play at Rocket Mortgage Fieldhouse which is also a venue for concerts by major recording artists, ice shows, and a variety of other professional attractions. Cleveland State University's Wolstein Center is home to the Cleveland State University Vikings and even more concerts and shows. Just a short drive from Brecksville through the Cuyahoga Valley National Park, Blossom Music Center is the summer home of the Cleveland Orchestra and a venue for the biggest music stars touring the planet.

Residents have access to many cultural attractions such as the world-famous Cleveland Orchestra at Severance Hall, The Cleveland Museum of Art, The Great Lakes Science Center and the Rock n' Roll Hall of Fame and Museum. There are unique shopping areas such as Tower City Center and nightlife

with dining in the Warehouse District and dining and entertainment on East 4th Street downtown and a concert venue in the “Flats” along the Cuyahoga River. Cleveland’s downtown is a center of activity for all ages and just minutes from Brecksville.

Metro Health, Marymount, and Parma Community General Hospitals serve as emergency care facilities for our residents and visitors who require use of our Fire Department’s ambulances and staff of professional paramedics and EMTs. The Greater Cleveland area is known worldwide for excellence in health care including the Cleveland Clinic and University Hospitals who supplement health care provided by nearby community hospitals and immediate care centers.

Brecksville’s wooded hills and ravines that lace the area help define its neighborhoods. As a result, every resident is close to natural beauty that has always been a hallmark of Brecksville living. Many neighborhoods are located next to the Brecksville Reservation of the Cleveland Metroparks and the 33,000 acre Cuyahoga Valley National Park. Brecksville is unique among Cuyahoga County communities because one-third of the City is park land. Located within the Cuyahoga Valley National Park is the Ohio Canal National Heritage area. The Brecksville Reservation of the Cleveland Metroparks offers 2,500 acres of park land with facilities for picnicking, softball, horseback riding, golf, hiking and cross-country skiing. A paved all-purpose fitness trail offers walking, biking, running or strolling by the beautiful scenery. Two ski areas are close by. Brecksville was named a Tree City USA for the 25th consecutive year in 2019.

Housing in Brecksville offers a mix of sizes, styles and price ranges with colonial and Western Reserve styles predominating. Despite its proximity to major metropolitan attractions, Brecksville maintains its quiet, suburban environment. Retail shopping is concentrated downtown near the Square, and shopping malls in nearby communities complement local merchants.

The City of Brecksville provides many programs for all ages through its Recreation Department. Baseball, basketball, volleyball, swimming, golf, tennis, spinning and exercise classes, crafts and day camps are just some of the many programs for family fun, fitness and recreation. Recreational facilities include the 185 acre Blossom Hill recreational area with its playground, pavilion, baseball fields, comfort station, safety town and a state of the art artificial turf soccer and lacrosse field. At City Hall there are three lighted baseball fields and three lighted tennis courts. The 65,000 square foot Community Center houses the Recreation Department as well as a field house, indoor pool, elevated running track, youth game room, large cardio-vascular room and a large weight room, whirlpool spa, saunas and a dividable community room with facilities for meetings and catering. The City is currently in the process of constructing an addition to the indoor pool as well as the removal and construction of a replacement outdoor aquatics facility.

Brecksville’s, 46,000 square foot Human Services Center attracts children less than one year old to folks in their 90s. The second floor of the beautiful building houses the Community Center’s vast cardio-vascular fitness section. Headquartered in the Human Services Center is the Department of Human Services, which maintains many programs including snow removal and a food bank for low income seniors. It coordinates the local Meals on Wheels program and provides free blood pressure screenings. The Human Services Center has a 30 by 50 foot warm water therapy exercise pool on the lower level and a full service kitchen with an accompanying large gathering area seating 125. The serene Kay Broughton center courtyard complete with tables, benches, and fountain, provide the opportunity for quiet book reading or a lively game of cards surrounded by beautiful plantings.

A quality education for our children is provided by the Brecksville-Broadview Heights City School District. Cleveland Magazine routinely ranks the district as one of the top suburban districts in the area. The High School Girls Gymnastics Team won its 19th State championship and 16th in a row in 2019. Brecksville is also home to the Cuyahoga Valley Career Center, which is the area’s vocational school for high school students and additionally provides a multitude of adult education programs for area residents.

Economic Development

The City of Brecksville is a business advocate and a connector. We help companies navigate site relocation and retention by uniting all the necessary elements to assure that Brecksville is an ultimate business destination. Some of the projects we have been overseeing include:

One of the largest economic development projects to date was entered in to with Metro Health System. They are a hospital and health provider system under Cuyahoga County with numerous locations around northeast Ohio. The facility opened with construction of the ambulatory health center complete on the approximately 21 acres near the intersection of State Routes 77 and 82. Phase I includes 65,000 square feet of emergency room, diagnostic and laboratory facilities, medical office space, and a helicopter pad. Phase II encompasses an additional 45,000 square feet of facilities. Ancillary businesses are anticipated to build around this facility in the coming years.

Lubrizol Advanced Materials, Incorporated is one of Brecksville's largest and most established employers. They are a technology-driven global company who combines complex specialty chemicals to optimize their products while reducing environmental impact. Products include advanced specialty polymers, polymer-based additives, and chemical additives used in everyday consumer and industrial applications.

Two of our most successful economic development agreements to date are ones entered into with PNC Bank and Cross Country Mortgage. In 2004, the City entered into an agreement with National City Corporation which was later purchased by PNC Bank. This agreement provided for facility expansion at their Miller Road location. Since its implementation PNC has far surpassed its contract requirements of income tax withholding often doubling and more recently tripling the amount. Another company that has far surpassed its income tax contract requirements is Cross Country Mortgage. Their agreement called for the moving of their operations from other locations to the City which they did in 2010. Since that time, they have proven to be a very successful business and a strong asset for the City. We anticipate both of these companies to have strong growth in Brecksville in the coming years.

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

The 103 acre former Veterans Administration hospital (VA) property at Miller and Brecksville Roads closed its doors effective November 1, 2012. Ownership was transferred from the Veterans Administration to the City during 2018. The City then transferred this property to the Brecksville Community Improvement Corporation. The City is very excited about the potential for this property as it is both strategically located to area transportation and faces State Route 21 with abundant frontage. The City and the Brecksville Community Improvement Corporation entered into an agreement with DiGeronimo Development LLC for remediation, marketing and development of the property.

In March of 2020, the City Council authorized the creation of the Valor Acres Sherwin-Williams tax incremental financing (TIF) declaring improvements to certain parcels of real property at the former VA property to be a public purpose, and requiring the owners of the improvements on such parcels to make service payments in lieu of taxes. In coordination with this authorization, a compensation agreement was entered into with the Brecksville-Broadview Heights City School District. Additionally, the City authorized a development agreement with the Sherwin-Williams Company to provide for the construction of the Sherwin-Williams Research and Development Facility on a portion of the VA site. This is obviously an excellent opportunity for our community in many ways.

Accomplishments

The City is very pleased that Moody's Investors Services continues to rate our City a bond rating of Aa1. This rating attests to our strong economic health and prudent fiscal management.

The City of Brecksville's Finance Department was proud to receive its 29th consecutive, Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the Fiscal Year ended December 31, 2018. It was also the 13th year that the Finance Department produced its award winning Popular Annual Financial Report.

The City is near completion on the construction of a new police station. This new station of almost 29,000 square feet will contain up-to-date work areas for our police officers, a safe room, and a shooting range. In addition, a completely separate area has been built to house a dispatch center. This center opened with four communities and currently services nine communities. The police station is fully operational as the final punch-list of construction items are completed.

The City entered into an agreement with the cities of Broadview Heights, Independence, and Seven Hills to create the Cuyahoga Valley Council of Governments. The purpose of the Council shall be to foster cooperation among the members in all areas of municipal service. This shall include seeking effective and efficient solutions to common issues faced by the members. The first order of business was to implement the Cuyahoga Valley Emergency Dispatch Center, which is now housed in the City of Brecksville's new police station. The group agreed to become members of the Chagrin Valley Dispatch Center, an established group of cities currently sharing dispatch services. By joining the Chagrin Valley Dispatch center, the Cuyahoga Valley Council of Governments will obtain access to technological and operational knowledge of an established dispatch center. The new dispatch center became operational on March 13, 2019.

During 2019, the City entered into a construction agency agreement with the Brecksville-Broadview Heights City School District (School District) as construction agent. This agreement will provide for the design, development, acquisition, construction, installation, equipping and improvement of a portion of the Blossom Hill Park property to construct a new fieldhouse which shall be adjacent to the proposed elementary school. Along with the two new facilities, a shared use and management agreement has been entered into, which will allow the use of portions of each building between the two entities. In exchange for conveying approximately 25 acres of the Blossom Hill property to the School District has agreed to convey to the City three properties: the old Central School property and the Comstock property adjacent to Central School totaling approximately 3.6 acres, which will be held until a future use is determined and approximately 10.6 acres of land on Stadium Drive to be utilized for recreational activities.

The City completed various capital projects, which are discussed in the Management's Discussion and Analysis.

2020 Priorities:

- Completion of the final construction punch-list. Discussion and design of remodel of City Hall will continue. Space currently used by the Police Department will be available for repurpose and renovation and will allow for the reconfiguration of all of City Hall.
- Continue construction of the expansion of the indoor and replacement of the outdoor aquatics facility discussed previously. It is estimated that this project will be completed during 2020.
- The City has budgeted various sanitary and storm sewer projects for 2020 as part of the City's on-going commitment to improving infrastructure. Some of the larger projects are \$3,800,000 for the Chippewa Road sanitary sewer and storm project and the Whitewood and Meadow aerial sewer repair.

- The City is participating in a joint project with the City of Broadview Heights to widen a section of State Route 82. The City's participation in this project is estimated at approximately \$1.9 million.
- The City continues to review the intersection of Interstate 77 interchange and Miller Road along with a widening of Miller Road. Conceptual plans are being prepared. This area has long been targeted for improvements as it will provide greater access to land designated for future economic development.

Long-Term Financial Planning

As part of the annual budget process, the Mayor and City Council review five year capital budget projections. Based on these estimates, financial strategies are developed to maximize services supplied and infrastructure improvements desired. This budget is modified regularly as new projects present themselves and priorities change.

The City continues to adhere to a pay as you go philosophy as it relates to small projects and equipment purchases. By only borrowing for large projects and keeping debt levels low, it provides the City the opportunity to borrow in low interest environments. A summary of the 2019 borrowings can be found in the MD&A and the notes to the basic financial statements.

City Council adopted an Ordinance decreasing the City's income tax credit from 100 percent to 87.5 percent on 2 percent of withholding effective the first of 2015. These added dollars have accumulated to over \$5.4 million at the end of 2019. These additional funds supplement the cost of operating our fire rescue ambulance service and provide dollars for expanding our aquatics facilities and the new fieldhouse at Blossom Hill Park. This recommendation came after studying several other options, which led to this being the most appropriate. The credit reduction is set to expire at the earliest of ten years or three consecutive years of income tax receipts over \$18,000,000. We currently anticipate the expiration of the credit reduction for tax year 2021.

In 2016, a recreation facilities expansion fund was created to accumulate resources from income tax revenue, transfers or any other means for the purpose of acquiring, constructing, or improving recreation facilities. In the short term, this means financing for a new aquatics facility and fieldhouse. At the end of 2019, there was \$647,410 in the fund.

Relevant Financial Policies

By City ordinance, \$2,060,004 of total income tax proceeds are credited to the following capital projects funds: \$1,700,004 to the buildings and improvements fund and \$360,000 to the road improvements fund. The remainder is credited to the general fund. In the 2020 budget, an amount of income tax proceeds of \$960,000 began to be credited to the general municipal improvement fund.

There are also ordinances in place to allocate 25 percent of all building permit fees collected into the recreation expansion fund along with corporate membership fees designated specifically for community center improvements. Sanitary sewer tap-in, septic conversion, and sanitary repair fees are deposited into the public utility improvement fund and used for utility services.

An ordinance is also in place to allocate water connection permit fees to the water system maintenance and repair fund and the water system bond retirement fund based on a legislated schedule. These funds shall be used for future improvements of the City's water distribution system and any necessary debt funding thereof.

The compensated absence, workers compensation, and hospitalization funds are all used to accumulate funds which can be used during times of higher expenditures or lower revenues. They are designed to smooth cash inflows and outflows in other operating funds. On a generally accepted accounting principles (GAAP) basis, the workers' compensation fund was allocated back into funds which contributed to it. The compensated absences fund was a part of the general fund on a GAAP basis. On a GAAP basis, the hospitalization fund is presented as an internal service.

Awards and Acknowledgements

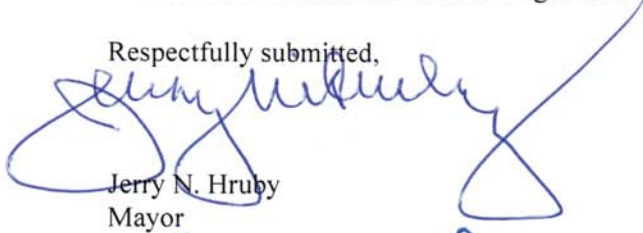
The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities whose CAFR is easily readable, efficiently organized, and conforms to GFOA reporting standards. Such a report must satisfy both generally accepted accounting principles (GAAP) as well as applicable legal requirements. The City of Brecksville received this honor for its Comprehensive Annual Financial Report for the year ended December 31, 2018. A Certificate of Achievement is valid for a period of one year only. The City of Brecksville believes the current report conforms to the Certificate of Achievement Program requirements, and has submitted it to the GFOA to determine its eligibility for another Certificate of Achievement.

Successful preparation of a report of this scope depends upon the dedicated contribution of many employees. The sincere appreciation of those primarily responsible for its completion is extended to all contributors but especially to those employees in the Department of Finance who have spent their time and energy on various parts of the project and to Local Government Services for their assistance in helping the City prepare this report in conformity with generally accepted accounting principles (GAAP) and the requirements of the Government Finance Officers Association.

In addition, we would like to thank Brecksville City Council, without whose positive leadership and encouragement, the preparation of this report would not have been possible.

In closing, we would like to thank the residents and taxpayers of the City of Brecksville for entrusting us with the administration of their local government.

Respectfully submitted,



Jerry N. Hruby
Mayor



Laura Starosta, CGFM, CPFO
Director of Finance



Government Finance Officers Association

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

Presented to

**City of Brecksville
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

City of Brecksville, Ohio

City Officials

ELECTED OFFICIALS

Mayor and Safety Director..... Jerry N. Hruby
President of Council..... Michael T. Harwood
Vice-President of Council..... Gerald F. Broski (1)
Council Member Laura Redinger (2)
Council Member Louis N. Carouse
Council Member Jack Petsche
Council Member Dennis R. Rose (1)
Council Member Kimberly A. Veras

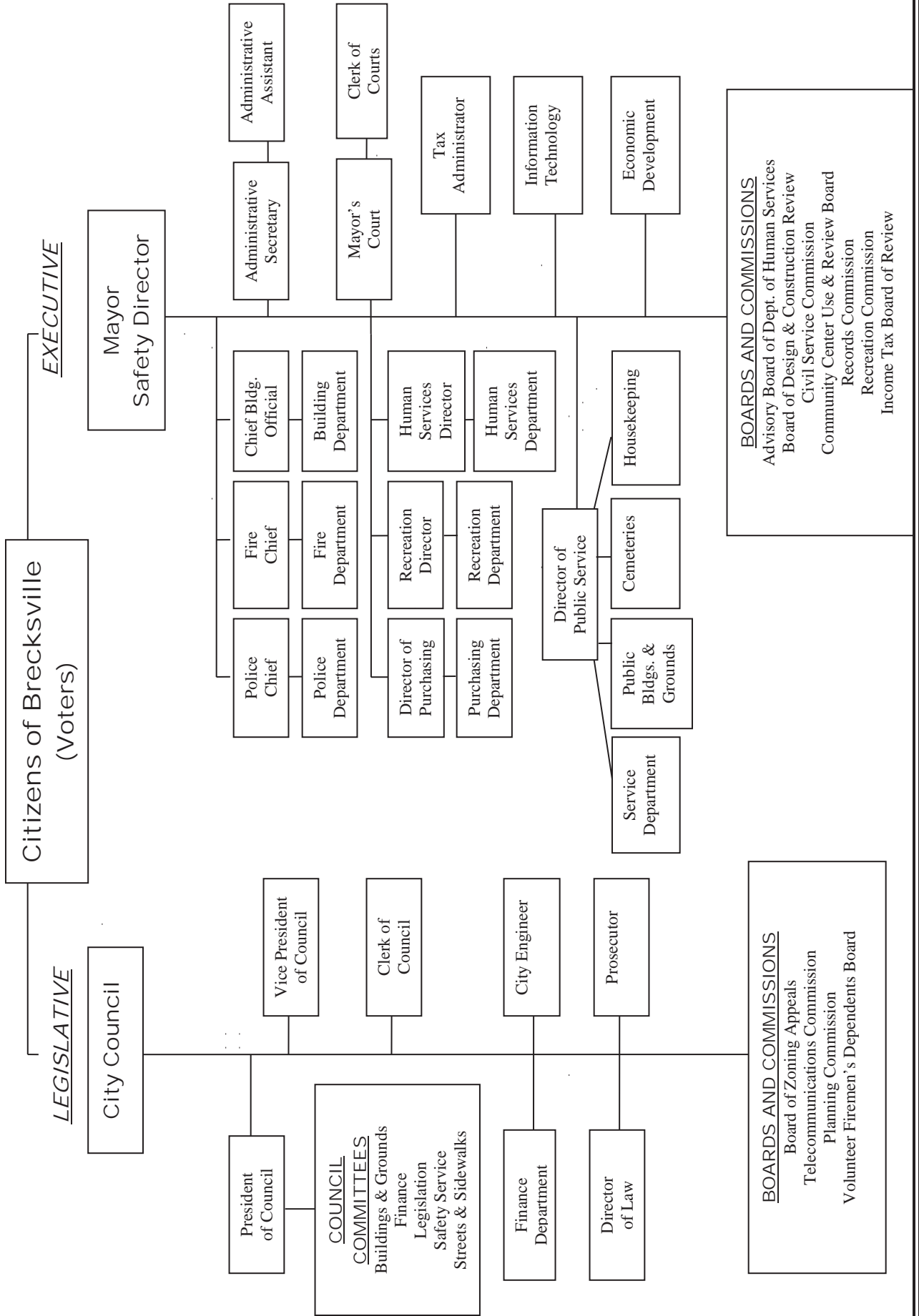
APPOINTED OFFICIALS

Director of Finance Laura Starosta
Police Chief..... William Goodrich
Fire Chief Nikola Zamiska
Service Director Ron Weidig
Director of PurchasingRebecca Riser
Chief Building Official Scott Packard
Clerk of Courts.....Shelley Kazimore
Director of Recreation..... Thomas Tupa
Director of LawDavid J. Matty
Prosecutor Sergio I. Digeronimo
City Engineer Gerald M. Wise
Clerk of Council.....Tammy Tabor
Director of Human Services..... Steven L. Paciorek

(1) Effective January 1, 2020, these individuals were replaced by Dominic Caruso and Ann Koepke as Council Members.


(2) Effective January 1, 2020, Laura Redinger is the Vice-President of Council.

CITY OF BRECKSVILLE, OHIO ORGANIZATIONAL CHART






**K
9
P
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T
O**



**Brecksville Police
Department**



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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

The Honorable Keith Faber
Auditor of State
State of Ohio

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

As discussed in Note 26 to the basic financial statements, during 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. Also, as discussed in Note 3 to the basic financial statements, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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

May 26, 2020

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

The discussion and analysis of the City of Brecksville's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2019. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the transmittal letter, the basic financial statements, and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2019 are as follows:

- The assets and deferred outflows of resources of the City of Brecksville exceeded its liabilities and deferred inflows of resources by \$80,839,858. This is an increase of \$9,848,267 from last year's net position.
- Total costs of all City services were \$24,286,964 in 2019, a decrease of \$10,153,309, or 29.48 percent, from 2018. The main area this decrease can be attributed to is the decrease in other postemployment benefits (OPEB) expense, specifically due to a decrease in Ohio Police and Fire Fund net OPEB liability changes in assumptions and benefit terms.
- Total liabilities increased by \$10,211,180 over 2018. This increase is due to the net pension liability changes in assumptions and the issuance of debt, offset by a decrease to the net OPEB liability changes in assumptions and benefit terms.
- Total capital assets increased by \$3,884,256 over 2018. There was an increase to construction in progress. The largest portion of the increase is for two projects: the new police station at nearly \$1,140,000 and the new aquatics facility at approximately \$3,500,000.
- The cash balance at the end of 2019, in the general fund of \$9,271,528, represents 184 days of operating expenditures for the City and is a reflection of its on-going viability and its desire to protect the ability to provide future services.

Using This Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the City of Brecksville as a financial whole or as an entire operating entity. The statements provide a detailed look at the City's specific financial conditions.

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

Reporting the City of Brecksville as a Whole

Statement of Net Position and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole considers all financial transactions and asks the question, "How did we do financially during 2019?" The statement of net position and the statement of activities answer this question.

City of Brecksville
Management's Discussion and Analysis
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These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

The statement of net position and the statement of activities are divided into the following categories:

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position
- Program Expenses and Revenues
- General Revenues
- Restated Net Position Beginning of Year and End of Year

Reporting the City of Brecksville's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The City of Brecksville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The presentation of the City's major funds begins on page 16. Fund financial reports provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds, which account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Brecksville, the major funds are the general, fire department, special assessment bond retirement, general municipal improvement, buildings and improvements, road improvements and recreation facilities expansion.

Governmental Funds Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. All City activities are reported in the governmental funds focusing on how money flows into and out of those funds and the balances left at year-end available for future spending. Our funds are reported using the modified accrual accounting method. The modified accrual method measures cash and all other financial assets expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps determine the level of financial resources that can be spent in the near future on residential services. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-

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

Proprietary Fund The City maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City's internal service fund accounts for medical and prescription drug self insurance. The proprietary fund uses the accrual basis of accounting.

Fiduciary Funds Fiduciary funds are used to account for amounts collected and distributed on behalf of another government or organization. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the City's programs. These funds use the accrual basis of accounting.

The City of Brecksville as a Whole

Recall that the statement of net position pictures the City as a whole. Table 1 provides a summary of the City's net position for 2019 compared to 2018.

Table 1
Net Position

	Governmental Activities		
	2019	2018	Change
Assets			
Current and Other Assets	\$43,047,927	\$32,773,419	\$10,274,508
Net Pension Asset	37,494	39,602	(2,108)
Capital Assets, Net	101,596,535	97,712,279	3,884,256
<i>Total Assets</i>	<u>144,681,956</u>	<u>130,525,300</u>	<u>14,156,656</u>
Deferred Outflows of Resources			
Pension	7,801,322	3,730,221	4,071,101
OPEB	1,682,943	1,722,401	(39,458)
Deferred Charges on Refunding	123,223	153,335	(30,112)
<i>Total Deferred Outflows of Resources</i>	<u>9,607,488</u>	<u>5,605,957</u>	<u>4,001,531</u>
Liabilities			
Current and Other Liabilities	7,410,320	7,047,104	(363,216)
Long-Term Liabilities			
Due Within One Year	1,775,312	1,481,828	(293,484)
Due in More Than One Year:			
Net Pension Liability	27,551,921	18,396,683	(9,155,238)
Net OPEB Liability	7,880,808	15,016,626	7,135,818
Other Amounts	22,960,705	15,425,645	(7,535,060)
<i>Total Liabilities</i>	<u>67,579,066</u>	<u>57,367,886</u>	<u>(10,211,180)</u>
Deferred Inflows of Resources			
Pension	439,887	2,456,061	2,016,174
OPEB	567,509	513,609	(53,900)
Property Taxes	4,863,124	4,802,110	(61,014)
<i>Total Deferred Inflows of Resources</i>	<u>\$5,870,520</u>	<u>\$7,771,780</u>	<u>\$1,901,260</u>

(continued)

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

Table 1
Net Position (continued)

	Governmental Activities		
	2019	2018	Change
Net Position			
Net Investment in Capital Assets	\$78,994,183	\$78,737,049	\$257,134
Restricted for:			
Capital Projects	231,764	1,110,602	(878,838)
Debt Service	2,023,439	2,479,039	(455,600)
Other Purposes	2,852,578	2,019,457	833,121
Unrestricted	(3,262,106)	(13,354,556)	10,092,450
<i>Total Net Position</i>	<u>\$80,839,858</u>	<u>\$70,991,591</u>	<u>\$9,848,267</u>

The net pension liability (NPL) is one of the largest single liabilities reported by the City at December 31, 2019. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this pension 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. As explained previously, 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.

Net position may serve as a useful indicator of a government’s financial position over time. In the case of the City of Brecksville, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at December 31, 2019. By far the largest portion of the City of Brecksville’s net position is its investment in capital assets including land, buildings, streets, water lines, storm water lines, and machinery net of related debt. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City of Brecksville’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City’s net position increased during the current year. Net position increased due to the increases of cash and cash equivalents, capital assets, and deferred outflows of pension as well as due to the decreases of the net OPEB liability and deferred inflows of pension. Cash and cash equivalents increased due to property taxes and municipal income taxes increasing as well as due to proceeds of new debt issuance; however, this increase was partially offset by an increase in long-term liabilities due to the debt issuance. Capital assets increased due to the addition of construction in progress for the new police station and the new aquatics center. Even though

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2019
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deferred outflows of pension, net OPEB liability, and deferred inflows of pension changes caused an increase to net position, the increase was offset by an increase in the net pension liability. Overall, there was still an increase in pension and OPEB activities in regards to net position during 2019. There were changes in assumptions and benefit terms of pension/OPEB plans during the year.

The City carefully invests its cash and equivalents in a variety of investment types with the primary focus being safety of principal, but with an attention to investment opportunities to increase yield. The Investment Board, which consists of the Mayor, Finance Director, and Law Director, pay close attention to daily interest rates and long-term financial trends. The City's interest revenue increased during 2019 as a result of slightly higher interest rates in 2019, and the timing of maturities.

Table 2 shows the changes in net position for the year ended December 31, 2019 compared to 2018.

Table 2
Changes in Net Position

	Governmental Activities		
	2019	2018	Change
Program Revenues			
Charges for Services and Operating Assessments	\$2,615,300	\$2,477,438	\$137,862
Operating Grants and Contributions	1,335,237	1,002,742	332,495
Capital Grants and Contributions	1,287,054	4,892,712	(3,605,658)
<i>Total Program Revenues</i>	<u>5,237,591</u>	<u>8,372,892</u>	<u>(3,135,301)</u>
General Revenues			
Property Taxes	4,935,838	4,334,478	601,360
Income Taxes	20,639,958	18,307,733	2,332,225
Grants and Entitlements	1,224,575	411,203	813,372
Investment Earnings	684,761	430,972	253,789
Other	1,412,508	2,171,702	(759,194)
Total General Revenues	<u>28,897,640</u>	<u>25,656,088</u>	<u>3,241,552</u>
<i>Total Revenues</i>	<u>34,135,231</u>	<u>34,028,980</u>	<u>106,251</u>
Program Expenses			
General Government:			
Legislative and Executive	8,736,365	11,336,784	2,600,419
Judicial System	206,352	212,850	6,498
Public Safety:			
Police	1,543,413	6,725,624	5,182,211
Fire	376,008	3,400,741	3,024,733
Public Health and Social Services	1,435,281	1,350,715	(84,566)
Street Construction, Maintenance, and Repair	4,871,513	4,615,122	(256,391)
Housing and Community Development	1,334,087	1,121,780	(212,307)
Basic Utility Services	2,669,147	2,620,164	(48,983)
Recreational Activities	2,485,063	2,521,106	36,043
Interest and Fiscal Charges	629,735	535,387	(94,348)
<i>Total Program Expenses</i>	<u>24,286,964</u>	<u>34,440,273</u>	<u>10,153,309</u>
<i>Change in Net Position</i>	9,848,267	(411,293)	10,259,560
Net Position Beginning of Year - Restated	<u>70,991,591</u>	<u>71,402,884</u>	<u>(411,293)</u>
Net Position End of Year	<u>\$80,839,858</u>	<u>\$70,991,591</u>	<u>\$9,848,267</u>

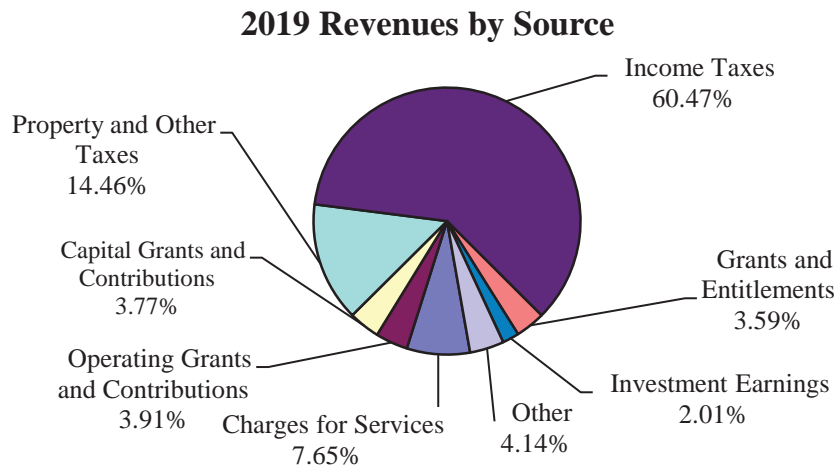
City of Brecksville
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Governmental Activities

Several revenue sources fund our governmental activities with City income tax being the largest contributor. The income tax rate of 2 percent was created by City Charter and became effective January 1990. This tax created by Charter amendment will remain until such time as the City's electorate changes the rate, which is not anticipated. The income tax revenue amount has increased from the prior year. This increase can be attributed to a general increase in employment, wages and net profits in the City as businesses continue to grow and thrive. The City has an active economic development program, which continually works on recruiting new establishments to the City while retaining its current businesses.

In 2019 City income tax revenue of \$2,060,004 per year is earmarked for specific City improvements. \$141,667 per month, or \$1,700,004 per year, is allocated toward building improvements. \$30,000 per month, or \$360,000 per year, is part of the funding designated for road improvements. These revenues are allocated by ordinance of City Council providing that a substantial portion of our income tax collections is designated for roads, City facilities and capital needs.

Of the total revenue, the following is the portion provided by each revenue source:



Typically, property tax is the City's second largest revenue source, which was true for 2019. The City recognized an increase in property tax collections in 2019. Property values have increased for tax year 2018 (collection year 2019) as the County performed a reappraisal of properties within the City. In the next few years we anticipate a steady increase in valuation as corporate renovation and expansion are recognized, and as several housing developments become populated with new homes.

Capital grants and contributions saw a significant decrease from 2018. In 2018, the City acquired the former Veterans' Administration hospital from the Federal government. This property was a donation to the City, which was then donated to the Brecksville Community Improvement Corporation during 2018. This activity is also reflected in the change to program expenses for legislative and executive. The decrease in legislative and executive expenses due to this donated land was offset by the implementation of GASB 84 and the reclassification of several agency funds within the general fund.

Costs contained within the legislative and executive category include all administrative, legal, economic development, engineering and income tax collection costs. The legislative category also contains all costs associated with maintenance of City land and buildings as well as major supplies such as gasoline and utility costs.

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2019
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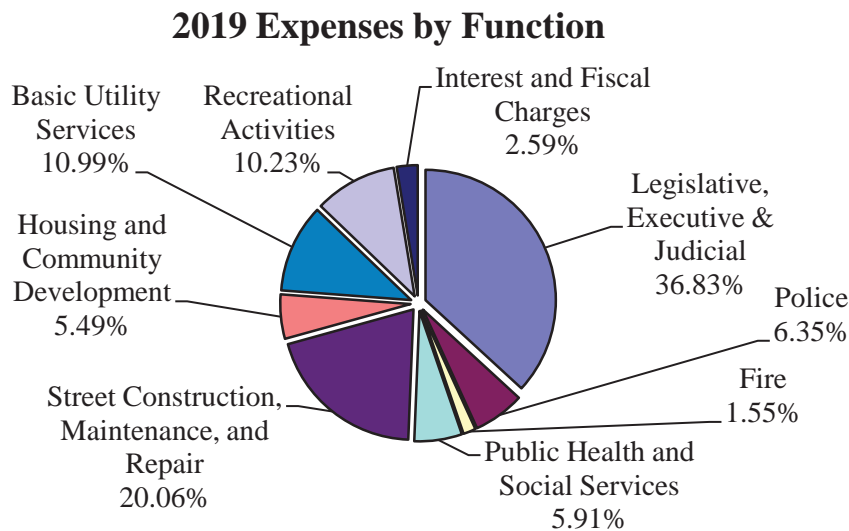
Public safety, including the police and fire departments, accounted for a large portion of program expenses, which is a reduction from the prior year. Our police department continues to improve their equipment to better serve our community and at the same time provide extra safety for our officers. We continue to strive to provide better police and fire service at a lower cost per man-hour. These expenses decreased from 2018 due to changes in assumptions and benefit terms of the OPF OPEB plan during the year.

The fire department is funded through Charter levy millage. The majority of operating costs for maintaining the fire department 24 hours a day, 7 days a week are financed with this millage. In 2019, the fire department also received a transfer in from the general fund to maintain its operation level. Billing for ambulance services provides additional stable funding designated for the purchase of fire equipment.

Public health and social services expenses include charges for county health programs, cemetery maintenance, and the human service department. There was an increase in this expense over 2018 due to increased fees for county health programs and overall increases in the human services department.

The City's on-going commitment to infrastructure maintenance is reflected in the \$2,669,147 spent on utilities and \$4,871,513 spent on street construction and preservation. Services provided by these activities include garbage removal, recycling, leaf pick-up, storm drainage, snow removal, street maintenance and vehicle upkeep.

Total program expenses for 2019 by function are as follows:



The City's Funds

Information about the City's governmental funds begins on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds saw an overall increase in fund balance during the year. The most significant fund is our general fund with an unassigned fund balance at year-end. The general fund experienced a gain in fund balance due to increases in property taxes and municipal income taxes revenue.

Another significant fund is the fire department fund with expenditures exceeding revenues, resulting in an operating deficit in fund balance before transfers. Its primary revenue source, property tax, had an increase in 2019. With expenditures being higher in 2019 compared to 2018, the fire department fund, for the seventh year in a row, required a transfer in from the general fund.

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

The City has five other funds presented as major funds. These five funds are the special assessment bond retirement fund, the general municipal improvement fund, the buildings and improvements fund, the road improvements fund and the recreation facilities expansion fund. Debt service expenses outpaced special assessment collections and miscellaneous revenues in the special assessment bond retirement fund. The general municipal improvement fund was reduced further during 2019, as City Council decided to utilize available fund balance and not allocate income taxes during 2019. The buildings and improvements fund balance was increased due to decreased capital outlay expenditures. The income tax revenue received by the road improvements fund was utilized for the City's road repair program during 2019. The recreation facilities expansion fund balance was increased due to the proceeds of debt issuance, but was offset by the beginning of the construction costs of the new aquatic facility. This construction project includes the replacement of the existing outdoor pool.

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. During the course of 2019, the City amended its general fund budget several times. The final budgeted revenues were higher than original budgeted revenues because the City prefers to take a conservative approach in original budgeting for its revenue projections and make necessary revisions after actual revenues become known. Actual expenditures were well below both original and final appropriations due to the City's conservative approach to budgeting. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for ordinance enactment on the change. The general fund supports many of our major activities including the police department, fire department, recreation department, and most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

Capital Assets and Debt Administration

Capital Assets

Total capital assets, net of depreciation, increased over 2018. Numerous projects that had been recorded as construction in progress in prior years were completed during 2019, some of which include the reconstruction of Route 82 west of Route 21, 10229 Hickory Ridge sanitary sewer, and safety town. There were large additions to construction in progress for the current year, including the police station, the aquatics facility, and the fieldhouse at Blossom Hill.

The City is committed to a long-term goal of rebuilding its infrastructure and facilities. We have a five year capital plan in place providing for rebuilding major residential streets, water, sewer and storm sewer lines. The five year plan also includes adding additional facilities to complement our current structures and updating our current structures to improve their integrity and usefulness. Use of grants and loans, as well as short-term notes and long-term bonds, enable the City to improve its capital assets, and at the same time, maintain our fund levels. See Notes 10 and 11 for additional information on the City's capital assets.

Debt

The general obligation bond retirement bonds are composed of a 2019 Police Facility Project Bond for \$2,078,424, a 2019 Aquatic Facility Project Bond for \$6,992,600, a 2017 Police Facility Project Bond for \$7,707,047, a 2017 Service Center Garage Bond for \$1,796,613, a 2015 Refunding Tree Farm Property Bond from direct placement for \$1,575,000 and a Human Services Facility Refunding Bond of \$1,622,960.

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

The special assessment bonds consist of Service Road Sewer and Water, Four Seasons Sewer and Water, Route 21/Hilton/Whitewood Sewer and Storm, Katherine Boulevard Improvements, Riverview Road Sewer, and Refunding Route 21 Access Road from direct placement. Principal and interest for these bonds are paid from the collection of special assessments by the County Fiscal Officer.

During 2019, the City issued various purpose notes in the anticipation of bonds in the amount of \$2,800,000. Of that amount, \$250,000 was for the purpose of paying costs of constructing, furnishing, and equipping the new police department and otherwise improving the site; \$1,800,000 was for the purpose of Route 82 street improvements; and \$750,000 was for the participation in a joint project with the City of Broadview Heights for Route 82 street improvements.

The Ohio Public Works Commission (OPWC) loans from direct borrowings are paid semi-annually and will be paid in full in the year 2033.

The City's overall debt increased in 2019 as the result of new bonds and an increase in notes payable. The City's overall legal ten and one-half percent debt limitation (voted and unvoted) on December 31, 2019 was \$47.95 million. The aggregated outstanding debt subject to the five and one half percent limitation is \$14.17 million. The difference of \$33.78 million between the maximum issuable amount and the outstanding amount represents the aggregate principal amount of additional voted and unvoted nonexempt debt which the City may issue without exceeding the ten and one-half percent limitation. See Notes 16 and 17 for additional information on the City's debt.

Current Financial Related Activities

The City of Brecksville continues to remain financially strong. Economic development agreements entered into in previous years are proving fruitful as indicated by our increasing income tax revenue. Due to our increased income tax we are able to support our Fire Department without asking for additional property tax. The additional cash balances allow us to take advantage of any other economic development opportunities that may arise.

In order to help support operations and provide for capital investment, the City actively pursues grant opportunities. Annually, the City receives support for safety training, law enforcement, drug prevention, recycling promotion, and safety equipment. In addition, some funding for large capital projects comes in the form of grants and loans from various agencies. Having capital funds in reserve to be able to meet matching grant requirements has proven to be a winning philosophy for the City and has allowed for improvement of streets, storm drainage systems, bridges, retaining walls, water and sewer lines, and recreation facilities.

Another method used by the City to reduce costs is to cooperate with neighboring communities in the purchase of commodity items such as salt and asphalt. Research and communication with neighboring communities creates opportunities to negotiate lower pricing on electric and gas services. Cooperative agreements have been entered into for sharing equipment, joint training, and back up services when in need. The Service Department continues to perform many functions in house that are typically outsourced; which not only provides excellent service, but also saves money.

The City has entered into an agreement with a neighboring city to provide building inspection services for them. Brecksville collects a fee for the service and the neighboring community saves money by not having to hire their own employee. In 2017, the City entered into an agreement with three other area cities to create the Cuyahoga Valley Council of Government (COG). This COG will be used to consolidate services; such as, dispatch, jail and other community services, which lend itself to consolidation. The City entered into an agreement with Chagrin Valley Dispatch Council during 2017 for dispatch services, which will be located at the City's new police station. In 2018, the City entered into agreements with neighboring communities to provide jail services.

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

For many years the City has reduced its health care costs by operating a self-funded insurance program and aggressively shopping our benefits. The City continues to maintain a health care cost committee comprised of representatives from all departments to address the issue of rising health care and develop strategies to minimize increases.

The City monitors its fund balances, particularly the general fund, to ensure that adequate balances are in place to safeguard future years. In particular, the general fund balance is compared to forty-five percent of the previous year's expenses in accordance with rating agency standards. Annual budgeting is prepared using very conservative estimates. Using this methodology has allowed the City to maintain safe fund balances and have funds available for unanticipated expenses or revenue downturns. This fiscally moderate management style has also allowed the City to continue to provide excellent services without any increase in property tax rates.

The Mayor, City Council, and the Finance Director work extremely hard at keeping our debt low. We plan our finances so that we can pay cash for many of the facility improvements and acquisitions, and continue to pay cash for all equipment and other major purchases necessary to maintain our level of services. Since 2001, the City of Brecksville has enjoyed a Moody's Investors Service bond rating of Aa1. In 2010, Moody's recalibrated their rating criteria to level the ratings between government and private ratings. The result of this recalibration is that Brecksville's bond rating was increased to Aaa. In 2019, Moody's downgraded the City's rating to Aa1, the level the City was at prior to the recalibration. This rating places Brecksville at an elite level of government ratings.

The City has received the Government Finance Officers Award (GFOA) Certificate of Achievement for Excellence since 1990, the year of our first Comprehensive Annual Financial Report. The City has prepared a Popular Annual Financial Report (PAFR) since 2006. The financial information for this report is taken from the Comprehensive Annual Financial Report and condensed into a ten page, reader friendly financial publication. The PAFR has been submitted to the GFOA annually and has received an Award for Outstanding Achievement each year. Our commitment to our residents has always been one of full disclosure of the financial position of the City and work to make that information available to them. The City's website www.brecksville.oh.us contains the CAFR and PAFR, as well as other financial information related to revenue, expenditures, and property and income tax.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and demonstrate the City's accountability for all money it receives, spends, and invests. Please direct any questions about this report or financial information inquiries to Laura Starosta, Director of Finance, City of Brecksville, 9069 Brecksville Road, Brecksville, Ohio 44141, email lstarosta@brecksville.oh.us or telephone 440-526-4351.

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

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$27,748,007
Cash and Cash Equivalents in Segregated Accounts	66,180
Materials and Supplies Inventory	425,325
Accounts Receivable	83,489
Accrued Interest Receivable	50,236
Intergovernmental Receivable	2,449,108
Prepaid Items	143,473
Municipal Income Taxes Receivable	4,980,981
Property Taxes Receivable	4,997,735
Special Assessments Receivable	1,966,293
Assets Held for Resale	137,100
Net Pension Asset (See Note 12)	37,494
Nondepreciable Capital Assets	24,166,301
Depreciable Capital Assets, Net	77,430,234
<i>Total Assets</i>	144,681,956
Deferred Outflows of Resources	
Pension	7,801,322
OPEB	1,682,943
Deferred Charges on Refunding	123,223
<i>Total Deferred Outflows of Resources</i>	9,607,488
Liabilities	
Accounts Payable	415,716
Contracts Payable	562,148
Retainage Payable	605,982
Accrued Wages	596,242
Payroll Withholdings Payable	19,586
Intergovernmental Payable	767,193
Matured Compensated Absences Payable	26,033
Accrued Interest Payable	65,155
Deposits Held Payable	889,521
Claims Payable	244,134
Notes Payable	2,827,720
Vacation Benefits Payable	390,890
Long-Term Liabilities:	
Due Within One Year	1,775,312
Due In More Than One Year:	
Net Pension Liability (See Note 12)	27,551,921
Net OPEB Liability (See Note 13)	7,880,808
Other Amounts	22,960,705
<i>Total Liabilities</i>	67,579,066
Deferred Inflows of Resources	
Pension	439,887
OPEB	567,509
Property Taxes	4,863,124
<i>Total Deferred Inflows of Resources</i>	5,870,520
Net Position	
Net Investment in Capital Assets	78,994,183
Restricted for:	
Capital Projects	231,764
Debt Service	2,023,439
Court Computerization	143,943
Fire Department	466,590
Police Department	579,771
Road Maintenance	393,517
Street Construction, Maintenance, and Repair	1,147,848
Other Purposes	120,909
Unrestricted (Deficit)	(3,262,106)
<i>Total Net Position</i>	\$80,839,858

See accompanying notes to the basic financial statements

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

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions	Changes in Net Position
					Governmental Activities
Governmental Activities					
General Government:					
Legislative and Executive	\$8,736,365	\$551,325	\$650	\$0	(\$8,184,390)
Judicial System	206,352	240,670	0	0	34,318
Public Safety:					
Police	1,543,413	7,885	38,606	0	(1,496,922)
Fire	376,008	310,041	276,465	0	210,498
Public Health and Social Services	1,435,281	80,350	18,694	0	(1,336,237)
Street Construction, Maintenance, and Repair	4,871,513	6,391	985,832	0	(3,879,290)
Housing and Community Development	1,334,087	202,895	0	0	(1,131,192)
Basic Utility Services	2,669,147	136,565	2,667	1,287,054	(1,242,861)
Recreational Activities	2,485,063	1,079,178	12,323	0	(1,393,562)
Interest and Fiscal Charges	629,735	0	0	0	(629,735)
<i>Total Governmental Activities</i>	<u>\$24,286,964</u>	<u>\$2,615,300</u>	<u>\$1,335,237</u>	<u>\$1,287,054</u>	<u>(19,049,373)</u>
General Revenues					
Property Taxes Levied for:					
General Purposes					2,123,999
Fire Department					2,034,107
Road Maintenance					598,266
Police Department					179,466
Municipal Income Taxes Levied for:					
General Purposes					18,419,954
Capital Outlay					2,220,004
Grants and Entitlements not Restricted to Specific Programs					
Investment Earnings					1,224,575
Miscellaneous					684,761
					<u>1,412,508</u>
<i>Total General Revenues</i>					<u>28,897,640</u>
Change in Net Position					9,848,267
<i>Net Position Beginning of Year - Restated (See Note 3)</i>					<u>70,991,591</u>
<i>Net Position End of Year</i>					<u><u>\$80,839,858</u></u>

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
Balance Sheet
Governmental Funds
December 31, 2019

	General	Fire Department	Special Assessment Bond Retirement	General Municipal Improvement	Buildings and Improvements	Road Improvements
Assets						
Equity in Pooled Cash and Cash Equivalents	\$9,271,528	\$591,838	\$60,663	\$2,135,332	\$930,275	\$257,648
Cash and Cash Equivalents						
In Segregated Accounts	64,180	0	0	0	0	0
Materials and Supplies Inventory	324,466	54,756	0	0	0	0
Accounts Receivable	54,605	2,336	0	0	1,750	0
Interfund Receivable	855,000	0	0	0	318,000	0
Accrued Interest Receivable	50,236	0	0	0	0	0
Intergovernmental Receivable	222,960	125,868	0	1,609,866	0	0
Prepaid Items	133,379	6,796	0	0	0	0
Municipal Income Taxes Receivable	4,477,647	0	0	160,000	283,334	60,000
Property Taxes Receivable	2,136,678	2,069,703	0	0	0	0
Special Assessments Receivable	0	0	1,966,293	0	0	0
Assets Held for Resale	137,100	0	0	0	0	0
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	901,481	0	0	0	0	0
Total Assets	\$18,629,260	\$2,851,297	\$2,026,956	\$3,905,198	\$1,533,359	\$317,648
Liabilities						
Accounts Payable	\$330,965	\$27,191	\$0	\$13,069	\$0	\$0
Contracts Payable	16,940	0	0	0	0	0
Retainage Payable	0	0	0	0	0	0
Notes Payable	0	0	0	2,550,000	0	0
Accrued Wages	454,392	98,070	0	0	0	0
Payroll Withholdings Payable	14,012	4,901	0	0	0	0
Deposits Held Payable	888,790	0	0	0	0	0
Interfund Payable	0	0	0	73,132	0	31,868
Accrued Interest Payable	0	0	0	6,136	0	134
Matured Compensated Absences Payable	26,033	0	0	0	0	0
Intergovernmental Payable	67,103	11,374	0	0	0	0
Total Liabilities	1,798,235	141,536	0	2,642,337	0	32,002
Deferred Inflows of Resources						
Property Taxes	2,079,118	2,013,961	0	0	0	0
Unavailable Revenue	2,276,372	181,610	1,966,293	1,526,117	0	0
Total Deferred Inflows of Resources	4,355,490	2,195,571	1,966,293	1,526,117	0	0
Fund Balances						
Nonspendable	608,036	61,552	0	0	0	0
Restricted	0	452,638	60,663	0	0	0
Committed	368,230	0	0	0	1,533,359	285,646
Assigned	6,253	0	0	0	0	0
Unassigned (Deficit)	11,493,016	0	0	(263,256)	0	0
Total Fund Balances (Deficit)	12,475,535	514,190	60,663	(263,256)	1,533,359	285,646
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$18,629,260	\$2,851,297	\$2,026,956	\$3,905,198	\$1,533,359	\$317,648

See accompanying notes to the basic financial statements

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

Recreation Facilities Expansion	Other Governmental Funds	Total Governmental Funds
\$6,560,439	\$5,486,297	\$25,294,020
0	2,000	66,180
0	46,103	425,325
0	22,988	81,679
0	0	1,173,000
0	0	50,236
0	490,414	2,449,108
0	3,298	143,473
0	0	4,980,981
0	791,354	4,997,735
0	0	1,966,293
0	0	137,100
<u>0</u>	<u>731</u>	<u>902,212</u>
<u>\$6,560,439</u>	<u>\$6,843,185</u>	<u>\$42,667,342</u>
\$2,633	\$41,118	\$414,976
482,746	62,462	562,148
239,531	366,451	605,982
0	277,720	2,827,720
0	43,780	596,242
0	673	19,586
0	731	889,521
1,068,000	0	1,173,000
0	571	6,841
0	0	26,033
816	687,900	767,193
<u>1,793,726</u>	<u>1,481,406</u>	<u>7,889,242</u>
0	770,045	4,863,124
0	364,027	6,314,419
<u>0</u>	<u>1,134,072</u>	<u>11,177,543</u>
0	49,401	718,989
0	3,006,323	3,519,624
0	665,096	2,852,331
4,766,713	506,887	5,279,853
0	0	11,229,760
<u>4,766,713</u>	<u>4,227,707</u>	<u>23,600,557</u>
<u>\$6,560,439</u>	<u>\$6,843,185</u>	<u>\$42,667,342</u>

Total Governmental Fund Balances \$23,600,557

*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. 101,596,535

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

Property Taxes	134,611
Municipal Income Taxes	2,028,264
Intergovernmental	2,185,251
Special Assessments	<u>1,966,293</u>

Total 6,314,419

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. 1,308,711

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (58,314)

Vacation benefits payable are not expected to be paid with expendable available financial resources and therefore are not reported in the funds. (390,890)

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

General Obligation Bonds	(21,772,644)
Special Assessment Bonds	(1,686,418)
OPWC Loans	(280,911)
Compensated Absences	<u>(996,044)</u>

Total (24,736,017)

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

Net Pension Asset	37,494
Deferred Outflows - Pension	7,801,322
Deferred Outflows - OPEB	1,682,943
Net Pension Liability	(27,551,921)
Net OPEB Liability	(7,880,808)
Deferred Inflows - Pension	(439,887)
Deferred Inflows - OPEB	<u>(567,509)</u>

Total (26,918,366)

Deferred charges on refunding related to the issuance of long-term refunding debt will be amortized over the life of the debt on the statement of net position. 123,223

Net Position of Governmental Activities \$80,839,858

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

	General	Fire Department	Special Assessment Bond Retirement	General Municipal Improvement	Buildings and Improvements	Road Improvements
Revenues						
Property Taxes	\$2,122,509	\$2,032,677	\$0	\$0	\$0	\$0
Municipal Income Taxes	17,885,522	0	0	160,000	1,700,004	360,000
Charges for Services	114,380	0	0	0	0	0
Licenses and Permits	572,978	0	0	0	0	0
Fines and Forfeitures	231,734	0	0	0	0	0
Intergovernmental	1,211,165	254,504	0	83,749	0	0
Special Assessments	0	0	400,179	27,395	0	6,391
Interest	370,488	18,442	0	33,774	14,034	6,680
Donations	32,302	10,200	0	0	0	0
Rentals	133,212	0	0	0	0	0
Miscellaneous	760,010	38,421	0	281,413	6,250	0
<i>Total Revenues</i>	<u>23,434,300</u>	<u>2,354,244</u>	<u>400,179</u>	<u>586,331</u>	<u>1,720,288</u>	<u>373,071</u>
Expenditures						
Current:						
General Government:						
Legislative and Executive	7,295,921	0	0	0	0	0
Judicial System	151,281	0	0	0	0	0
Public Safety:						
Police	5,090,681	0	0	0	0	0
Fire	14,025	2,652,504	0	0	0	0
Public Health and Social Services	1,063,834	0	0	0	0	0
Street Construction, Maintenance, and Repair	2,201,293	0	0	0	0	0
Housing and Community Development	1,040,469	0	0	0	0	0
Basic Utility Services	1,561,400	0	0	0	0	0
Recreational Activities	0	0	0	0	0	0
Capital Outlay	0	0	0	277,056	121,924	313,154
Debt Service:						
Principal Retirement	0	0	385,000	0	0	0
Interest and Fiscal Charges	0	0	76,599	60,422	0	1,820
Bond Issuance Costs	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>18,418,904</u>	<u>2,652,504</u>	<u>461,599</u>	<u>337,478</u>	<u>121,924</u>	<u>314,974</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,015,396</u>	<u>(298,260)</u>	<u>(61,420)</u>	<u>248,853</u>	<u>1,598,364</u>	<u>58,097</u>
Other Financing Sources (Uses)						
Sale of Capital Assets	2,013	6,692	0	0	0	0
General Obligation Bonds Issued	0	0	0	0	0	0
Premium on General Obligation Bonds Issued	0	0	0	0	0	0
Transfers In	0	550,000	0	0	0	0
Transfers Out	(2,367,650)	0	0	(326,768)	(930,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,365,637)</u>	<u>556,692</u>	<u>0</u>	<u>(326,768)</u>	<u>(930,000)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>2,649,759</u>	<u>258,432</u>	<u>(61,420)</u>	<u>(77,915)</u>	<u>668,364</u>	<u>58,097</u>
<i>Fund Balances (Deficit) Beginning of Year - Restated (See Note 3)</i>	<u>9,825,776</u>	<u>255,758</u>	<u>122,083</u>	<u>(185,341)</u>	<u>864,995</u>	<u>227,549</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$12,475,535</u>	<u>\$514,190</u>	<u>\$60,663</u>	<u>(\$263,256)</u>	<u>\$1,533,359</u>	<u>\$285,646</u>

See accompanying notes to the basic financial statements

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

Recreation Facilities Expansion	Other Governmental Funds	Total Governmental Funds
\$0	\$777,190	\$4,932,376
0	0	20,105,526
0	1,253,085	1,367,465
0	195,910	768,888
0	14,806	246,540
0	1,020,466	2,569,884
0	0	433,965
111,242	92,875	647,535
0	12,323	54,825
0	59,294	192,506
28,758	170,503	1,285,355
<u>140,000</u>	<u>3,596,452</u>	<u>32,604,865</u>
0	0	7,295,921
0	7,520	158,801
0	155,272	5,245,953
0	0	2,666,529
0	0	1,063,834
0	1,209,265	3,410,558
0	13,595	1,054,064
0	2,667	1,564,067
0	1,934,197	1,934,197
3,884,934	2,143,131	6,740,199
0	866,767	1,251,767
0	482,678	621,519
0	169,490	169,490
<u>3,884,934</u>	<u>6,984,582</u>	<u>33,176,899</u>
<u>(3,744,934)</u>	<u>(3,388,130)</u>	<u>(572,034)</u>
0	1,322	10,027
6,500,000	2,000,000	8,500,000
0	615,636	615,636
667,650	2,636,768	3,854,418
<u>(230,000)</u>	<u>0</u>	<u>(3,854,418)</u>
<u>6,937,650</u>	<u>5,253,726</u>	<u>9,125,663</u>
3,192,716	1,865,596	8,553,629
<u>1,573,997</u>	<u>2,362,111</u>	<u>15,046,928</u>
<u>\$4,766,713</u>	<u>\$4,227,707</u>	<u>\$23,600,557</u>

Net Change in Fund Balances - Total Governmental Funds \$8,553,629

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

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

Capital Outlay	7,129,895	
Current Year Depreciation	<u>(3,245,638)</u>	
Total		3,884,257

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (1)

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

Property Taxes	3,462	
Municipal Income Taxes	534,432	
Intergovernmental	1,222,157	
Special Assessments	<u>(394,064)</u>	
Total		1,365,987

Other financing sources in the governmental funds increase long-term liabilities in the statement of net position:

General Obligation Bonds Issued	(8,500,000)	
Premium on General Obligation Bonds Issued	<u>(615,636)</u>	
Total		(9,115,636)

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,251,767

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued Interest on Bonds	(23,802)	
Amortization of Premium on Bonds	45,698	
Amortization of Deferred Charges on Refunding	<u>(30,112)</u>	
Total		(8,216)

Some expenses require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(10,373)	
Vacation Payable	<u>(10,213)</u>	
Total		(20,586)

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

Pension	1,772,992	
OPEB	<u>26,442</u>	
Total		1,799,434

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

Pension	(4,843,063)	
OPEB	<u>7,016,018</u>	
Total		2,172,955

The internal service fund used by management to charge the individual funds is reported in the district-wide statement of activities.

Governmental fund expenditures and related internal service fund revenues are eliminated. (35,323)

Change in Net Position of Governmental Activities \$9,848,267

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$2,030,194	\$2,030,194	\$2,122,509	\$92,315
Municipal Income Taxes	16,872,000	17,115,000	18,252,155	1,137,155
Charges for Services	113,500	113,500	114,445	945
Licenses and Permits	297,000	297,000	585,030	288,030
Fines and Forfeitures	250,000	250,000	231,086	(18,914)
Intergovernmental	431,326	1,214,969	1,196,142	(18,827)
Interest	120,000	120,000	176,119	56,119
Donations	21,300	21,300	32,302	11,002
Rentals	115,340	115,340	133,169	17,829
Miscellaneous	360,747	372,047	783,718	411,671
<i>Total Revenues</i>	<u>20,611,407</u>	<u>21,649,350</u>	<u>23,626,675</u>	<u>1,977,325</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	8,653,122	8,595,085	8,080,971	514,114
Judicial System	167,203	167,203	151,784	15,419
Public Safety:				
Police	5,417,535	5,447,535	5,135,135	312,400
Fire	23,472	23,472	14,025	9,447
Public Health and Social Services	1,172,288	1,172,288	1,057,352	114,936
Street Construction, Maintenance, and Repair	2,281,244	2,335,270	2,188,057	147,213
Housing and Community Development	1,100,492	1,118,034	1,003,509	114,525
Basic Utility Services	1,833,019	1,865,184	1,758,390	106,794
<i>Total Expenditures</i>	<u>20,648,375</u>	<u>20,724,071</u>	<u>19,389,223</u>	<u>1,334,848</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(36,968)</u>	<u>925,279</u>	<u>4,237,452</u>	<u>3,312,173</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	10,000	10,000	2,013	(7,987)
Advances In	750,000	750,000	750,000	0
Advances Out	0	(750,000)	(750,000)	0
Transfers Out	(2,373,404)	(2,367,650)	(2,367,650)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,613,404)</u>	<u>(2,357,650)</u>	<u>(2,365,637)</u>	<u>(7,987)</u>
<i>Net Change in Fund Balance</i>	<u>(1,650,372)</u>	<u>(1,432,371)</u>	<u>1,871,815</u>	<u>3,304,186</u>
<i>Fund Balance Beginning of Year - Restated (See Note 3)</i>	6,006,983	6,006,983	6,006,983	0
Prior Year Encumbrances Appropriated	<u>1,793,357</u>	<u>1,793,357</u>	<u>1,793,357</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$6,149,968</u>	<u>\$6,367,969</u>	<u>\$9,672,155</u>	<u>\$3,304,186</u>

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Department Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$1,966,569	\$1,966,569	\$2,032,677	\$66,108
Intergovernmental	271,169	271,169	254,504	(16,665)
Interest	10,000	10,000	18,442	8,442
Donations	50	50	10,200	10,150
Miscellaneous	6,655	6,655	36,513	29,858
<i>Total Revenues</i>	2,254,443	2,254,443	2,352,336	97,893
Expenditures				
Current:				
Public Safety:				
Fire	2,779,018	2,779,018	2,636,871	142,147
<i>Excess of Revenues Under Expenditures</i>	(524,575)	(524,575)	(284,535)	240,040
Other Financing Sources				
Sale of Capital Assets	500	500	6,692	6,192
Transfers In	550,000	550,000	550,000	0
<i>Total Other Financing Sources</i>	550,500	550,500	556,692	6,192
<i>Net Change in Fund Balance</i>	25,925	25,925	272,157	246,232
<i>Fund Balance Beginning of Year</i>	281,849	281,849	281,849	0
Prior Year Encumbrances Appropriated	8,619	8,619	8,619	0
<i>Fund Balance End of Year</i>	<u>\$316,393</u>	<u>\$316,393</u>	<u>\$562,625</u>	<u>\$246,232</u>

See accompanying notes to the basic financial statements

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

	Internal Service Fund - Insurance
Assets	
Equity in Pooled Cash and Cash Equivalents	\$1,551,775
Accounts Receivable	1,810
	<hr/>
<i>Total Assets</i>	1,553,585
	<hr/>
Liabilities	
Accounts Payable	740
Claims Payable	244,134
	<hr/>
<i>Total Liabilities</i>	244,874
	<hr/>
Net Position	
Unrestricted	\$1,308,711
	<hr/> <hr/>

See accompanying notes to the basic financial statements

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

	Internal Service Fund - Insurance
Operating Revenues	
Charges for Services	\$2,078,276
Miscellaneous	127,153
	2,205,429
Operating Expenses	
Purchased Services	4,809
Claims	2,273,169
	2,277,978
<i>Operating Loss</i>	(72,549)
Non-Operating Revenues	
Interest	37,226
	(35,323)
<i>Change in Net Position</i>	(35,323)
<i>Net Position Beginning of Year</i>	1,344,034
	1,308,711
	\$1,308,711

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2019

	Internal Service Fund - Insurance
<i>Increase (Decrease) In Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Customers	\$2,078,276
Cash Received from Other Operating Sources	125,343
Cash Payments to Suppliers for Goods and Services	(4,277)
Cash Payments for Claims	(2,233,875)
<i>Net Cash Used for Operating Activities</i>	(34,533)
Cash Flows from Investing Activities	
Interest	37,226
<i>Net Increase In Cash and Cash Equivalents</i>	2,693
<i>Cash and Cash Equivalents Beginning of Year</i>	1,549,082
<i>Cash and Cash Equivalents End of Year</i>	\$1,551,775
 Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
<i>Operating Loss</i>	(\$72,549)
Adjustments:	
Increase in Accounts Receivable	(1,810)
Increase in Accounts Payable	532
Increase in Claims Payable	39,294
<i>Net Cash Used for Operating Activities</i>	(\$34,533)

See accompanying notes to the basic financial statements

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

	Private Purpose Trust Cemetery	Custodial Mayor's Court
Assets		
Equity in Pooled Cash and Cash Equivalents	\$3,321	\$2,510
Liabilities		
Intergovernmental Payable	0	\$2,510
Net Position		
Held in Trust for Cemetery	321	
Endowments	3,000	
<i>Total Net Position</i>	<u>\$3,321</u>	

See accompanying notes to the basic financial statements

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

	Private Purpose Trust Cemetery	Custodial Mayor's Court
Additions		
Fines and Forfeitures for Other Governments	\$0	\$57,834
Interest	77	0
<i>Total Additions</i>	77	57,834
Deductions		
Distributions of Court Funds to Other Governments	0	57,834
<i>Net Increase in Fiduciary Net Position</i>	77	0
<i>Net Position Beginning of Year - Restated (Note 3)</i>	3,244	0
<i>Net Position End of Year</i>	\$3,321	\$0

See accompanying notes to the basic financial statements

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

Note 1 – Description of the City and Reporting Entity

The City of Brecksville (the "City") was incorporated under the laws of the State of Ohio in 1921, and adopted its first charter in 1956. The Charter provides for a Mayor-Council form of government. The Mayor is elected for a four-year term and the seven Council members are elected at large for staggered terms. Four Council members are elected at each regular municipal election in November of odd numbered years. Of the four elected, the three receiving the highest number of votes serve a term of four years and the fourth serves a term of two years.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Brecksville, this includes the agencies and departments that provide the following services: police and fire protection, emergency medical, parks and recreation, planning, zoning, human services, street maintenance and repair and general administrative services. The operation of each of these activities is directly controlled by Council through the budgetary process.

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

The City participates in one insurance purchasing pool, the Ohio Association of Public Treasurers rating pool; five jointly governed organizations, the Southwest Council of Governments, the Northeast Ohio Public Energy Council, the Cuyahoga Valley Council of Governments, the Chagrin Valley Dispatch Council, and the Regional Income Tax Agency; and one related organization, the Brecksville Community Improvement Corporation. A jointly governed organization is managed by representatives from each of the governments that create the organization, but there is neither ongoing financial interest nor responsibility on the part of the participating governments. These organizations are discussed in Notes 19, 20, and 21 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

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 Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Government-wide Financial Statements The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses. These 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 Brecksville and/or the general laws of Ohio.

Fire Department Fund This fund is used to account for and report monies derived from a 3.4 mill charter levy restricted to providing equipment and personnel for the fire department.

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

Special Assessment Bond Retirement Fund This fund is used to account for and report the collection of special assessments levied against benefited properties restricted for the payment of special assessment related costs.

General Municipal Improvement Fund This fund accounts for and reports the City income tax committed for the acquisition, construction, and improvement of various facilities within the City.

Buildings and Improvements Fund This fund accounts for and reports City income tax committed to the acquisition, construction, and improvement of major capital facilities.

Road Improvements Fund This fund accounts for and reports income tax monies committed to the improvements of various City roads.

Recreation Facilities Expansion Fund – This fund accounts for and reports income tax and other monies determined as necessary assigned to purpose of acquiring, constructing, or improving recreation facilities and any other appurtenances thereto.

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 Fund Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The City's only proprietary fund is classified as an internal service fund.

Internal Service Fund Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's only internal service fund is a health fund that accounts for prescription drug and hospital/medical claims of the City employees.

Fiduciary Fund Types Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into 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's only trust fund is a private purpose trust which accounts for the perpetual care and maintenance of an individual family's burial plots in the City's cemetery through an endowment. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's only custodial fund accounts for various fines and forfeitures collected for the benefit of and distributed to other governments.

Measurement Focus

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources, generally, are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e.,

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

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

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

For proprietary funds, the statement of 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 activities.

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

Basis of Accounting

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

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

Non-exchange 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 6.) Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include deferred charges on refunding, pension and OPEB reported on the government-wide statement of net position. Deferred charges on refunding result from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance 2020 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes municipal income taxes, delinquent property taxes, special assessments, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities found on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (See Notes 12 and 13).

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.

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. For reporting purposes, various custodial funds, utilized for internal control purposes, have been combined with the general fund and community center and fire department special revenue funds. These custodial funds are not required to be budgeted and appropriated and therefore are not included in Note 24. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, 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 budgetary control is at the personal services and other object level within each department for all funds. Budgetary modifications may only be made by ordinance of the City Council at the legal level of control.

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

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

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

Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. 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 interest-bearing depository accounts are presented as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City treasury.

During 2019, investments were limited to government securities, negotiable certificates of deposit, US treasury notes, commercial paper, an American treasury obligation fund account, and STAR Ohio.

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

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates; however, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transactions to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Governmental securities, negotiable certificates of deposit, and US treasury notes are reported at fair value, which is based on quoted market prices. Commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year. The American treasury obligation fund account is measured at the NAV per share, like STAR Ohio, and provided by First American Funds.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue is distributed to all funds. Interest revenue credited to the general fund during 2019 amounted to \$370,488, of which \$118,510 was assigned from other funds.

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

Inventory

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

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

Prepaid Items

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

Assets Held for Resale

Assets held for resale represent land received by the City, which will be sold.

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 and community center special revenue fund represent money set aside for unclaimed monies and money held for deposit refunds.

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

<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Land Improvements	5 - 50 years
Buildings and Improvements	5 - 60 years
Machinery and Equipment	3 - 50 years
Furniture and Fixtures	5 - 40 years
Infrastructure	10 - 99 years

The City's infrastructure consists of roads, sidewalks, guardrails, traffic signals, storm sewers, sanitary sewers, and water lines 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 balance amounts are eliminated in the statement of net position.

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

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB asset/liabilities, 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 plans. 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.

Compensated Absences

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

Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments.

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

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. 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 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 liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plans' fiduciary net position is not sufficient for payment of those benefits.

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 property acquired for resale, unless the use of the proceeds from the sale of those properties is restricted, committed, or assigned.

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by 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 finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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

Net Position

Net position represents the difference between all other elements in the statement of net 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 their use through

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

external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes included resources which will be used for unclaimed monies and tree programs.

The City applies restricted resources first 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 fund. For the City, these revenues are charges for services for self insurance programs. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

Internal 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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Premiums

On the government-wide financial statements, premiums are deferred and amortized for the term of the debt issuance using the straight-line method. Premiums are presented as an increase of the face amount of the debt issuance payable. On governmental fund statements, premiums are receipted in the year the debt issuances are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the debt service 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.

Deferred Charges on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) 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 deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

Estimates

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

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

Note 3 – Changes in Accounting Principles and Restatement of Fund Balances and Net Position

Changes in Accounting Principles

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

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

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

GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. The City reviewed its agency funds and certain funds will be reported in the new fiduciary fund classification of custodial funds, while other funds have been reclassified as governmental funds. These fund reclassifications resulted in the restatement of the City’s financial statements.

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

Restatement of Fund Balances and Net Position

The implementation of GASB Statement No. 84 had the following effect on fund balance as of December 31, 2018:

	<u>General</u>	<u>Fire Department</u>	<u>Special Assessment Bond Retirement</u>	<u>General Municipal Improvement</u>	<u>Buildings and Improvements</u>
Fund Balances (Deficit), December 31, 2018	\$9,797,240	\$255,758	\$122,083	(\$185,341)	\$864,995
Adjustments:					
GASB Statement 84	<u>28,536</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Restated Fund Balances (Deficit), December 31, 2018	<u>\$9,825,776</u>	<u>\$255,758</u>	<u>\$122,083</u>	<u>(\$185,341)</u>	<u>\$864,995</u>

(continued)

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

	Road Improvement	Recreation Facilities Expansion	Other Governmental Funds	Total Governmental Funds
Fund Balances (Deficit), December 31, 2018	\$227,549	\$1,573,997	\$2,362,111	\$15,018,392
Adjustments:				
GASB Statement 84	<u>0</u>	<u>0</u>	<u>0</u>	<u>28,536</u>
Restated Fund Balances (Deficit), December 31, 2018	<u>\$227,549</u>	<u>\$1,573,997</u>	<u>\$2,362,111</u>	<u>\$15,046,928</u>

The implementation of GASB Statement No. 84 had the following effect on net position as of December 31, 2018:

Net Position December 31, 2018	\$70,963,055
Adjustments:	
GASB Statement 84	<u>28,536</u>
Restated Net Position December 31, 2018	<u>\$70,991,591</u>

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

	<u>Fiduciary Funds</u>	
	<u>Agency</u>	<u>Custodial</u>
Net Position December 31, 2018	\$0	\$0
Adjustments:		
Assets	1,540,398	3,298
Liabilities	<u>1,540,398</u>	<u>3,298</u>
Restated Net Position December 31, 2018	<u>\$0</u>	<u>\$0</u>

Note 4 – Budgetary Basis of Accounting

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

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Investments reported at cost (budget) rather than fair value (GAAP).
3. Advances In and Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

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

4. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
5. Encumbrances are treated as expenditures (budget) rather than as restricted, committed, or assigned fund balances (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on the GAAP basis to the Budget basis are as follows:

Net Change in Fund Balance		
	General Fund and Fire Department	Special Revenue Fund
	General	Fire Department
GAAP Basis	\$2,649,759	\$258,432
Net Adjustment for Revenue Accruals	361,792	(1,908)
Beginning Fair Value Adjustment for Investments	(101,018)	0
Ending Fair Value Adjustment for Investments	(68,399)	0
Advances In	750,000	0
Advances Out	(750,000)	0
Net Adjustment for Expenditure Accruals	(446,876)	39,945
Encumbrances	(523,443)	(24,312)
Budget Basis	\$1,871,815	\$272,157

Note 5 – Deposits and Investments

The City is a charter City and follows their established investment policy. The City has elected to follow the provisions of State statute and classify monies held by the City into three categories.

Active deposits are public deposits 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;

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

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 subdivision of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

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

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

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

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

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 December 31, 2019, \$296,030 of the City's bank balance of \$5,942,139 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the City's financial institutions that participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

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.

Investments

Investments are reported at fair value. As of December 31, 2019, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Fair Value - Level 2 Inputs:				
Federal Home Loan Bank Notes	\$1,202,099	Less than five years	AA+	5.46 %
Federal Home Loan Mortgage Corporation Notes	2,873,746	Less than four years	AA+	13.04
Federal Farm Credit Bank Notes	3,310,333	Less than five years	AA+	15.02
Federal National Mortgage Association Notes	749,685	Less than one year	AA+	N/A
Negotiable Certificates of Deposit	4,032,233	Less than five years	N/A	18.30
US Treasury Notes	2,961,159	Less than three years	N/A	13.44
Amortized Cost:				
Commercial Paper	1,840,482	Less than one year	N/A	8.35
NAV Share:				
American Treasury Obligation Fund	43,211	Less than one year	N/A	N/A
STAR Ohio	5,020,106	55.7 Days	AAAm	22.78
	<u>\$22,033,054</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 preceding chart identifies the City's recurring fair value measurements as of December 31, 2019. The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

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

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. To date, no investments have been purchased with a life greater than five years except for the manuscript bond. The manuscript bond represents an investment in which the City purchased its own special assessment bond to pay the property owners' portion of the cost of constructing an access road from Brecksville Road. This bond mature on December 1, 2025. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk. The manuscript bond is not rated; however, they are a general obligation of the City and would carry the same rating of the City's other unvoted general obligation bonds.

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

Note 6 – Receivables

Receivables at December 31, 2019, consisted primarily of municipal income taxes, property taxes, accounts (billings for user charged services, rentals, and miscellaneous reimbursements), special assessments, interfund, and intergovernmental receivables arising from grants, entitlements and shared revenues. No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables except for special assessments and delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$1,966,293 in the special assessments bond retirement fund. At December 31, 2019, the amount of delinquent special assessments was \$186,293.

Property Taxes

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

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

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

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

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

The full tax rate for all City operations for the year ended December 31, 2019, was \$8.21 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2019 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate:	
Residential/Agricultural	\$545,915,280
Other Real Estate	108,489,980
Tangible Personal Property Public Utility	21,159,680
Total Assessed Values	\$675,564,940

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2019, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2019 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Tax

The City levies a municipal income tax of two percent on substantially all income earned within the City. This tax also applies to the net income of businesses operating within the City. Residents of the City are granted 87.5 percent credit for taxes paid to other municipalities.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. In 2019, by City ordinance, \$2,060,004 of total income tax proceeds are credited to the following capital projects funds: \$1,700,004 to the buildings and improvements fund and \$360,000 to the road improvements fund. In 2020, by City ordinance, \$3,020,004 of total income tax proceeds are credited to same capital projects funds as 2019, in addition to \$960,000 to the general municipal improvement fund.

The Regional Income Tax Agency administers and collects income taxes for the City. Payments are remitted monthly net of collection fees of approximately 0.05 percent.

Intergovernmental Receivables

A summary of the intergovernmental receivables follows:

Governmental Activities:	
NEORS Grant	\$1,500,000
Excise and Gasoline Tax	400,752
Homestead and Rollback	303,934
County Street Grant	109,867
Local Government	84,582
Auto Registration	23,046
Permissive Tax	18,090
DARE Grant	8,437
Juvenile Diversion Grant	400
Total	\$2,449,108

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

Note 7 – Tax Abatements

As of December 31, 2019, the City provides tax abatements through four economic development agreements.

Pursuant to Council Ordinance, the City established these economic development agreements to provide income tax abatements to encourage employment growth in the City. Abatements are obtained if the entity meets the established level of employment. The amount of the abatement is refunded to the recipient. The City’s net income tax value was reduced by \$899,011 through expenses during 2019.

Note 8 – Risk Management

Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2019, the City contracted with Wichert Insurance Services and Curtis Insurance Services for various types of insurance as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage Amount</u>
Wichert Insurance Services	Blanket Building/Contents	\$68,382,828
	Boiler and Machinery	Unlimited
	Inland Marine	1,730,057
	Crime	1,000,000
	Public Officials Liability	1,000,000
	General Liability	2,000,000
	Garage Keepers Liability	120,000
	Auto	1,000,000
	Umbrella Liability	10,000,000
	Cyber Liability	1,000,000
Custis Insurance Services	Law Enforcement	1,000,000

Settled claims have not exceeded commercial coverage in any of the last five years. There were no significant reductions in coverage from the prior year.

Workers’ Compensation

The City participates in the Ohio Association of Public Treasurer’s (OAPT) group rating pool (See Note 19). The intent of the OAPT is to achieve the benefit of a reduced premium for the participants, foster safer working environments and foster cost-effective claims management by virtue of its grouping and representation with other participants. The workers’ compensation experience rating of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the group. Each participant pays its workers’ compensation premium to the State based on the rate for the OAPT group rather than its individual rate. Participation in the OAPT group is limited to cities that can meet the OAPT’s selection criteria. The firm of Comp Management, Incorporated provides administrative, cost control, and actuarial services to the OAPT.

Employee Insurance Benefits

The City manages employee prescriptions and health benefits on a self insured basis. The employee health benefit plan provides basic health coverage through Medical Mutual, the third-party administrator of the program, which reviews and pays the claims. A specific excess loss coverage insurance (stop-loss) policy with Medical Mutual covers claims in excess of \$110,000 per person per year.

City of Brecksville, Ohio
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The claims liability of \$244,134, reported in the self insurance fund at December 31, 2019, is estimated by the third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustments expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount for the last two years follow:

Year	Balance at Beginning of Year	Current Year Claims	Claims Payment	Balance at End of Year
2018	\$204,791	\$2,278,060	\$2,278,011	\$204,840
2019	204,840	2,273,169	2,233,875	244,134

Note 9 – Interfund Transfers and Balances

Interfund Transfers

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

Transfers From	Transfers To			Totals
	Fire Department	Recreation Facilities Expansion	Other Governmental Funds	
General	\$550,000	\$667,650	\$1,150,000	\$2,367,650
General Municipal Improvement	0	0	326,768	326,768
Buildings and Improvements	0	0	930,000	930,000
Recreation Facilities Expansion	0	0	230,000	230,000
<i>Total All Funds</i>	<u>\$550,000</u>	<u>\$667,650</u>	<u>\$2,636,768</u>	<u>\$3,854,418</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Transfers from the general fund to the community center, fire department, and police station building funds of \$900,000, \$550,000, and \$250,000, respectively, were to fund their operations. A transfer from the general fund to the recreation facilities expansion fund of \$667,650 was made in anticipation of expenditures that were budgeted to happen during the current year. To provide funds for loan payments, transfers totaling \$326,768 were made to the issue II fund from the general municipal improvement fund. The general bond retirement fund is funded for loan payment obligations from the general municipal improvement, building and improvements, and recreation facilities expansion funds. In 2019, this amount was \$1,450,000.

Interfund Balances

The general and building and improvements funds had interfund receivable balances of \$750,000 and \$318,000, respectively, and the recreation facilities expansion fund had an interfund payable of \$1,068,000. The purpose of these advances were to fund their operations until their own revenues could cover the funds.

City of Brecksville, Ohio
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Additionally, the general municipal improvement and road improvements major capital projects funds had interfund payable balances of \$73,132 and \$31,868, respectively, and the general fund had an interfund receivable balance of \$105,000 due to the issuance of a manuscript bond. The manuscript bond represents a special assessment bond that was issued on August 13, 2008, at 5.05 percent. The manuscript bond was issued by the City and purchased by the general fund. The schedule of future payments is as follows:

Years	Brecksville Road Access Road		
	Principal	Interest	Total
2020	\$15,000	\$5,303	\$20,303
2021	16,000	4,545	20,545
2022	17,000	3,737	20,737
2023	18,000	2,878	20,878
2024	19,000	1,970	20,970
2025	20,000	1,010	21,010
Total	\$105,000	\$19,443	\$124,443

Note 10 – Assets Held for Resale

Assets held for resale represent one parcel received through the land reutilization program, which will be sold for future development/ownership. At December 31, 2019, the City had one lot held for resale with a value of \$137,100.

Note 11 – Capital Assets

A summary of changes in capital assets during 2019 follows:

	Balance 12/31/2018	Additions	Deductions	Balance 12/31/2019
Governmental Activities:				
<i>Capital Assets not being Depreciated:</i>				
Land	\$7,460,576	\$0	\$0	\$7,460,576
Construction in Progress	15,331,056	6,423,982	(5,049,313)	16,705,725
<i>Total Capital Assets not being Depreciated</i>	22,791,632	6,423,982	(5,049,313)	24,166,301
<i>Capital Assets being Depreciated:</i>				
Land Improvements	5,294,101	93,089	0	5,387,190
Buildings and Improvements	37,215,597	152,808	0	37,368,405
Machinery and Equipment	15,817,709	697,883	(304,418)	16,211,174
Furniture and Fixtures	447,078	0	0	447,078
Infrastructure:				
Roads	43,776,570	4,541,971	(880,814)	47,437,727
Sidewalks	3,597,083	0	0	3,597,083
Guardrails	563,274	39,626	(41,276)	561,624
Traffic Signals	2,320,884	0	0	2,320,884
Storm Sewers	14,312,546	14,899	0	14,327,445
Sanitary Sewers	15,977,840	214,950	0	16,192,790
Water Lines	226,460	0	0	226,460
<i>Total Capital Assets being Depreciated</i>	\$139,549,142	\$5,755,226	(\$1,226,508)	\$144,077,860

(continued)

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Governmental Activities (continued):	Balance 12/31/2018	Additions	Deductions	Balance 12/31/2019
Less Accumulated Depreciation:				
Land Improvements	(\$3,114,894)	(\$221,748)	\$0	(\$3,336,642)
Buildings and Improvements	(14,579,412)	(779,215)	0	(15,358,627)
Machinery and Equipment	(9,741,834)	(1,094,638)	304,417	(10,532,055)
Furniture and Fixtures	(279,125)	(15,363)	0	(294,488)
Infrastructure:				
Roads	(24,083,305)	(657,043)	880,814	(23,859,534)
Sidewalks	(3,268,650)	(14,608)	0	(3,283,258)
Guardrails	(284,287)	(10,918)	41,276	(253,929)
Traffic Signals	(1,665,052)	(107,644)	0	(1,772,696)
Storm Sewers	(2,984,766)	(144,571)	0	(3,129,337)
Sanitary Sewers	(4,484,203)	(194,243)	0	(4,678,446)
Water Lines	(142,967)	(5,647)	0	(148,614)
<i>Total Accumulated Depreciation</i>	<u>(64,628,495)</u>	<u>(3,245,638) *</u>	<u>1,226,507</u>	<u>(66,647,626)</u>
<i>Total Capital Assets being Depreciated, Net</i>	<u>74,920,647</u>	<u>2,509,588</u>	<u>(1)</u>	<u>77,430,234</u>
<i>Governmental Activities Capital Assets, Net</i>	<u><u>\$97,712,279</u></u>	<u><u>\$8,933,570</u></u>	<u><u>(\$5,049,314)</u></u>	<u><u>\$101,596,535</u></u>

*Depreciation expense was charged to governmental activities as follows:

General Government:	
Legislative and Executive	\$405,231
Public Safety:	
Police	171,030
Fire	272,155
Public Health Services	191,663
Street Construction, Maintenance and Repair	1,000,006
Housing and Community Development	30,032
Basic Utility Services	770,520
Recreational Activities	405,001
Total Depreciation Expense	<u><u>\$3,245,638</u></u>

Note 12 – Defined Benefit Pension Plans

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

Net Pension Liability (Asset)/Net OPEB Liability

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net pension asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System

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

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups

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under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS' annual financial report referenced previously for additional information, including requirements for reduced and unreduced benefits):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

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

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the 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 annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

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

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

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

For 2019, the City’s contractually required contribution was \$914,055 for the traditional plan, \$19,872 for the combined plan and \$15,146 for the member-directed plan. Of this amount, \$43,236, \$940 and \$716, respectively, are reported as an intergovernmental payable.

Plan Description – Ohio Police & Fire Pension Fund

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

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF 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 members’ average annual salary. The following discussion of the pension formula relates to normal service retirement.

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

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

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

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

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

	Police	Firefighters
2019 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2019 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	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 OPF was \$839,065 for 2019. Of this amount \$23,481 is reported as an intergovernmental payable.

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

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

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	OPERS Traditional Plan	OPERS Combined Plan	OPF	
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.04989200%	0.03353000%	0.17013500%	
Prior Measurement Date	0.05081400%	0.02909100%	0.16985800%	
Change in Proportionate Share	<u>-0.00092200%</u>	<u>0.00443900%</u>	<u>0.00027700%</u>	
Proportionate Share of the:				Total
Net Pension Liability	\$13,664,410	\$0	\$13,887,511	\$27,551,921
Net Pension Asset	0	37,494	0	37,494
Pension Expense	\$2,956,869	\$9,518	\$1,876,676	\$4,843,063

2019 pension expense for the member-directed defined contribution plan was \$15,146. The aggregate pension expense for all pension plans was \$4,858,209 for 2019.

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

	OPERS Traditional Plan	OPERS Combined Plan	OPF	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	\$630	\$0	\$570,583	\$571,213
Changes of assumptions	1,189,520	8,374	368,177	1,566,071
Net difference between projected and actual earnings on pension plan investments	1,854,643	8,077	1,710,930	3,573,650
Changes in proportion and differences between City contributions and proportionate share of contributions	0	0	317,396	317,396
City contributions subsequent to the measurement date	914,055	19,872	839,065	1,772,992
Total Deferred Outflows of Resources	<u>\$3,958,848</u>	<u>\$36,323</u>	<u>\$3,806,151</u>	<u>\$7,801,322</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$179,421	\$15,314	\$12,968	\$207,703
Changes in proportion and differences between County contributions and proportionate share of contributions	106,123	5,936	120,125	232,184
Total Deferred Inflows of Resources	<u>\$285,544</u>	<u>\$21,250</u>	<u>\$133,093</u>	<u>\$439,887</u>

\$1,772,992 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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Year Ending December 31:	OPERS Traditional Plan	OPERS Combined Plan	OPF	Total
2020	\$1,176,204	\$505	\$850,255	\$2,026,964
2021	548,444	(1,109)	476,127	1,023,462
2022	172,055	(940)	591,056	762,171
2023	862,546	1,590	853,821	1,717,957
2024	0	(1,732)	62,734	61,002
Thereafter	0	(3,113)	0	(3,113)
Total	<u>\$2,759,249</u>	<u>(\$4,799)</u>	<u>\$2,833,993</u>	<u>\$5,588,443</u>

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2017, are presented as follows:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.5 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees

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

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

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

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

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

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

Discount Rate For 2018, the discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. For 2017, the discount rate used to measure the total pension liability was 7.5 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members; therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability (asset):			
OPERS Traditional Plan	\$20,186,303	\$13,664,410	\$8,244,653
OPERS Combined Plan	(12,406)	(37,494)	(55,660)

Actuarial Assumptions – OPF

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

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

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

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

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2017, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income *	23.00	2.60
High Yield Fixed Income	7.00	4.80
Private Credit	5.00	7.50
U.S. Inflation Linked Bonds*	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
Total	120.00 %	

Note: Assumptions are geometric.

* levered 2x

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

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

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$18,254,177	\$13,887,511	\$10,238,532

Note 13 – Defined Benefit OPEB Plans

See Note 12 for a description of the net OPEB liability.

Plan Description – Ohio Public Employees Retirement System

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 75. See OPERS’ annual financial report referenced later for additional information.

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

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

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

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

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2019 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution was \$6,059 for 2019. Of this amount, \$287 is reported as an intergovernmental payable.

Plan Description – Ohio Police and Fire Pension Fund

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

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

The ORC allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the ORC.

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

Funding Policy – The ORC provides for contribution requirements of the participating employers and of plan members to the OPF 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 ORC 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.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OPF was \$20,383 for 2019. Of this amount, \$569 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OPF's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OPF	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.04856300%	0.17013500%	
Prior Measurement Date	0.04966000%	0.16985800%	
Change in Proportionate Share	-0.00109700%	0.00027700%	
Proportionate Share of the Net OPEB Liability	\$6,331,468	\$1,549,340	Total \$7,880,808
OPEB Expense	\$563,750	(\$7,579,768)	(\$7,016,018)

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

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$2,144	\$0	\$2,144
Changes of assumptions	204,134	803,103	1,007,237
Net difference between projected and actual earnings on pension plan investments	290,260	52,447	342,707
Changes in proportion and differences between City contributions and proportionate share of contributions	24,965	279,448	304,413
City contributions subsequent to the measurement date	<u>6,059</u>	<u>20,383</u>	<u>26,442</u>
Total Deferred Outflows of Resources	<u><u>\$527,562</u></u>	<u><u>\$1,155,381</u></u>	<u><u>\$1,682,943</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$17,179	\$41,510	\$58,689
Changes of assumptions	0	428,931	428,931
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>79,889</u>	<u>0</u>	<u>79,889</u>
Total Deferred Inflows of Resources	<u><u>\$97,068</u></u>	<u><u>\$470,441</u></u>	<u><u>\$567,509</u></u>

\$26,442 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
2020	\$210,460	\$116,546	\$327,006
2021	21,140	116,546	137,686
2022	46,610	116,546	163,156
2023	146,225	132,409	278,634
2024	0	107,400	107,400
Thereafter	<u>0</u>	<u>75,110</u>	<u>75,110</u>
Total	<u><u>\$424,435</u></u>	<u><u>\$664,557</u></u>	<u><u>\$1,088,992</u></u>

Actuarial Assumptions – OPERS

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

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Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	3.71 percent
Prior Measurement date	3.31 percent
Health Care Cost Trend Rate:	
Current measurement date	10.0 percent, initial
	3.25 percent, ultimate in 2029
Prior Measurement date	7.25 percent, initial
	3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age Normal

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

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

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be

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

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

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

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

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
City's proportionate share of the net OPEB liability	\$8,100,308	\$6,331,468	\$4,924,774

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Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuary’s project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$6,085,915	\$6,331,468	\$6,614,281

Actuarial Assumptions – OPF

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

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

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

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

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	3.24 percent
Prior measurement date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

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

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

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

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

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

The OPF health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

Discount Rate For 2019, the total OPEB liability was calculated using the discount rate of 4.66 percent. For 2018, the total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of

City of Brecksville, Ohio
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return of 8 percent. Based on those assumptions, OPF's fiduciary net position was projected to not be able to make all future benefit payments of current plan members; therefore, a municipal bond rate of 4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 4.66 percent for 2018 and 3.24 percent for 2017. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2031. The long-term expected rate of return on health care investments was applied to projected costs through 2031, and the municipal bond rate was applied to all health care costs after that date.

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

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$1,887,519	\$1,549,340	\$1,265,468

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

Note 14 – Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn two to six weeks of vacation per year, depending upon length of service. Vacation accumulation is limited to one year. All accumulated unused vacation time is paid upon termination of employment.

Employees earn sick leave at the rate of 6.47 hours per pay for firefighters and 4.62 hours per pay for all other employees. Sick leave accumulation is unlimited for all employees except police officers who need chief approval to exceed over 960 hours. Upon retirement or death, an employee shall be paid 33 percent of accumulated sick leave. Employees may deduct up to 120 hours from their sick balance and defer payment on it until the following January.

Dental Insurance

The City provides dental benefits to employees through Lincoln Financial. The family and single premiums for 2019 were \$95.95 and \$31.80, respectively.

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Note 15 – Contingencies

Grants

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

Litigation

The City is party to various legal proceedings. City management is of the opinion that ultimate settlement of such claims not covered by insurance will not result in a material adverse effect on the City's financial position.

Note 16 – Long-Term Obligations

The original issue date, interest rate, original issuance amount and maturity date for each of the City's long-term obligations follows:

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
<i>General Obligation Bonds:</i>				
Human Services Facility Refunding	2012	1.25% to 2.25%	\$3,580,000	December 1, 2023
Police Facility Project	2017	2.00 to 3.00	8,000,000	December 1, 2036
Service Center Garage	2017	2.00 to 3.00	1,980,000	December 1, 2036
Police Facility Project	2019	2.88-5.00	2,000,000	December 1, 2043
Aquatic Facility Project	2019	2.88-5.00	6,500,000	December 1, 2039
<i>From Direct Placement:</i>				
Various Purpose Tree Farm Refunding	2015	2.03	2,525,000	December 1, 2025
<i>Special Assessment Bonds:</i>				
Service Road Sewer and Water	2001	4.00 to 4.90	935,000	December 1, 2021
Four Seasons Sewer and Water	2001	4.00 to 4.90	1,265,000	December 1, 2021
Route 21, Hilton, Whitewood Sewer and Storm	2005	3.00 to 5.00	1,075,000	December 1, 2025
Katherine Boulevard Improvements	2012	1.25 to 2.25	1,430,000	December 1, 2022
Riverview Road Sewer	2012	1.25 to 2.75	575,000	December 1, 2032
<i>From Direct Placement:</i>				
Various Purpose Route 21 Access Road Refunding	2015	2.03	115,000	December 1, 2025
<i>OPWC Loans from Direct Borrowings:</i>				
Brecksville Center and Old Town Water Main	1999	0.00	224,475	July 1, 2019
Route 21, Hilton, Whitewood Sanitary Sewer	2005	0.00	231,143	July 1, 2025
Fitzwater, Riverview, Wiese, Carriage Hill Cleaning	2006	0.00	162,934	January 1, 2027
Wiese Road Retaining Wall Improvement	2013	0.00	229,030	January 1, 2033

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A schedule of changes in bonds and other long-term obligations of the City during 2019 follows:

	Principal Outstanding 12/31/2018	Additions	Deletions	Principal Outstanding 12/31/2019	Amounts Due in One Year
Governmental Activities					
<i>General Obligations Bonds:</i>					
2012 Human Services Facility Refunding	\$1,970,000	\$0	(\$380,000)	\$1,590,000	\$390,000
Premium on Bonds	41,200	0	(8,240)	32,960	0
2017 Police Facility Project					
Serial Bond	2,975,000	0	(100,000)	2,875,000	105,000
Term Bond	4,710,000	0	0	4,710,000	0
Premium on Bonds	129,227	0	(7,180)	122,047	0
2017 Service Center Garage					
Serial Bond	915,000	0	(85,000)	830,000	85,000
Term Bond	935,000	0	0	935,000	0
Premium on Bonds	33,473	0	(1,860)	31,613	0
2019 Police Facility Project					
Serial Bond	0	840,000	(20,000)	820,000	45,000
Term Bond	0	1,160,000	0	1,160,000	0
Premium on Bonds	0	102,514	(4,090)	98,424	0
2019 Aquatic Facility Project					
Serial Bond	0	3,655,000	0	3,655,000	210,000
Term Bond	0	2,845,000	0	2,845,000	0
Premium on Bonds	0	513,122	(20,522)	492,600	0
<i>From Direct Placement:</i>					
2015 Various Purpose Tree Farm Refunding	1,820,000	0	(245,000)	1,575,000	250,000
Total General Obligation Bonds	13,528,900	9,115,636	(871,892)	21,772,644	1,085,000
<i>Special Assessment Bonds:</i>					
2001 Service Road Sewer and Water	175,000	0	(60,000)	115,000	60,000
2001 Four Seasons Sewer and Water	280,000	0	(85,000)	195,000	95,000
2005 Route 21, Hilton, Whitewood Sewer and Storm	495,000	0	(60,000)	435,000	65,000
2012 Katherine Boulevard Improvements	600,000	0	(145,000)	455,000	150,000
Premium on Bonds	15,224	0	(3,806)	11,418	0
2012 Riverview Road Sewer					
Serial Bond	135,000	0	(25,000)	110,000	25,000
Term Bond	290,000	0	0	290,000	0
<i>From Direct Placement:</i>					
2015 Various Purpose Route 21 Access Road Refunding	85,000	0	(10,000)	75,000	10,000
Total Special Assessment Bonds	2,075,224	0	(388,806)	1,686,418	405,000
<i>OPWC Loans from Direct Borrowings:</i>					
1999 Brecksville Center and Old Town Water Main	5,612	0	(5,612)	0	0
2005 Route 21, Hilton, Whitewood Sanitary Sewer	75,121	0	(11,557)	63,564	11,557
2006 Fitzwater, Riverview Wiese, Carriage Hill Cleaning	65,174	0	(8,147)	57,027	8,147
2013 Wiese Road Retaining Wall Improvement	171,771	0	(11,451)	160,320	11,451
Total OPWC Loans	317,678	0	(36,767)	280,911	31,155
<i>Net Pension Liability:</i>					
OPERS	7,971,731	5,692,679	0	13,664,410	0
OPF	10,424,952	3,462,559	0	13,887,511	0
Total Net Pension Liability	18,396,683	9,155,238	0	27,551,921	0
<i>Net OPEB Liability:</i>					
OPERS	5,392,710	938,758	0	6,331,468	0
OPF	9,623,916	0	(8,074,576)	1,549,340	0
Total Net OPEB Liability	15,016,626	938,758	(8,074,576)	7,880,808	0
Compensated Absences	985,671	149,195	(138,822)	996,044	254,157
Total Governmental Activities	\$50,320,782	\$19,358,827	(\$9,510,863)	\$60,168,746	\$1,775,312

All bonds are secured by the full faith and credit of the City. General obligation bonds will be paid from taxes receipted in the debt service fund. The special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City.

City of Brecksville, Ohio
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The OPWC loans from direct borrowings contain provisions that in an 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, the OPWC may require that such payment be taken from the City's share of the City undivided local government fund. The loans will be paid with monies from the Issue II capital projects fund. The OPWC administers Issue II loans.

There is no repayment schedule for net pension/OPEB liabilities; however, employer pension contributions are made from the general fund and the fire department, community center, police pension, and enforcement and education special revenue funds. For additional information related to the net pension/OPEB liabilities see Notes 12 and 13. Compensated absences will be paid from the general fund and the fire department and community center special revenue funds.

On September 20, 2012, the City issued \$3,580,000 in general obligation bonds for the purpose of refunding a portion of the 2004 Human Services Facility Bonds. These bonds were issued for a twelve year period with a final maturity of December 1, 2023. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2019, \$1,600,000 of the defeased bonds are still outstanding.

During 2015, the City issued \$2,525,000 of various purpose refunding bonds for the purpose of retiring the 2005 tree farm property bonds and \$115,000 of various purpose refunding bonds for the purpose of retiring the 2005 Route 21 Access Road special assessment bonds from direct placement. The new bonds were issued for a period of 10 years at an interest rate of 2.03 percent. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2019, \$1,690,000 of the defeased bonds are still outstanding.

Prior Redemption of 2015 Various Purpose Refunding Issuance The bonds maturing on and after December 1, 2021, are subject to prior redemption on and after December 1, 2020, by and at the sole option of the City, either in whole or in part (as selected by the City) on any date and in whole multiples of \$5,000, at par, plus accrued interest to the redemption date.

On June 7, 2017, the City issued \$8,000,000 and \$1,980,000 in general obligation bonds for the purpose of the construction of the new police station building and the retirement of 2016 bond anticipation notes related to the service center garage project, respectively. These bonds were issued for a twenty year period with a final maturity of December 1, 2036.

On June 12, 2019, the City issued \$8,500,000 in general obligation bonds for the purpose of constructing, reconstructing, renovating, enlarging, furnishing, equipping and otherwise improving the municipal swimming pool facilities and related recreational facilities as well as the new police department and otherwise improving the site. These police facility and aquatic facility bonds were issued for a twenty-five and twenty year period with a final maturity of December 1, 2043 and December 1, 2039, respectively. At December 31, 2019, the City had unspent proceeds of \$4,287,687 related to the aquatic facility bonds.

On September 1, 2001, the City issued \$935,000 in special assessment bonds for sanitary sewer and water main construction on Service Road. The bonds were issued for a twenty year period with final maturity at December 1, 2021.

On September 1, 2001, the City issued \$1,265,000 in special assessment bonds for sanitary sewer and water main construction in the Four Seasons of Brecksville subdivision. The bonds were issued for a twenty year period with final maturity at December 1, 2021.

City of Brecksville, Ohio
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On September 8, 2005, the City issued \$1,075,000 in special assessment bonds for sanitary sewer construction on Route 21 and on Hilton and Whitewood Roads. The bonds were issued for a twenty year period with final maturity at December 1, 2025. These bonds were partially refunded in 2015.

On September 20, 2012 the City issued \$1,430,000 in special assessment bonds for infrastructure improvements on Katherine Boulevard. The bonds were issued for a ten year period with final maturity on December 1, 2022.

On September 20, 2012 the City issued \$575,000 in special assessment bonds for sanitary sewer construction on Riverview Road. The bonds were issued for a twenty year period with final maturity on December 1, 2032.

The Riverview Road bonds are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 of the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2024	\$30,000
2025	30,000
2026	30,000
2027	30,000
2028	30,000
2029	35,000
2030	35,000
2031	35,000
Total	<u>\$255,000</u>

The remaining principal amount of the bonds (\$35,000) will mature at stated maturity on December 1, 2032.

The bonds maturing on or after December 1, 2022, will be subject to prior redemption, on or after December 1, 2021, by and at the option of the City, either in whole or in part on any date, and in integral multiples of \$5,000, at par, plus accrued interest to the redemption date.

The City's overall legal debt margin was \$47,951,231 at December 31, 2019. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2019, are as follows:

	General Obligation Bonds				OPWC Loans
	Serial Portion		Term Portion		
	Principal	Interest	Principal	Interest	
2020	\$1,085,000	\$641,049	\$0	\$0	\$31,155
2021	1,115,000	611,622	0	0	31,156
2022	1,140,000	580,160	0	0	31,156
2023	1,165,000	547,880	0	0	31,156
2024	1,135,000	514,638	0	0	31,156
2025-2029	4,435,000	1,894,379	640,000	160,883	79,328
2030-2034	1,270,000	450,381	4,405,000	739,200	45,804
2035-2039	0	0	4,085,000	368,089	0
2040-2043	0	0	520,000	41,100	0
Total	<u>\$11,345,000</u>	<u>\$5,240,109</u>	<u>\$9,650,000</u>	<u>\$1,309,272</u>	<u>\$280,911</u>

City of Brecksville, Ohio
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	Special Assessment Bonds			
	Serial Portion		Term Portion	
	Principal	Interest	Principal	Interest
2020	\$405,000	\$50,736	\$0	\$7,975
2021	405,000	36,189	0	7,975
2022	260,000	21,204	0	7,975
2023	115,000	13,590	0	7,975
2024	95,000	8,960	30,000	7,975
2025-2029	105,000	4,656	155,000	27,500
2030-2032	0	0	105,000	5,775
Total	\$1,385,000	\$135,335	\$290,000	\$73,150

Note 17 – Short-Term Obligations

In 2018, the City issued bond anticipation notes in the amount of \$2,500,000, with a premium of \$20,850 outstanding at December 31, 2018, for the purpose of Route 82 street improvements and constructing, furnishing, and equipping the new police station, and the notes were retired on June 6, 2019.

On June 5, 2019, the City issued bond anticipation notes in the amount of \$2,800,000. Of that amount, \$250,000 was for the purpose of paying costs of constructing, furnishing, and equipping the new police department and otherwise improving the site; \$1,800,000 was for the purpose of Route 82 street improvements; and \$750,000 was for the participation in a joint project with the City of Broadview Heights for Route 82 street improvements. The 2019 notes were issued at an interest rate of 2.75 percent and mature on June 4, 2020. The notes were issued with a premium of \$27,720, leaving an outstanding note balance of \$2,827,720 as of December 31, 2019.

	Principal Outstanding 12/31/2018	Additions	Deletions	Principal Outstanding 12/31/2019
Governmental Activities:				
Various Purpose Improvements Notes	\$2,500,000	\$0	(\$2,500,000)	\$0
Premium	20,850	0	(20,850)	0
Various Purpose Improvements Notes	0	2,800,000	0	2,800,000
Premium	0	27,720	0	27,720
<i>Total Notes Payable</i>	\$2,520,850	\$2,827,720	(\$2,520,850)	\$2,827,720

Note 18 – Operating Lease

During 2017, the City entered into an operating lease with Falls Motor City, for the period of November 2, 2017 to October 1, 2020, for the use of a van for the human services department. The terms of the lease require payment in monthly installments in the amount of \$256.

During 2019, the City entered into an operating lease with Ganley Chrysler Dodge Jeep Ram, Incorporated for the period of December 20, 2019 to June 19, 2023, for the use of a vehicle for the police department. The terms of the lease payment in monthly installments is in the amount of \$302.

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

Note 19 – Insurance Purchasing Pool

The Ohio Association of Public Treasurers has created a group insurance pool for purpose of creating a group rating plan for workers' compensation. The governing body is comprised of the members who have been appointed by the respective governing body of each member.

The intent of the pool is to achieve a reduced rate for the City and the other group members. The injury claim history of all participating members is used to calculate a common rate for the group. An annual fee is paid to Comp Management, Incorporated to administer the group and to manage any injury claims. Premium savings created by the group are prorated to each member entity annually based on claims experience of each member as compared to the total claims experience of the group.

Note 20 – Jointly Governed Organizations

Southwest Council of Governments

The Southwest Council of Governments (the Council) helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Board is comprised of one member from each of the twenty-one participating entities. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. In 2019, the City contributed \$20,000, which represents 5 percent of total contributions.

The Council has established two subsidiary organizations, the Hazardous Material Response Team ("HAZ MAT") which provides hazardous material protections 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 Eric Dean, City of North Royalton, Southwest Council of Governments, 14600 State Road, North Royalton, Ohio 44133.

Northeast Ohio Public Energy Council

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

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. In 2019, the City made no contributions. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting Ronald McVoy, the Board Chairman, at 31360 Solon Road, Suite 33, Solon, Ohio, 44139 or at the website www.nopec.org.

City of Brecksville, Ohio
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Cuyahoga Valley Council of Governments

The City participates in the Cuyahoga Valley 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 2019, 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 26 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 to the CVDC (excluding initial equipment purchases) in the amount of \$478,492 during 2019. Financial information can be obtained by contacting Vic Nogalo, Finance Director, 88 Center Road, Suite B100, Bedford, Ohio 44146.

Regional Income Tax Agency

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collection income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2019, these costs are not yet available; however, they are not expected to be significantly different from 2018. For 2018, the City paid RITA \$213,062 for income tax collection services.

Note 21 – Related Organization

The Brecksville Community Improvement Corporation (CIC) was formed to promote and assist in economic development within the City. City Council created the CIC during 2014 and appointed the initial CIC Board members. The CIC does not represent a potential financial benefit for or burden on the City. In 2018, the City and CIC entered into a development agreement with DiGeronimo Development LLC for the development of the former Veterans Administration property. The City also transferred said property to the CIC during the year. During 2019, the CIC approved and remitted a payment of \$750,000 to the City of Brecksville. The City recorded this receipt into the General Fund.

City of Brecksville, Ohio
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Note 22 – Donor Restricted Endowments

The City’s private purpose trust fund includes donor restricted endowments. Endowments, in the amount of \$3,000, represent the principal portion. The amount of interest on donor restricted investments that is available for expenditures by the City is \$321 and is included as held in trust for cemetery. State law permits the City to appropriate, for purposes consistent with the endowment’s intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise. The endowments indicate that the interest should be used for the decoration of specifically named graves.

Note 23 – 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:

General	\$523,443
Fire Department	24,312
General Municipal Improvement	1,337,083
Buildings and Improvements	18,086
Recreation Facilities Expansion	5,913,029
Other Governmental Funds	629,388
Total	\$8,445,341

Contractual Commitments

At December 31, 2019, the City’s significant contractual commitments consisted of the following:

Project	Contract Amount	Amount Paid	Remaining on Contract
Buildings and Improvements	\$10,119,331	\$3,690,313	\$6,429,018
Roads	690,000	42,419	647,581
Land Improvements	677,980	41,880	636,100
Information Technology	307,192	211,352	95,840
Professional Services	56,916	25,321	31,595
Sanitary Sewers	54,050	35,610	18,440
Waterlines	12,200	0	12,200
Stormwater	18,500	8,480	10,020
Sidewalks	8,260	3,046	5,214
Totals	\$11,944,429	\$4,058,421	\$7,886,008

The amounts remaining on these contracts were encumbered at year end.

Note 24 – Accountability

At December 31, 2019, the general municipal improvement fund had a fund deficit of \$263,256. The general municipal improvement fund deficit resulted from the recognition of accrued liabilities. The general fund is responsible to cover deficit fund balances by means of a transfer; however, this is done when cash is needed rather than when accruals occur.

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

Note 25 – 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 as follows:

Fund Balances	General	Fire Department	Special Assessment Bond Retirement	General Municipal Improvement
<i>Nonspendable:</i>				
Materials and Supplies Inventory	\$324,466	\$54,756	\$0	\$0
Prepaid Items	133,379	6,796	0	0
Assets Held for Resale	137,100	0	0	0
Unclaimed Monies	12,691	0	0	0
Other Purposes	400	0	0	0
<i>Total Nonspendable</i>	608,036	61,552	0	0
<i>Restricted for:</i>				
Capital Projects	0	0	0	0
Debt Service	0	0	60,663	0
Court Computerization	0	0	0	0
Fire Department	0	452,638	0	0
Police Department	0	0	0	0
Road Maintenance	0	0	0	0
Street Construction, Maintenance, and Repair	0	0	0	0
Other Purposes	0	0	0	0
<i>Total Restricted</i>	0	452,638	60,663	0
<i>Committed to:</i>				
Capital Projects	0	0	0	0
Police Department	0	0	0	0
Other Purposes	26,333	0	0	0
Purchases on Order	341,897	0	0	0
<i>Total Committed</i>	368,230	0	0	0
<i>Assigned to:</i>				
Capital Projects	0	0	0	0
Purchases on Order	6,253	0	0	0
<i>Total Assigned</i>	6,253	0	0	0
Unassigned (Deficit)	11,493,016	0	0	(263,256)
Total Fund Balance (Deficit)	\$12,475,535	\$514,190	\$60,663	(\$263,256)

(continued)

City of Brecksville, Ohio
Notes to the Basic Financial Statements
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Fund Balances (continued)	Buildings and Improvements	Road Improvements	Recreation Facilities Expansion	Other Governmental Funds	Total
<i>Nonspendable:</i>					
Materials and Supplies Inventory	\$0	\$0	\$0	\$46,103	\$425,325
Prepaid Items	0	0	0	3,298	143,473
Assets Held for Resale	0	0	0	0	137,100
Unclaimed Monies	0	0	0	0	12,691
Other Purposes	0	0	0	0	400
<i>Total Nonspendable</i>	0	0	0	49,401	718,989
<i>Restricted for:</i>					
Capital Projects	0	0	0	231,764	231,764
Debt Service	0	0	0	811,912	872,575
Court Computerization	0	0	0	143,423	143,423
Fire Department	0	0	0	0	452,638
Police Department	0	0	0	563,752	563,752
Road Maintenance	0	0	0	340,101	340,101
Street Construction, Maintenance, and Repair	0	0	0	807,153	807,153
Other Purposes	0	0	0	108,218	108,218
<i>Total Restricted</i>	0	0	0	3,006,323	3,519,624
<i>Committed to:</i>					
Capital Projects	1,533,359	285,646	0	307,376	2,126,381
Police Department	0	0	0	6,385	6,385
Other Purposes	0	0	0	351,335	377,668
Purchases on Order	0	0	0	0	341,897
<i>Total Committed</i>	1,533,359	285,646	0	665,096	2,852,331
<i>Assigned to:</i>					
Capital Projects	0	0	4,766,713	506,887	5,273,600
Purchases on Order	0	0	0	0	6,253
<i>Total Assigned</i>	0	0	4,766,713	506,887	5,279,853
Unassigned (Deficit)	0	0	0	0	11,229,760
Total Fund Balance (Deficit)	\$1,533,359	\$285,646	\$4,766,713	\$4,227,707	\$23,600,557

Note 26 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the global Coronavirus Disease 2019 (COVID-19) pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City's investment portfolio and the investments of the pension and other employee benefit plans in which the City participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

On January 21, 2020, the City passed legislation providing for the issuance and sale of bond anticipation notes, not to exceed \$8,600,000, for the purpose of paying costs of designing, developing, constructing, installing, equipping and improving an athletic fieldhouse to be located on the blossom hill property on

City of Brecksville, Ohio
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Oakes Road, and otherwise improving the site therefor, together with all necessary related improvements and appurtenances thereto, in connection with an agreement with the Brecksville-Broadview Heights City School District. This note issuance was closed in February 2020.

On January 21, 2020, the City passed legislation providing for the issuance and sale of bond anticipation notes, not to exceed \$1,150,000, for the purpose of paying costs of improving Route 82 by reconstructing, paving, grading, draining, curbing, replacing guardrails, repairing slopes, replacing Americans with Disabilities Act (ADA) ramps, constructing storm sewers and related drainage facilities, and, in connection therewith, acquiring rights-of-way, together with all necessary related improvements and appurtenances thereto. This note issuance was closed in February 2020.

On January 21, 2020, the City passed legislation providing for the issuance and sale of bond anticipation notes, not to exceed \$1,600,000, for the purpose of paying costs of improving Route 82 by reconstructing, paving, grading, draining, curbing, replacing guardrails, repairing slopes, replacing ADA ramps, and constructing storm sewers and related drainage facilities, together with all necessary related improvements and appurtenances thereto. The City is anticipating closing this note issue in June of 2020.

On January 21, 2020, the City passed legislation providing for the issuance and sale of bond anticipation notes, not to exceed \$750,000, for the purpose of paying costs of improving Route 82 by reconstruction, paving, grading, draining, curbing, replacing guardrails, repairing slopes, replacing ADA ramps, constructing storm sewers and related drainage facilities, and in connection therewith, acquiring rights-of-way, together will all necessary related improvements and appurtenances thereto. The City is anticipating closing this note issue in June of 2020.

On February 7, 2020, the City passed legislation authorizing the Mayor to enter into an agreement for the sale and purchase of real estate with Morel Landscaping, LLC for permanent parcel #604-25-007 located on Noble Park Lane. This parcel is currently reported as an asset held for resale.

On March 17, 2020, the City passed the following legislation:

1. The City created the Valor Acres Sherwin-Williams TIF pursuant to Ohio Revised Code Sections 5709.41, 5709.42 and 5709.43, declaring improvements to certain parcels of real property to be a public purpose, and requiring the owners of the improvements on such parcels to make service payments in lieu of taxes.
2. The City established an Urban Redevelopment Tax Increment Equivalent Fund for the deposit of service payments.
3. The City authorized an amended and restated compensation agreement with the Brecksville-Broadview Heights City School District.
4. The City authorized a development agreement with the Sherwin-Williams Company to provide for the construction of the Sherwin-Williams Research and Development Facility on a Portion of the Valor Acres site in order to provide for the further redevelopment of that site and create and retain jobs in the City.
5. The City authorized a job creation incentive agreement with the Sherwin-Williams Company to provide for the construction of the Sherwin-Williams research and development facility on a portion of the Valor Acres site in order to provide for the further redevelopment of that site and create and retain jobs in the City.

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

6. The City authorized a tax increment financing agreement with the Sherwin-Williams research and development facility on a portion of the Valor Acres site in order to provide for the further redevelopment of that site and create and retain jobs in the City.

7. The City authorized the Mayor to execute a quitclaim deed conveying certain real estate commonly known as being part of original Brecksville Township Lot 41, further known as being a part of parcel "D" of a map of lot split and consolidation for City of Cleveland as recorded in plat volume 342, page 95 of the Cuyahoga County Recorder's records, which is now or formerly owned by the City of Brecksville as recorded in AFN 200511101108 (Parcel 2) of the Cuyahoga County Recorder's records to the Brecksville-Broadview Heights City School District.

8. The City authorized the Mayor to execute a quitclaim deed conveying certain real estate commonly known as being part of original Brecksville Township lots 41 and 50, further known as being a part of parcel "D" of a map of lot split and consolidation for City of Cleveland as recorded in plat volume 342, page 95 of the Cuyahoga County Recorder's records, which is now or formerly owned by the City of Brecksville as recorded in AFN 200511101108 (Parcel 2) of the Cuyahoga County Recorder's records to the City of Brecksville.

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

	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.04989200%	0.05081400%	0.05082200%	0.05089900%
City's Proportionate Share of the Net Pension Liability	\$13,664,410	\$7,971,731	\$11,540,812	\$8,816,348
City's Covered Payroll	\$6,738,857	\$6,715,146	\$6,569,792	\$6,334,843
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	202.77%	118.71%	175.66%	139.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%

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

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

See accompanying notes to the required supplementary information

2015	2014
0.05221000%	0.05221000%
\$6,297,110	\$6,154,879
\$6,400,950	\$6,342,796
98.38%	97.04%
86.45%	86.36%

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

	2019	2018
City's Proportion of the Net Pension Asset	0.03353000%	0.02909100%
City's Proportionate Share of the Net Pension Asset	\$37,494	\$39,602
City's Covered Payroll	\$143,407	\$119,146
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	26.15%	33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	126.64%	137.28%

(1) Although this schedule is intended to show information for ten years, information prior to 2018 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

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

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.04856300%	0.04966000%	0.04896000%
City's Proportionate Share of the Net OPEB Liability	\$6,331,468	\$5,392,710	\$4,945,126
City's Covered Payroll	\$7,043,939	\$7,034,267	\$6,765,817
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	89.89%	76.66%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	54.04%

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

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

See accompanying notes to the required supplementary information

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

	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.17013500%	0.16985800%	0.16204100%	0.16208000%
City's Proportionate Share of the Net Pension Liability	\$13,887,511	\$10,424,952	\$10,263,514	\$10,426,720
City's Covered Payroll	\$3,955,281	\$3,815,346	\$3,583,217	\$3,494,644
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	351.11%	273.24%	286.43%	298.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%	66.77%

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

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

See accompanying notes to the required supplementary information

2015	2014
0.16886840%	0.16886840%
\$8,748,087	\$8,224,421
\$3,429,025	\$3,374,994
255.12%	243.69%
71.71%	73.00%

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

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.17013500%	0.16985800%	0.16204100%
City's Proportionate Share of the Net OPEB Liability	\$1,549,340	\$9,623,916	\$7,691,722
City's Covered Payroll	\$3,955,281	\$3,815,346	\$3,583,217
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	39.17%	252.24%	214.66%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.57%	14.13%	15.96%

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

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

See accompanying notes to the required supplementary information

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

	2019	2018	2017	2016
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$914,055	\$943,440	\$872,969	\$788,375
Contributions in Relation to the Contractually Required Contribution	(914,055)	(943,440)	(872,969)	(788,375)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$6,528,964	\$6,738,857	\$6,715,146	\$6,569,792
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>
Net Pension Liability - Combined Plan				
Contractually Required Contribution	\$19,872	\$20,077	\$15,489	\$10,815
Contributions in Relation to the Contractually Required Contribution	(19,872)	(20,077)	(15,489)	(10,815)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$141,943	\$143,407	\$119,146	\$90,125
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>
Net OPEB Liability - OPEB Plan (3)				
Contractually Required Contribution	\$6,059	\$6,467	\$7,999	\$4,236
Contributions in Relation to the Contractually Required Contribution	(6,059)	(6,467)	(7,999)	(4,236)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (2)	\$6,822,382	\$7,043,939	\$7,034,267	\$6,765,817
OPEB Contributions as a Percentage of Covered Payroll	<u>0.09%</u>	<u>0.09%</u>	<u>0.11%</u>	<u>0.06%</u>

(1) Although this schedule is intended to show information for ten years, information prior to 2013 is not available. An additional column will be added each year.

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

(3) Information prior to 2016 is not available.

See accompanying notes to the required supplementary information

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$760,181	\$768,114	\$824,563
<u>(760,181)</u>	<u>(768,114)</u>	<u>(824,563)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,334,843	\$6,400,950	\$6,342,796
<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>
\$10,591	\$10,154	\$10,492
<u>(10,591)</u>	<u>(10,154)</u>	<u>(10,492)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$88,258	\$84,617	\$80,708
<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>

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

	2019	2018	2017	2016
Net Pension Liability				
Contractually Required Contribution	\$839,065	\$813,771	\$784,801	\$736,956
Contributions in Relation to the Contractually Required Contribution	<u>(839,065)</u>	<u>(813,771)</u>	<u>(784,801)</u>	<u>(736,956)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$4,076,638	\$3,955,281	\$3,815,346	\$3,583,217
Pension Contributions as a Percentage of Covered Payroll	<u>20.58%</u>	<u>20.57%</u>	<u>20.57%</u>	<u>20.57%</u>
Net OPEB Liability				
Contractually Required Contribution	\$20,383	\$19,777	\$19,077	\$17,916
Contributions in Relation to the Contractually Required Contribution	<u>(20,383)</u>	<u>(19,777)</u>	<u>(19,077)</u>	<u>(17,916)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>21.08%</u>	<u>21.07%</u>	<u>21.07%</u>	<u>21.07%</u>

(1) The City's covered payroll is the same for pension and OPEB.

See accompanying notes to the required supplementary information

2015	2014	2013	2012	2011	2010
\$722,599	\$706,703	\$589,056	\$485,500	\$463,725	\$488,638
(722,599)	(706,703)	(589,056)	(485,500)	(463,725)	(488,638)
\$0	\$0	\$0	\$0	\$0	\$0
\$3,494,644	\$3,429,025	\$3,374,994	\$3,380,216	\$3,217,478	\$3,414,468
20.68%	20.61%	17.45%	14.36%	14.41%	14.31%
\$17,473	\$17,145	\$122,062	\$228,165	\$217,180	\$230,477
(17,473)	(17,145)	(122,062)	(228,165)	(217,180)	(230,477)
\$0	\$0	\$0	\$0	\$0	\$0
0.50%	0.50%	3.62%	6.75%	6.75%	6.75%
21.18%	21.11%	21.07%	21.11%	21.16%	21.06%

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

Changes in Assumptions – OPERS Pension

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

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

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

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

Changes in Assumptions – OPF Pension

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

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

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

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

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

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

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

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

Changes in Assumptions – OPERS OPEB

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

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

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

Changes in Assumptions – OPF OPEB

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

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

Changes in Benefit Terms – OPF OPEB

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

**Combining and Individual
Fund Statements and Schedules**

Combining 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 specific purposes other than debt service or capital projects.

Motor Vehicle License Tax Fund - This fund accounts for and reports the City's share of additional motor vehicle registration fees. Expenditures are restricted by State law for the maintenance and repair of streets and bridges within the City.

Street Repair and Maintenance Fund - This fund accounts for and reports 92.5 percent of the State gasoline tax and motor vehicle registration fees restricted for maintenance and repair of streets within the City.

State Highway Fund - This fund accounts for and reports 7.5 percent of the State gasoline tax and motor vehicle registration fees restricted for maintenance and repair of State highways within the City.

Community Center Fund - This fund accounts for and reports membership fees, program fees, and general fund subsidies committed to the operations of the Community Center.

Road Maintenance Fund - This fund accounts for and reports revenues received from the 1 mill Charter Levy. These monies are restricted for the maintenance, repair, reconstruction and improvement of roads within the City.

Federal Equitable Sharing Fund - This fund accounts and reports federal forfeiture monies returned to the City restricted for certain law enforcement purposes.

Enforcement and Education Fund - This fund accounts for and reports fines restricted to educating the public about the dangers of and enforcing the laws against operating a motor vehicle while under the influence of alcohol and to reinforce the "Say No to Drugs" message.

Court Computerization Fund - This fund accounts for and reports court fees and fines restricted for the purchase and maintenance of computers for the Mayor's court.

Natureworks Grants Fund - This fund accounts for and reports grant monies and investment interest restricted for the purpose of adding a recreational facility to the Blossom Complex.

Recycling Demo Fund - This fund accounts for and reports grant monies received from the Ohio Department of Natural Resources plus City matching funds. Expenditures are restricted by the rules set by the Ohio Department of Natural Resources Litter Prevention and Recycling Grant agreement.

Tree Planting Grants Fund - This fund accounts for and reports monies collected, which are restricted to the planting of trees within the City's right-of-way.

(continued)

Combining Statements - Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Law Enforcement Fund - This fund accounts for and reports restricted monies received from the sale or disposition of seized contraband.

Law Enforcement Mandatory Drug Fund - This fund accounts for and reports monies received from drug fines and forfeited bonds restricted for drug investigations.

Police Pension Fund - This fund accounts for and reports amounts paid for police department employees, which are restricted to the State administered disability and pension fund.

Peace Officer Training Fund - This fund accounts for and reports the collection and disbursement of certain grant funds received from the State of Ohio restricted to certain law enforcement trainings.

Nonmajor Debt Service Fund

Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

General Obligation Bond Retirement Fund - This fund accounts for and reports transfers in and tax levies that are restricted for the repayment of general obligation debt.

Nonmajor Capital Projects Funds

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

Issue II Fund - This fund accounts for and reports grant monies received from the Ohio Public Works Commission plus City matching funds. Expenditures are restricted to specific projects within the City.

Recreation Expansion Fund - This fund accounts for and reports 25 percent of building permit revenues assigned for the purchase of equipment and for capital improvements for recreation.

Public Utility Improvement Fund - This fund accounts for and reports sanitary sewer tap-in-fees and fees for converting from septic tank to sanitary sewer assigned to costs to repair, construct, and reline any public utility line within the City.

Fire Ambulance Capital Fund - This fund accounts for and reports portions of charges for services for ambulance operations provided by the fire department. Expenditures from this fund are committed to the acquisition of fire department equipment.

Police Station Building Fund This fund accounts for and reports monies assigned for the financing, construction, and related costs of improvements to the police station building.

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,274,020	\$839,632	\$2,372,645	\$5,486,297
Cash and Cash Equivalents				
In Segregated Accounts	2,000	0	0	2,000
Materials and Supplies Inventory	46,103	0	0	46,103
Accounts Receivable	600	0	22,388	22,988
Intergovernmental Receivable	490,414	0	0	490,414
Prepaid Items	3,298	0	0	3,298
Property Taxes Receivable	791,354	0	0	791,354
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	731	0	0	731
<i>Total Assets</i>	<u>\$3,608,520</u>	<u>\$839,632</u>	<u>\$2,395,033</u>	<u>\$6,843,185</u>
Liabilities				
Accounts Payable	\$39,262	\$0	\$1,856	\$41,118
Contracts Payable	13,134	0	49,328	62,462
Retainage Payable	0	0	366,451	366,451
Notes Payable	0	27,720	250,000	277,720
Accrued Wages	43,780	0	0	43,780
Payroll Withholdings Payable	673	0	0	673
Deposits Held Payable	731	0	0	731
Accrued Interest Payable	0	0	571	571
Intergovernmental Payable	7,100	0	680,800	687,900
<i>Total Liabilities</i>	<u>104,680</u>	<u>27,720</u>	<u>1,349,006</u>	<u>1,481,406</u>
Deferred Inflows of Resources				
Property Taxes	770,045	0	0	770,045
Unavailable Revenue	364,027	0	0	364,027
<i>Total Deferred Inflows of Resources</i>	<u>1,134,072</u>	<u>0</u>	<u>0</u>	<u>1,134,072</u>
Fund Balances				
Nonspendable	49,401	0	0	49,401
Restricted	1,962,647	811,912	231,764	3,006,323
Committed	357,720	0	307,376	665,096
Assigned	0	0	506,887	506,887
<i>Total Fund Balances</i>	<u>2,369,768</u>	<u>811,912</u>	<u>1,046,027</u>	<u>4,227,707</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$3,608,520</u>	<u>\$839,632</u>	<u>\$2,395,033</u>	<u>\$6,843,185</u>

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$777,190	\$0	\$0	\$777,190
Charges for Services	943,044	0	310,041	1,253,085
Licenses and Permits	22,365	0	173,545	195,910
Fines and Forfeitures	14,806	0	0	14,806
Intergovernmental	923,493	0	96,973	1,020,466
Interest	37,027	0	55,848	92,875
Donations	12,323	0	0	12,323
Rentals	59,294	0	0	59,294
Miscellaneous	160,003	0	10,500	170,503
<i>Total Revenues</i>	<u>2,949,545</u>	<u>0</u>	<u>646,907</u>	<u>3,596,452</u>
Expenditures				
Current:				
General Government:				
Judicial System	7,520	0	0	7,520
Public Safety:				
Police	155,272	0	0	155,272
Street Construction, Maintenance, and Repair	1,209,265	0	0	1,209,265
Housing and Community Development	13,595	0	0	13,595
Basic Utility Services	2,667	0	0	2,667
Recreational Activities	1,934,197	0	0	1,934,197
Capital Outlay	0	0	2,143,131	2,143,131
Debt Service:				
Principal Retirement	0	830,000	36,767	866,767
Interest and Fiscal Charges	0	469,503	13,175	482,678
Bond Issuance Costs	0	169,490	0	169,490
<i>Total Expenditures</i>	<u>3,322,516</u>	<u>1,468,993</u>	<u>2,193,073</u>	<u>6,984,582</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(372,971)</u>	<u>(1,468,993)</u>	<u>(1,546,166)</u>	<u>(3,388,130)</u>
Other Financing Sources				
Sale of Capital Assets	1,322	0	0	1,322
General Obligation Bonds Issued	0	0	2,000,000	2,000,000
Premium on Bonds Issued	0	615,636	0	615,636
Transfers In	900,000	1,450,000	286,768	2,636,768
<i>Total Other Financing Sources</i>	<u>901,322</u>	<u>2,065,636</u>	<u>2,286,768</u>	<u>5,253,726</u>
<i>Net Change in Fund Balances</i>	528,351	596,643	740,602	1,865,596
<i>Fund Balances Beginning of Year</i>	<u>1,841,417</u>	<u>215,269</u>	<u>305,425</u>	<u>2,362,111</u>
<i>Fund Balances End of Year</i>	<u><u>\$2,369,768</u></u>	<u><u>\$811,912</u></u>	<u><u>\$1,046,027</u></u>	<u><u>\$4,227,707</u></u>

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

	Motor Vehicle License Tax	Street Repair and Maintenance	State Highway	Community Center	Road Maintenance
Assets					
Equity in Pooled Cash and Cash Equivalents	\$28,566	\$522,761	\$121,664	\$439,232	\$340,101
Cash and Cash Equivalents In Segregated Accounts	0	0	0	2,000	0
Materials and Supplies Inventory	0	46,103	0	0	0
Accounts Receivable	0	0	0	600	0
Intergovernmental Receivable	18,090	392,016	31,782	0	37,020
Prepaid Items	0	0	0	2,778	0
Property Taxes Receivable	0	0	0	0	608,738
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	0	0	0	731	0
<i>Total Assets</i>	<u>\$46,656</u>	<u>\$960,880</u>	<u>\$153,446</u>	<u>\$445,341</u>	<u>\$985,859</u>
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$38,944	\$0
Contracts Payable	0	13,134	0	0	0
Accrued Wages	0	0	0	43,780	0
Payroll Withholdings Payable	0	0	0	673	0
Deposits Held Payable	0	0	0	731	0
Intergovernmental Payable	0	0	0	7,100	0
<i>Total Liabilities</i>	<u>0</u>	<u>13,134</u>	<u>0</u>	<u>91,228</u>	<u>0</u>
Deferred Inflows of Resources					
Property Taxes	0	0	0	0	592,342
Unavailable Revenue	12,061	261,344	21,187	0	53,416
<i>Total Deferred Inflows of Resources</i>	<u>12,061</u>	<u>261,344</u>	<u>21,187</u>	<u>0</u>	<u>645,758</u>
Fund Balances					
Nonspendable	0	46,103	0	2,778	0
Restricted	34,595	640,299	132,259	0	340,101
Committed	0	0	0	351,335	0
<i>Total Fund Balances</i>	<u>34,595</u>	<u>686,402</u>	<u>132,259</u>	<u>354,113</u>	<u>340,101</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$46,656</u>	<u>\$960,880</u>	<u>\$153,446</u>	<u>\$445,341</u>	<u>\$985,859</u>

Federal Equitable Sharing	Enforcement and Education	Court Computerization	Natureworks Grants	Recycling Demo	Tree Planting Grants
\$18,232	\$30,791	\$143,663	\$950	\$6,047	\$101,221
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	400	0	0	0	0
0	0	520	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$18,232</u>	<u>\$31,191</u>	<u>\$144,183</u>	<u>\$950</u>	<u>\$6,047</u>	<u>\$101,221</u>
\$0	\$78	\$240	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	78	240	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	520	0	0	0
18,232	24,728	143,423	950	6,047	101,221
0	6,385	0	0	0	0
<u>18,232</u>	<u>31,113</u>	<u>143,943</u>	<u>950</u>	<u>6,047</u>	<u>101,221</u>
<u>\$18,232</u>	<u>\$31,191</u>	<u>\$144,183</u>	<u>\$950</u>	<u>\$6,047</u>	<u>\$101,221</u>

(continued)

City of Brecksville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2019

	Law Enforcement	Law Enforcement Mandatory Drug	Police Pension	Peace Officer Training	Total Nonmajor Special Revenue Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$80,950	\$41,562	\$387,217	\$11,063	\$2,274,020
Cash and Cash Equivalents In Segregated Accounts	0	0	0	0	2,000
Materials and Supplies Inventory	0	0	0	0	46,103
Accounts Receivable	0	0	0	0	600
Intergovernmental Receivable	0	0	11,106	0	490,414
Prepaid Items	0	0	0	0	3,298
Property Taxes Receivable	0	0	182,616	0	791,354
Property Taxes Receivable	0	0	0	0	731
Total Assets	\$80,950	\$41,562	\$580,939	\$11,063	\$3,608,520
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$0	\$39,262
Contracts Payable	0	0	0	0	13,134
Accrued Wages	0	0	0	0	43,780
Payroll Withholdings Payable	0	0	0	0	673
Deposits Held Payable	0	0	0	0	731
Intergovernmental Payable	0	0	0	0	7,100
Total Liabilities	0	0	0	0	104,680
Deferred Inflows of Resources					
Property Taxes	0	0	177,703	0	770,045
Unavailable Revenue	0	0	16,019	0	364,027
Total Deferred Inflows of Resources	0	0	193,722	0	1,134,072
Fund Balances					
Nonspendable	0	0	0	0	49,401
Restricted	80,950	41,562	387,217	11,063	1,962,647
Committed	0	0	0	0	357,720
Total Fund Balances	80,950	41,562	387,217	11,063	2,369,768
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$80,950	\$41,562	\$580,939	\$11,063	\$3,608,520

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

	Motor Vehicle License Tax	Street Repair and Maintenance	State Highway	Community Center	Road Maintenance
Revenues					
Property Taxes	\$0	\$0	\$0	\$0	\$597,844
Charges for Services	0	0	0	943,044	0
Licenses and Permits	0	0	0	12,465	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	36,621	726,640	58,915	0	74,039
Interest	907	5,198	3,230	10,478	9,864
Donations	0	0	0	12,323	0
Rentals	0	0	0	59,294	0
Miscellaneous	0	120,228	0	39,775	0
<i>Total Revenues</i>	<u>37,528</u>	<u>852,066</u>	<u>62,145</u>	<u>1,077,379</u>	<u>681,747</u>
Expenditures					
Current:					
General Government:					
Judicial System	0	0	0	0	0
Public Safety:					
Police	0	0	0	0	0
Street Construction, Maintenance, and Repair	37,500	598,818	60,000	0	512,947
Housing and Community Development	0	0	0	0	0
Basic Utility Services	0	0	0	0	0
Recreational Activities	0	0	0	1,934,197	0
<i>Total Expenditures</i>	<u>37,500</u>	<u>598,818</u>	<u>60,000</u>	<u>1,934,197</u>	<u>512,947</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>28</u>	<u>253,248</u>	<u>2,145</u>	<u>(856,818)</u>	<u>168,800</u>
Other Financing Sources					
Sale of Capital Assets	0	0	0	1,322	0
Transfers In	0	0	0	900,000	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>901,322</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	28	253,248	2,145	44,504	168,800
<i>Fund Balances Beginning of Year</i>	<u>34,567</u>	<u>433,154</u>	<u>130,114</u>	<u>309,609</u>	<u>171,301</u>
<i>Fund Balances End of Year</i>	<u>\$34,595</u>	<u>\$686,402</u>	<u>\$132,259</u>	<u>\$354,113</u>	<u>\$340,101</u>

(continued)

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

	Federal Equitable Sharing	Enforcement and Education	Court Computerization	Natureworks Grants	Recycling Demo
Revenues					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Fines and Forfeitures	0	560	10,692	0	0
Intergovernmental	0	2,400	0	0	2,667
Interest	425	713	3,317	0	117
Donations	0	0	0	0	0
Rentals	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>425</u>	<u>3,673</u>	<u>14,009</u>	<u>0</u>	<u>2,784</u>
Expenditures					
Current:					
General Government:					
Judicial System	0	0	7,520	0	0
Public Safety:					
Police	796	3,761	0	0	0
Street Construction, Maintenance, and Repair	0	0	0	0	0
Housing and Community Development	0	0	0	0	0
Basic Utility Services	0	0	0	0	2,667
Recreational Activities	0	0	0	0	0
<i>Total Expenditures</i>	<u>796</u>	<u>3,761</u>	<u>7,520</u>	<u>0</u>	<u>2,667</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(371)</u>	<u>(88)</u>	<u>6,489</u>	<u>0</u>	<u>117</u>
Other Financing Sources					
Sale of Capital Assets	0	0	0	0	0
Transfers In	0	0	0	0	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(371)</u>	<u>(88)</u>	<u>6,489</u>	<u>0</u>	<u>117</u>
<i>Fund Balances Beginning of Year</i>	<u>18,603</u>	<u>31,201</u>	<u>137,454</u>	<u>950</u>	<u>5,930</u>
<i>Fund Balances End of Year</i>	<u><u>\$18,232</u></u>	<u><u>\$31,113</u></u>	<u><u>\$143,943</u></u>	<u><u>\$950</u></u>	<u><u>\$6,047</u></u>

Tree Planting Grants	Law Enforcement	Law Enforcement Mandatory Drug	Police Pension	Peace Officer Training	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$179,346	\$0	\$777,190
0	0	0	0	0	943,044
9,900	0	0	0	0	22,365
0	3,314	240	0	0	14,806
0	0	0	22,211	0	923,493
0	1,820	958	0	0	37,027
0	0	0	0	0	12,323
0	0	0	0	0	59,294
0	0	0	0	0	160,003
9,900	5,134	1,198	201,557	0	2,949,545
0	0	0	0	0	7,520
0	0	0	145,000	5,715	155,272
0	0	0	0	0	1,209,265
13,595	0	0	0	0	13,595
0	0	0	0	0	2,667
0	0	0	0	0	1,934,197
13,595	0	0	145,000	5,715	3,322,516
(3,695)	5,134	1,198	56,557	(5,715)	(372,971)
0	0	0	0	0	1,322
0	0	0	0	0	900,000
0	0	0	0	0	901,322
(3,695)	5,134	1,198	56,557	(5,715)	528,351
104,916	75,816	40,364	330,660	16,778	1,841,417
<u>\$101,221</u>	<u>\$80,950</u>	<u>\$41,562</u>	<u>\$387,217</u>	<u>\$11,063</u>	<u>\$2,369,768</u>

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

	Issue II	Recreation Expansion	Public Utility Improvement	Fire Ambulance Capital	Police Station Building	Total Nonmajor Capital Projects Funds
Assets						
Equity in Pooled Cash and						
Cash Equivalents	\$231,764	\$33,810	\$661,517	\$778,954	\$666,600	\$2,372,645
Accounts Receivable	0	0	0	22,388	0	22,388
<i>Total Assets</i>	<u>\$231,764</u>	<u>\$33,810</u>	<u>\$661,517</u>	<u>\$801,342</u>	<u>\$666,600</u>	<u>\$2,395,033</u>
Liabilities						
Accounts Payable	\$0	\$0	\$0	\$1,856	\$0	\$1,856
Contracts Payable	0	0	0	0	49,328	49,328
Retainage Payable	0	0	0	0	366,451	366,451
Notes Payable	0	0	0	0	250,000	250,000
Accrued Interest Payable	0	0	0	0	571	571
Intergovernmental Payable	0	0	0	680,800	0	680,800
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>682,656</u>	<u>666,350</u>	<u>1,349,006</u>
Fund Balances						
Restricted	231,764	0	0	0	0	231,764
Committed	0	0	188,690	118,686	0	307,376
Assigned	0	33,810	472,827	0	250	506,887
<i>Total Fund Balances</i>	<u>231,764</u>	<u>33,810</u>	<u>661,517</u>	<u>118,686</u>	<u>250</u>	<u>1,046,027</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$231,764</u>	<u>\$33,810</u>	<u>\$661,517</u>	<u>\$801,342</u>	<u>\$666,600</u>	<u>\$2,395,033</u>

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

	Issue II	Recreation Expansion	Public Utility Improvement	Fire Ambulance Capital	Police Station Building	Total Nonmajor Capital Projects Funds
Revenues						
Charges for Services	\$0	\$0	\$0	\$310,041	\$0	\$310,041
Licenses and Permits	0	64,375	109,170	0	0	173,545
Intergovernmental	0	0	0	96,973	0	96,973
Interest	5,848	2,321	4,169	14,958	28,552	55,848
Miscellaneous	0	0	10,500	0	0	10,500
<i>Total Revenues</i>	<u>5,848</u>	<u>66,696</u>	<u>123,839</u>	<u>421,972</u>	<u>28,552</u>	<u>646,907</u>
Expenditures						
Capital Outlay	0	110,743	11,775	847,654	1,172,959	2,143,131
Debt Service:						
Principal Retirement	36,767	0	0	0	0	36,767
Interest and Fiscal Charges	0	0	0	0	13,175	13,175
<i>Total Expenditures</i>	<u>36,767</u>	<u>110,743</u>	<u>11,775</u>	<u>847,654</u>	<u>1,186,134</u>	<u>2,193,073</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(30,919)</u>	<u>(44,047)</u>	<u>112,064</u>	<u>(425,682)</u>	<u>(1,157,582)</u>	<u>(1,546,166)</u>
Other Financing Sources						
General Obligation Bonds Issued	0	0	0	0	2,000,000	2,000,000
Transfers In	36,768	0	0	0	250,000	286,768
<i>Total Other Financing Sources</i>	<u>36,768</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,250,000</u>	<u>2,286,768</u>
<i>Net Change in Fund Balances</i>	5,849	(44,047)	112,064	(425,682)	1,092,418	740,602
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>225,915</u>	<u>77,857</u>	<u>549,453</u>	<u>544,368</u>	<u>(1,092,168)</u>	<u>305,425</u>
<i>Fund Balances End of Year</i>	<u><u>\$231,764</u></u>	<u><u>\$33,810</u></u>	<u><u>\$661,517</u></u>	<u><u>\$118,686</u></u>	<u><u>\$250</u></u>	<u><u>\$1,046,027</u></u>

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

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$2,030,194	\$2,030,194	\$2,122,509	\$92,315
Municipal Income Taxes	16,872,000	17,115,000	18,252,155	1,137,155
Charges for Services	113,500	113,500	114,445	945
Licenses and Permits	297,000	297,000	585,030	288,030
Fines and Forfeitures	250,000	250,000	231,086	(18,914)
Intergovernmental	431,326	1,214,969	1,196,142	(18,827)
Interest	120,000	120,000	176,119	56,119
Donations	21,300	21,300	32,302	11,002
Rentals	115,340	115,340	133,169	17,829
Miscellaneous	360,747	372,047	783,718	411,671
Total Revenues	20,611,407	21,649,350	23,626,675	1,977,325
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Mayor:				
Salaries and Wages	146,821	146,821	142,740	4,081
Fringe Benefits	51,823	51,823	51,374	449
Materials and Supplies	1,300	800	386	414
Purchased Services	1,000	1,500	1,500	0
Total Mayor	200,944	200,944	196,000	4,944
Finance Director:				
Salaries and Wages	319,293	319,293	316,209	3,084
Fringe Benefits	119,615	119,615	119,249	366
Materials and Supplies	6,735	6,735	4,687	2,048
Purchased Services	5,080	5,080	3,075	2,005
Total Finance Director	450,723	450,723	443,220	7,503
Purchasing Department:				
Salaries and Wages	157,731	157,395	150,678	6,717
Fringe Benefits	58,634	58,970	58,970	0
Materials and Supplies	3,250	3,250	2,108	1,142
Purchased Services	750	750	637	113
Total Purchasing Department	220,365	220,365	212,393	7,972
Legal Department:				
Salaries and Wages	52,882	56,527	56,527	0
Fringe Benefits	23,719	23,307	23,307	0
Contractual Services	380,000	380,000	168,490	211,510
Total Legal Department	456,601	459,834	248,324	211,510
Legislative:				
Salaries and Wages	186,686	186,686	182,766	3,920
Fringe Benefits	61,663	61,663	61,227	436
Contractual Services	11,000	11,000	6,112	4,888
Materials and Supplies	1,000	1,000	58	942
Purchased Services	2,200	2,200	1,514	686
Total Legislative	\$262,549	\$262,549	\$251,677	\$10,872

(continued)

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Civil Service:				
Salaries and Wages	\$2,500	\$2,500	\$0	\$2,500
Fringe Benefits	386	386	0	386
Contractual Services	20,000	20,000	0	20,000
Materials and Supplies	2,500	2,500	0	2,500
Total Civil Service	25,386	25,386	0	25,386
Information Technology:				
Salaries and Wages	249,328	264,328	262,567	1,761
Fringe Benefits	89,970	92,287	92,079	208
Contractual Services	51,549	51,549	35,589	15,960
Materials and Supplies	44,373	42,373	29,613	12,760
Purchased Services	37,485	37,485	30,732	6,753
Capital Outlay	225,100	227,100	226,940	160
Total Information Technology	697,805	715,122	677,520	37,602
County Fiscal Officer and Treasurer:				
Contractual Services	88,000	88,000	66,283	21,717
Income Tax Administration:				
Contractual Services	24,000	24,578	24,578	0
Materials and Supplies	1,000	422	0	422
Purchased Services	1,000	1,000	0	1,000
Other	580,000	650,000	592,620	57,380
Total Income Tax Administration	606,000	676,000	617,198	58,802
Administrative Support:				
Salaries and Wages	75,028	75,028	39,915	35,113
Fringe Benefits	402,682	419,682	260,968	158,714
Contractual Services	1,661,969	1,475,468	1,133,289	342,179
Materials and Supplies	601,484	604,984	459,993	144,991
Purchased Services	11,000	71,024	71,024	0
Capital Outlay	87,113	27,089	20,130	6,959
Other	339,419	349,033	1,169,388	(820,355)
Total Administrative Support	3,178,695	3,022,308	3,154,707	(132,399)
Land and Building:				
Salaries and Wages	987,898	987,898	971,380	16,518
Fringe Benefits	418,976	418,976	392,278	26,698
Contractual Services	76,601	76,801	76,801	0
Materials and Supplies	160,209	160,009	101,524	58,485
Purchased Services	645,635	653,435	542,616	110,819
Capital Outlay	25,600	25,600	22,590	3,010
Other	2,000	2,000	0	2,000
Total Land and Building	2,316,919	2,324,719	2,107,189	217,530
Engineer:				
Salaries and Wages	30,000	30,000	13,474	16,526
Fringe Benefits	4,635	4,635	3,319	1,316
Contractual Services	114,500	114,469	89,636	24,833
Materials and Supplies	0	31	31	0
Total Engineer	149,135	149,135	106,460	42,675
Total Legislative and Executive	\$8,653,122	\$8,595,085	\$8,080,971	\$514,114

(continued)

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Judicial System:				
Mayor's Court:				
Salaries and Wages	\$118,508	\$118,508	\$117,396	\$1,112
Fringe Benefits	40,562	40,562	30,992	9,570
Contractual Services	1,000	1,000	0	1,000
Materials and Supplies	5,633	5,633	2,701	2,932
Purchased Services	1,500	1,500	695	805
Total Judicial System	167,203	167,203	151,784	15,419
Total General Government	8,820,325	8,762,288	8,232,755	529,533
Public Safety:				
Police:				
Law Enforcement:				
Salaries and Wages	2,970,247	2,970,247	2,878,171	92,076
Fringe Benefits	1,002,941	1,002,941	965,055	37,886
Contractual Services	824,950	824,950	798,282	26,668
Materials and Supplies	120,949	120,949	92,231	28,718
Purchased Services	160,925	190,925	132,733	58,192
Total Law Enforcement	5,080,012	5,110,012	4,866,472	243,540
Prisoner Support:				
Salaries and Wages	2,000	2,000	0	2,000
Fringe Benefits	309	309	0	309
Contractual Services	50,000	50,000	30,996	19,004
Materials and Supplies	2,500	2,500	299	2,201
Purchased Services	1,200	1,200	35	1,165
Total Prisoner Support	56,009	56,009	31,330	24,679
Traffic Control				
Materials and Supplies	18,561	18,561	5,114	13,447
Purchased Services	55,360	55,360	44,973	10,387
Total Traffic Control	73,921	73,921	50,087	23,834
Street Lighting:				
Purchased Services	120,000	120,000	101,895	18,105
Animal Control:				
Salaries and Wages	55,751	55,747	55,723	24
Fringe Benefits	25,492	25,496	25,496	0
Contractual Services	3,600	3,600	2,855	745
Materials and Supplies	1,500	1,500	651	849
Purchased Services	1,250	1,250	626	624
Total Animal Control	87,593	87,593	85,351	2,242
Total Police	5,417,535	5,447,535	5,135,135	312,400
Fire:				
Hydrants:				
Salaries and Wages	16,000	16,000	11,539	4,461
Fringe Benefits	2,472	2,472	1,783	689
Contractual Services	1,000	1,000	0	1,000
Materials and Supplies	3,500	3,500	703	2,797
Purchased Services	500	500	0	500
Total Fire	23,472	23,472	14,025	9,447
Total Public Safety	\$5,441,007	\$5,471,007	\$5,149,160	\$321,847

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Health and Social Services:				
Board of Health:				
Contractual Services	\$64,729	\$64,729	\$64,729	\$0
Cemetery:				
Salaries and Wages	104,177	104,177	94,837	9,340
Fringe Benefits	24,369	24,369	22,939	1,430
Materials and Supplies	9,000	8,900	6,232	2,668
Other	1,000	1,100	1,100	0
Total Cemetery	138,546	138,546	125,108	13,438
Human Services Department:				
Salaries and Wages	385,820	385,820	373,812	12,008
Fringe Benefits	139,896	139,896	124,565	15,331
Contractual Services	37,030	37,030	34,871	2,159
Materials and Supplies	100,714	100,714	72,625	28,089
Purchased Services	272,800	270,104	230,306	39,798
Other	32,753	35,449	31,336	4,113
Total Human Services Department	969,013	969,013	867,515	101,498
Total Public Health and Social Services	1,172,288	1,172,288	1,057,352	114,936
Street Construction, Maintenance, and Repair:				
Street Repairs and Maintenance:				
Salaries and Wages	880,207	913,763	879,475	34,288
Fringe Benefits	389,285	398,215	398,215	0
Materials and Supplies	18,343	19,343	16,441	2,902
Total Street Repairs and Maintenance	1,287,835	1,331,321	1,294,131	37,190
Vehicle Maintenance:				
Salaries and Wages	382,531	391,031	389,862	1,169
Fringe Benefits	149,677	150,990	150,894	96
Materials and Supplies	37,503	37,503	33,650	3,853
Purchased Services	141,500	142,227	137,996	4,231
Total Vehicle Maintenance	711,211	721,751	712,402	9,349
Snow and Ice Removal:				
Salaries and Wages	177,500	177,500	126,648	50,852
Fringe Benefits	27,424	27,424	19,547	7,877
Contractual Services	43,850	43,850	20,000	23,850
Materials and Supplies	33,424	33,424	15,329	18,095
Total Snow and Ice Removal	282,198	282,198	181,524	100,674
Total Street Construction, Maintenance and Repair	2,281,244	2,335,270	2,188,057	147,213
Housing and Community Development:				
Housing and Building Inspection:				
Salaries and Wages	438,267	438,267	409,646	28,621
Fringe Benefits	165,804	165,804	150,183	15,621
Contractual Services	17,500	17,500	13,784	3,716
Materials and Supplies	13,000	13,000	2,041	10,959
Purchased Services	9,119	9,119	6,017	3,102
Other	5,000	5,000	298	4,702
Total Housing and Building Inspection	\$648,690	\$648,690	\$581,969	\$66,721

(continued)

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Board of Zoning Appeals:				
Contractual Services	\$5,000	\$5,000	\$1,867	\$3,133
Planning Commission:				
Salaries and Wages	2,040	2,040	1,175	865
Fringe Benefits	316	316	181	135
Contractual Services	7,000	7,000	473	6,527
Total Planning Commission	9,356	9,356	1,829	7,527
Urban Forestry:				
Salaries and Wages	265,772	270,572	253,671	16,901
Fringe Benefits	95,674	98,416	95,315	3,101
Contractual Services	21,500	31,500	24,745	6,755
Materials and Supplies	44,500	44,500	34,869	9,631
Purchased Services	10,000	10,000	9,244	756
Total Urban Forestry	437,446	454,988	417,844	37,144
Total Housing and Community Development	1,100,492	1,118,034	1,003,509	114,525
Basic Utility Services:				
Service Department:				
Salaries and Wages	304,301	312,801	309,628	3,173
Fringe Benefits	126,354	130,767	127,698	3,069
Contractual Services	1,250	1,250	1,156	94
Materials and Supplies	15,242	15,242	9,321	5,921
Purchased Services	9,200	9,200	4,608	4,592
Capital Outlay	106,427	106,427	106,427	0
Total Service Department	562,774	575,687	558,838	16,849
Solid Waste and Recycling:				
Salaries and Wages	504,011	504,011	467,631	36,380
Fringe Benefits	158,626	158,626	153,094	5,532
Contractual Services	463,168	473,168	439,951	33,217
Materials and Supplies	4,067	3,804	1,362	2,442
Purchased Services	50,562	52,880	52,880	0
Total Solid Waste and Recycling	1,180,434	1,192,489	1,114,918	77,571
Storm Sewers and Drains:				
Salaries and Wages	63,500	70,600	63,712	6,888
Fringe Benefits	9,811	10,908	9,829	1,079
Materials and Supplies	7,500	6,471	2,064	4,407
Purchased Services	9,000	9,029	9,029	0
Total Storm Sewers and Drains	89,811	97,008	84,634	12,374
Total Basic Utility Services	1,833,019	1,865,184	1,758,390	106,794
<i>Total Expenditures</i>	20,648,375	20,724,071	19,389,223	1,334,848
<i>Excess of Revenues Over (Under) Expenditures</i>	(\$36,968)	\$925,279	\$4,237,452	\$3,312,173

(continued)

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Other Financing Sources (Uses)				
Sale of Capital Assets	\$10,000	\$10,000	\$2,013	(\$7,987)
Advance In	750,000	750,000	750,000	0
Advances Out	0	(750,000)	(750,000)	0
Transfers Out	(2,373,404)	(2,367,650)	(2,367,650)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,613,404)</u>	<u>(2,357,650)</u>	<u>(2,365,637)</u>	<u>(7,987)</u>
<i>Net Change in Fund Balance</i>	(1,650,372)	(1,432,371)	1,871,815	3,304,186
<i>Fund Balance Beginning of Year - Restated (See Note 3)</i>	6,006,983	6,006,983	6,006,983	0
Prior Year Encumbrances Appropriated	<u>1,793,357</u>	<u>1,793,357</u>	<u>1,793,357</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$6,149,968</u></u>	<u><u>\$6,367,969</u></u>	<u><u>\$9,672,155</u></u>	<u><u>\$3,304,186</u></u>

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$1,966,569	\$1,966,569	\$2,032,677	\$66,108
Intergovernmental	271,169	271,169	254,504	(16,665)
Interest	10,000	10,000	18,442	8,442
Donations	50	50	10,200	10,150
Miscellaneous	6,655	6,655	36,513	29,858
<i>Total Revenues</i>	<u>2,254,443</u>	<u>2,254,443</u>	<u>2,352,336</u>	<u>97,893</u>
Expenditures				
Current:				
Public Safety:				
Fire:				
Salaries and Wages	1,846,744	1,846,744	1,769,918	76,826
Fringe Benefits	737,005	737,005	707,157	29,848
Contractual Services	19,615	19,615	18,206	1,409
Materials and Supplies	56,854	56,854	40,969	15,885
Purchased Services	118,800	118,800	100,621	18,179
<i>Total Expenditures</i>	<u>2,779,018</u>	<u>2,779,018</u>	<u>2,636,871</u>	<u>142,147</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(524,575)</u>	<u>(524,575)</u>	<u>(284,535)</u>	<u>240,040</u>
Other Financing Sources				
Sale of Capital Assets	500	500	6,692	6,192
Transfers In	550,000	550,000	550,000	0
<i>Total Other Financing Sources</i>	<u>550,500</u>	<u>550,500</u>	<u>556,692</u>	<u>6,192</u>
<i>Net Change in Fund Balance</i>	25,925	25,925	272,157	246,232
<i>Fund Balance Beginning of Year</i>	281,849	281,849	281,849	0
Prior Year Encumbrances Appropriated	8,619	8,619	8,619	0
<i>Fund Balance End of Year</i>	<u>\$316,393</u>	<u>\$316,393</u>	<u>\$562,625</u>	<u>\$246,232</u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	\$420,000	\$420,000	\$421,239	\$1,239
Expenditures				
Debt Service:				
Principal Retirement	400,000	400,000	400,000	0
Interest and Fiscal Charges	93,480	83,480	82,659	821
<i>Total Expenditures</i>	493,480	483,480	482,659	821
<i>Net Change in Fund Balance</i>	(73,480)	(63,480)	(61,420)	2,060
<i>Fund Balance Beginning of Year</i>	122,083	122,083	122,083	0
<i>Fund Balance End of Year</i>	\$48,603	\$58,603	\$60,663	\$2,060

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Municipal Improvement Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special Assessments	\$12,600	\$13,100	\$12,726	(\$374)
Interest	20,000	20,000	33,774	13,774
Miscellaneous	861,000	861,000	281,413	(579,587)
<i>Total Revenues</i>	<u>893,600</u>	<u>894,100</u>	<u>327,913</u>	<u>(566,187)</u>
Expenditures				
Capital Outlay:				
Purchased Services	0	500	126	374
Capital Outlay	4,296,138	4,109,638	2,064,947	2,044,691
Total Capital Outlay	<u>4,296,138</u>	<u>4,110,138</u>	<u>2,065,073</u>	<u>2,045,065</u>
Debt Service:				
Principal Retirement	2,000,000	2,000,000	2,000,000	0
Interest and Fiscal Charges	55,000	55,000	55,000	0
Total Debt Service	<u>2,055,000</u>	<u>2,055,000</u>	<u>2,055,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>6,351,138</u>	<u>6,165,138</u>	<u>4,120,073</u>	<u>2,045,065</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(5,457,538)</u>	<u>(5,271,038)</u>	<u>(3,792,160)</u>	<u>1,478,878</u>
Other Financing Sources (Uses)				
Bond Anticipation Notes Issued	4,550,000	4,050,000	2,550,000	(1,500,000)
Advances In	750,000	750,000	1,250,000	500,000
Transfers Out	(326,768)	(326,768)	(326,768)	0
<i>Total Other Financing Sources (Uses)</i>	<u>4,973,232</u>	<u>4,473,232</u>	<u>3,473,232</u>	<u>(1,000,000)</u>
<i>Net Change in Fund Balance</i>	(484,306)	(797,806)	(318,928)	478,878
<i>Fund Balance Beginning of Year</i>	561,639	561,639	561,639	0
Prior Year Encumbrances Appropriated	<u>555,538</u>	<u>555,538</u>	<u>555,538</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$632,871</u></u>	<u><u>\$319,371</u></u>	<u><u>\$798,249</u></u>	<u><u>\$478,878</u></u>

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	\$1,700,000	\$1,700,000	\$1,700,004	\$4
Intergovernmental	0	62,376	0	(62,376)
Interest	7,500	7,500	14,034	6,534
Miscellaneous	1,000	1,000	4,500	3,500
<i>Total Revenues</i>	1,708,500	1,770,876	1,718,538	(52,338)
Expenditures				
Capital Outlay:				
Capital Outlay	532,572	356,732	162,136	194,596
<i>Excess of Revenues Over Expenditures</i>	1,175,928	1,414,144	1,556,402	142,258
Other Financing Uses				
Advances Out	0	(318,000)	(318,000)	0
Transfers Out	(1,200,000)	(930,000)	(930,000)	0
<i>Total Other Financing Uses</i>	(1,200,000)	(1,248,000)	(1,248,000)	0
<i>Net Change in Fund Balance</i>	(24,072)	166,144	308,402	142,258
<i>Fund Balance Beginning of Year</i>	581,215	581,215	581,215	0
Prior Year Encumbrances Appropriated	22,572	22,572	22,572	0
<i>Fund Balance End of Year</i>	<u>\$579,715</u>	<u>\$769,931</u>	<u>\$912,189</u>	<u>\$142,258</u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$360,000	\$360,000	\$360,000	\$0
Interest	5,000	5,000	6,680	1,680
<i>Total Revenues</i>	365,000	365,000	366,680	1,680
Expenditures				
Capital Outlay:				
Road Repaving:				
Purchased Services	390,000	390,000	315,688	74,312
<i>Net Change in Fund Balance</i>	(25,000)	(25,000)	50,992	75,992
<i>Fund Balance Beginning of Year</i>	196,656	196,656	196,656	0
Prior Year Encumbrances Appropriated	10,000	10,000	10,000	0
<i>Fund Balance End of Year</i>	<u>\$181,656</u>	<u>\$181,656</u>	<u>\$257,648</u>	<u>\$75,992</u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Facilities Expansion Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$20,000	\$20,000	\$111,242	\$91,242
Miscellaneous	0	0	28,758	28,758
<i>Total Revenues</i>	\$20,000	\$20,000	\$140,000	\$120,000
Expenditures				
Capital Outlay:				
Capital Outlay	7,765,656	9,341,639	9,075,916	265,723
<i>Excess of Revenues Under Expenditures</i>	(7,745,656)	(9,321,639)	(8,935,916)	385,723
Other Financing Sources (Uses)				
General Obligation Bonds Issued	6,500,000	6,500,000	6,500,000	0
Bond Anticipation Notes Issued	0	750,000	0	(750,000)
Advances In	0	1,068,000	1,068,000	0
Transfers In	673,404	667,650	667,650	0
Transfers Out	(460,000)	(230,000)	(230,000)	0
<i>Total Other Financing Sources (Uses)</i>	6,713,404	8,755,650	8,005,650	(750,000)
<i>Net Change in Fund Balance</i>	(1,032,252)	(565,989)	(930,266)	(364,277)
<i>Fund Balance Beginning of Year</i>	1,462,020	1,462,020	1,462,020	0
Prior Year Encumbrances Appropriated	115,656	115,656	115,656	0
<i>Fund Balance End of Year</i>	<u>\$545,424</u>	<u>\$1,011,687</u>	<u>\$647,410</u>	<u>(\$364,277)</u>

City of Brecksville, 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, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$36,000	\$36,000	\$36,409	\$409
Interest	400	400	907	507
<i>Total Revenues</i>	36,400	36,400	37,316	916
Expenditures				
Current:				
Street Construction, Maintenance, and Repair:				
Street Repair and Maintenance:				
Capital Outlay	40,000	40,000	37,500	2,500
<i>Net Change in Fund Balance</i>	(3,600)	(3,600)	(184)	3,416
<i>Fund Balance Beginning of Year</i>	28,750	28,750	28,750	0
<i>Fund Balance End of Year</i>	<u>\$25,150</u>	<u>\$25,150</u>	<u>\$28,566</u>	<u>\$3,416</u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Repair and Maintenance Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$580,000	\$580,000	\$686,990	\$106,990
Interest	2,500	2,500	5,198	2,698
Other	0	0	120,228	120,228
<i>Total Revenues</i>	582,500	582,500	812,416	229,916
Expenditures				
Current:				
Street Construction, Maintenance, and Repair:				
Snow and Ice Removal:				
Purchased Services	681,663	681,663	607,361	74,302
<i>Net Change in Fund Balance</i>	(99,163)	(99,163)	205,055	304,218
<i>Fund Balance Beginning of Year</i>	276,805	276,805	276,805	0
Prior Year Encumbrances Appropriated	21,663	21,663	21,663	0
<i>Fund Balance End of Year</i>	<u>\$199,305</u>	<u>\$199,305</u>	<u>\$503,523</u>	<u>\$304,218</u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$46,000	\$46,000	\$55,701	\$9,701
Interest	1,000	1,000	3,230	2,230
<i>Total Revenues</i>	47,000	47,000	58,931	11,931
Expenditures				
Current:				
Street Construction, Maintenance, and Repair:				
Route 21 Center Strip:				
Purchased Services	60,000	60,000	60,000	0
<i>Net Change in Fund Balance</i>	(13,000)	(13,000)	(1,069)	11,931
<i>Fund Balance Beginning of Year</i>	122,733	122,733	122,733	0
<i>Fund Balance End of Year</i>	<u>\$109,733</u>	<u>\$109,733</u>	<u>\$121,664</u>	<u>\$11,931</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Center Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$954,700	\$954,700	\$943,044	(\$11,656)
Licenses and Permits	0	0	12,465	12,465
Interest	5,000	5,000	10,478	5,478
Donations	6,000	6,000	12,323	6,323
Rentals	62,400	62,400	59,294	(3,106)
Miscellaneous	22,993	22,993	39,449	16,456
<i>Total Revenues</i>	<u>1,051,093</u>	<u>1,051,093</u>	<u>1,077,053</u>	<u>25,960</u>
Expenditures				
Current:				
Recreational Activities:				
Community Center:				
Salaries and Wages	1,047,717	1,047,717	961,980	85,737
Fringe Benefits	377,385	377,385	330,437	46,948
Contractual Services	208,676	218,676	203,422	15,254
Materials and Supplies	135,640	132,040	99,937	32,103
Purchased Services	365,371	359,054	267,107	91,947
Capital Outlay	46,000	46,000	34,303	11,697
Other	40,750	45,667	45,667	0
<i>Total Expenditures</i>	<u>2,221,539</u>	<u>2,226,539</u>	<u>1,942,853</u>	<u>283,686</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,170,446)</u>	<u>(1,175,446)</u>	<u>(865,800)</u>	<u>309,646</u>
Other Financing Sources				
Sale of Capital Assets	0	0	1,322	1,322
Transfers In	900,000	900,000	900,000	0
<i>Total Other Financing Sources</i>	<u>900,000</u>	<u>900,000</u>	<u>901,322</u>	<u>1,322</u>
<i>Net Change in Fund Balance</i>	<u>(270,446)</u>	<u>(275,446)</u>	<u>35,522</u>	<u>310,968</u>
<i>Fund Balance Beginning of Year - Restated (See Note 3)</i>	352,707	352,707	352,707	0
Prior Year Encumbrances Appropriated	8,470	8,470	8,470	0
<i>Fund Balance End of Year</i>	<u>\$90,731</u>	<u>\$85,731</u>	<u>\$396,699</u>	<u>\$310,968</u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Road Maintenance Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$578,403	\$578,403	\$597,844	\$19,441
Intergovernmental	78,873	78,873	74,039	(4,834)
Interest	5,000	5,000	9,864	4,864
Miscellaneous	31,898	31,898	0	(31,898)
<i>Total Revenues</i>	<u>694,174</u>	<u>694,174</u>	<u>681,747</u>	<u>(12,427)</u>
Expenditures				
Current:				
Street Construction, Maintenance, and Repair:				
Street Repair and Maintenance:				
Contractual Services	500	500	0	500
Capital Outlay	600,000	600,000	580,255	19,745
<i>Total Expenditures</i>	<u>600,500</u>	<u>600,500</u>	<u>580,255</u>	<u>20,245</u>
<i>Net Change in Fund Balance</i>	93,674	93,674	101,492	7,818
<i>Fund Balance Beginning of Year</i>	<u>171,301</u>	<u>171,301</u>	<u>171,301</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$264,975</u></u>	<u><u>\$264,975</u></u>	<u><u>\$272,793</u></u>	<u><u>\$7,818</u></u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Equitable Sharing Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$300	\$300	\$425	\$125
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Federal Equitable Sharing				
Materials and Supplies	10,000	1,000	796	204
<i>Net Change in Fund Balance</i>	(9,700)	(700)	(371)	329
<i>Fund Balance Beginning of Year</i>	18,603	18,603	18,603	0
<i>Fund Balance End of Year</i>	<u>\$8,903</u>	<u>\$17,903</u>	<u>\$18,232</u>	<u>\$329</u>

City of Brecksville, 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, 2019*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines and Forfeitures	\$1,500	\$1,500	\$560	(\$940)
Intergovernmental	2,400	2,400	2,000	(400)
Interest	430	430	713	283
<i>Total Revenues</i>	<u>4,330</u>	<u>4,330</u>	<u>3,273</u>	<u>(1,057)</u>
Expenditures				
Current:				
Public Safety:				
Police:				
Salaries and Wages	2,000	1,680	1,676	4
Fringe Benefits	330	650	650	0
Materials and Supplies	18,500	0	0	0
Purchased Services	4,745	4,745	1,712	3,033
<i>Total Expenditures</i>	<u>25,575</u>	<u>7,075</u>	<u>4,038</u>	<u>3,037</u>
<i>Net Change in Fund Balance</i>	(21,245)	(2,745)	(765)	1,980
<i>Fund Balance Beginning of Year</i>	31,123	31,123	31,123	0
Prior Year Encumbrances Appropriated	170	170	170	0
<i>Fund Balance End of Year</i>	<u>\$10,048</u>	<u>\$28,548</u>	<u>\$30,528</u>	<u>\$1,980</u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Computerization Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines and Forfeitures	\$12,000	\$12,000	\$10,692	(\$1,308)
Interest	2,000	2,000	3,317	1,317
<i>Total Revenues</i>	<u>14,000</u>	<u>14,000</u>	<u>14,009</u>	<u>9</u>
Expenditures				
Current:				
General Government:				
Judicial System:				
Court Computerization:				
Materials and Supplies	5,000	7,500	7,500	0
Purchased Services	5,000	2,500	300	2,200
<i>Total Expenditures</i>	<u>10,000</u>	<u>10,000</u>	<u>7,800</u>	<u>2,200</u>
<i>Net Change in Fund Balance</i>	4,000	4,000	6,209	2,209
<i>Fund Balance Beginning of Year</i>	<u>137,454</u>	<u>137,454</u>	<u>137,454</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$141,454</u>	<u>\$141,454</u>	<u>\$143,663</u>	<u>\$2,209</u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Natureworks Grants Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	950	950	950	0
<i>Fund Balance End of Year</i>	<u>\$950</u>	<u>\$950</u>	<u>\$950</u>	<u>\$0</u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recycling Demo Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$5,000	\$5,000	\$2,667	(\$2,333)
Interest	25	25	117	92
<i>Total Revenues</i>	5,025	5,025	2,784	(2,241)
Expenditures				
Current:				
Basic Utility Services:				
Rubbish Recycling:				
Materials and Supplies	5,000	5,000	2,667	2,333
<i>Net Change in Fund Balance</i>	25	25	117	92
<i>Fund Balance Beginning of Year</i>	5,930	5,930	5,930	0
<i>Fund Balance End of Year</i>	<u>\$5,955</u>	<u>\$5,955</u>	<u>\$6,047</u>	<u>\$92</u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Licenses and Permits	\$15,000	\$15,000	\$9,900	(\$5,100)
Expenditures				
Current:				
Housing and Community Development:				
Tree Planning:				
Contractual Services	15,000	15,000	0	15,000
Materials and Supplies	20,000	20,000	13,595	6,405
<i>Total Expenditures</i>	<u>35,000</u>	<u>35,000</u>	<u>13,595</u>	<u>21,405</u>
<i>Net Change in Fund Balance</i>	(20,000)	(20,000)	(3,695)	16,305
<i>Fund Balance Beginning of Year</i>	<u>104,916</u>	<u>104,916</u>	<u>104,916</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$84,916</u></u>	<u><u>\$84,916</u></u>	<u><u>\$101,221</u></u>	<u><u>\$16,305</u></u>

City of Brecksville, 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, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$5,000	\$5,000	\$3,314	(\$1,686)
Interest	1,500	1,500	1,820	320
<i>Total Revenues</i>	6,500	6,500	5,134	(1,366)
Expenditures				
Current:				
Public Safety:				
Police:				
Purchased Services	5,000	5,000	0	5,000
<i>Net Change in Fund Balance</i>	1,500	1,500	5,134	3,634
<i>Fund Balance Beginning of Year</i>	75,816	75,816	75,816	0
<i>Fund Balance End of Year</i>	<u>\$77,316</u>	<u>\$77,316</u>	<u>\$80,950</u>	<u>\$3,634</u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Mandatory Drug Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$0	\$0	\$240	\$240
Interest	500	500	958	458
<i>Total Revenues</i>	500	500	1,198	698
Expenditures				
Current:				
Public Safety:				
Police:				
Materials and Supplies	30,000	0	0	0
<i>Net Change in Fund Balance</i>	(29,500)	500	1,198	698
<i>Fund Balance Beginning of Year</i>	40,364	40,364	40,364	0
<i>Fund Balance End of Year</i>	<u>\$10,864</u>	<u>\$40,864</u>	<u>\$41,562</u>	<u>\$698</u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$173,521	\$173,521	\$179,346	\$5,825
Intergovernmental	23,662	23,662	22,211	(1,451)
<i>Total Revenues</i>	<u>197,183</u>	<u>197,183</u>	<u>201,557</u>	<u>4,374</u>
Expenditures				
Current:				
Public Safety:				
Police:				
Fringe Benefits	145,000	145,000	145,000	0
Contractual Services	300	300	0	300
<i>Total Expenditures</i>	<u>145,300</u>	<u>145,300</u>	<u>145,000</u>	<u>300</u>
<i>Net Change in Fund Balance</i>	51,883	51,883	56,557	4,674
<i>Fund Balance Beginning of Year</i>	<u>330,660</u>	<u>330,660</u>	<u>330,660</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$382,543</u></u>	<u><u>\$382,543</u></u>	<u><u>\$387,217</u></u>	<u><u>\$4,674</u></u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Peace Officer Training Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$5,000	\$5,000	\$0	(\$5,000)
Expenditures				
Current:				
Public Safety:				
Police:				
Purchased Services	12,800	16,600	6,415	10,185
<i>Net Change in Fund Balance</i>	(7,800)	(11,600)	(6,415)	5,185
<i>Fund Balance Beginning of Year</i>	13,678	13,678	13,678	0
Prior Year Encumbrances Appropriated	3,800	3,800	3,800	0
<i>Fund Balance End of Year</i>	<u>\$9,678</u>	<u>\$5,878</u>	<u>\$11,063</u>	<u>\$5,185</u>

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Debt Service:				
Principal Retirement	810,000	830,000	830,000	0
Interest and Fiscal Charges	924,076	490,353	490,353	0
Bond Issuance Costs	200,000	199,999	169,490	30,509
<i>Total Expenditures</i>	1,934,076	1,520,352	1,489,843	30,509
<i>Excess of Revenues Under Expenditures</i>	(1,934,076)	(1,520,352)	(1,489,843)	30,509
Other Financing Sources				
Premium on Bond Anticipation Notes Issued	0	0	643,356	643,356
Transfers In	1,950,000	1,450,000	1,450,000	0
<i>Total Other Financing Sources</i>	1,950,000	1,450,000	2,093,356	643,356
<i>Net Change in Fund Balance</i>	15,924	(70,352)	603,513	673,865
<i>Fund Balance Beginning of Year</i>	236,119	236,119	236,119	0
<i>Fund Balance End of Year</i>	\$252,043	\$165,767	\$839,632	\$673,865

City of Brecksville, 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, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$4,000	\$4,000	\$5,848	\$1,848
Expenditures				
Capital Outlay:				
Contractual Services	5,000	5,000	0	5,000
Debt Service:				
Principal Retirement	36,767	36,767	36,767	0
<i>Total Expenditures</i>	<u>41,767</u>	<u>41,767</u>	<u>36,767</u>	<u>5,000</u>
<i>Excess of Revenues Under Expenditures</i>	(37,767)	(37,767)	(30,919)	6,848
Other Financing Sources				
Transfers In	36,768	36,768	36,768	0
<i>Net Change in Fund Balance</i>	(999)	(999)	5,849	6,848
<i>Fund Balance Beginning of Year</i>	<u>225,915</u>	<u>225,915</u>	<u>225,915</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$224,916</u></u>	<u><u>\$224,916</u></u>	<u><u>\$231,764</u></u>	<u><u>\$6,848</u></u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and Permits	\$65,000	\$65,000	\$72,875	\$7,875
Interest	1,000	1,000	2,321	1,321
<i>Total Revenues</i>	<u>66,000</u>	<u>66,000</u>	<u>75,196</u>	<u>9,196</u>
Expenditures				
Capital Outlay:				
Materials and Supplies	10,000	10,000	9,705	295
Capital Outlay	68,564	100,564	100,564	0
Other	500	500	474	26
<i>Total Expenditures</i>	<u>79,064</u>	<u>111,064</u>	<u>110,743</u>	<u>321</u>
<i>Net Change in Fund Balance</i>	(13,064)	(45,064)	(35,547)	9,517
<i>Fund Balance Beginning of Year</i>	68,793	68,793	68,793	0
Prior Year Encumbrances Appropriated	564	564	564	0
<i>Fund Balance End of Year</i>	<u><u>\$56,293</u></u>	<u><u>\$24,293</u></u>	<u><u>\$33,810</u></u>	<u><u>\$9,517</u></u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Utility Improvement Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Licenses and Permits	\$143,500	\$143,500	\$109,170	(\$34,330)
Interest	1,500	1,500	4,169	2,669
Miscellaneous	0	0	10,500	10,500
<i>Total Revenues</i>	<u>145,000</u>	<u>145,000</u>	<u>123,839</u>	<u>(21,161)</u>
Expenditures				
Capital Outlay:				
Contractual Services	49,000	49,000	11,775	37,225
Other	2,000	2,000	0	2,000
<i>Total Expenditures</i>	<u>51,000</u>	<u>51,000</u>	<u>11,775</u>	<u>39,225</u>
<i>Net Change in Fund Balance</i>	94,000	94,000	112,064	18,064
<i>Fund Balance Beginning of Year</i>	544,453	544,453	544,453	0
Prior Year Encumbrances Appropriated	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$643,453</u></u>	<u><u>\$643,453</u></u>	<u><u>\$661,517</u></u>	<u><u>\$18,064</u></u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Ambulance Capital Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$260,000	\$260,000	\$316,207	\$56,207
Intergovernmental	100,000	100,000	96,973	(3,027)
Interest	10,000	10,000	14,958	4,958
<i>Total Revenues</i>	<u>370,000</u>	<u>370,000</u>	<u>428,138</u>	<u>58,138</u>
Expenditures				
Capital Outlay:				
Contractual Services	30,000	30,000	24,300	5,700
Capital Outlay	150,404	260,404	144,784	115,620
<i>Total Expenditures</i>	<u>180,404</u>	<u>290,404</u>	<u>169,084</u>	<u>121,320</u>
<i>Net Change in Fund Balance</i>	189,596	79,596	259,054	179,458
<i>Fund Balance Beginning of Year</i>	506,412	506,412	506,412	0
Prior Year Encumbrances Appropriated	11,404	11,404	11,404	0
<i>Fund Balance End of Year</i>	<u><u>\$707,412</u></u>	<u><u>\$597,412</u></u>	<u><u>\$776,870</u></u>	<u><u>\$179,458</u></u>

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$0	\$26,452	\$28,552	\$2,100
Expenditures				
Capital Outlay:				
Capital Outlay	1,965,332	2,146,792	2,142,117	4,675
Debt Service:				
Principal Retirement	500,000	500,000	500,000	0
Interest and Fiscal Charges	13,750	13,750	13,750	0
<i>Total Expenditures</i>	<u>2,479,082</u>	<u>2,660,542</u>	<u>2,655,867</u>	<u>4,675</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,479,082)</u>	<u>(2,634,090)</u>	<u>(2,627,315)</u>	<u>6,775</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	2,000,000	2,000,000	2,000,000	0
Bond Anticipation Notes Issued	250,000	250,000	250,000	0
Advances Out	(2,000,000)	(2,000,000)	(2,000,000)	0
Transfers In	250,000	250,000	250,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,979,082)</u>	<u>(2,134,090)</u>	<u>(2,127,315)</u>	<u>6,775</u>
<i>Fund Balance Beginning of Year</i>	330,679	330,679	330,679	0
Prior Year Encumbrances Appropriated	1,965,332	1,965,332	1,965,332	0
<i>Fund Balance End of Year</i>	<u>\$316,929</u>	<u>\$161,921</u>	<u>\$168,696</u>	<u>\$6,775</u>

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$20,000	\$20,000	\$37,226	\$17,226
Miscellaneous	121,500	121,500	125,343	3,843
<i>Total Revenues</i>	141,500	141,500	162,569	21,069
Expenses				
Purchased Services	12,000	12,000	4,277	7,723
Claims	330,000	330,000	155,599	174,401
<i>Total Expenses</i>	342,000	342,000	159,876	182,124
<i>Net Change in Fund Equity</i>	(200,500)	(200,500)	2,693	203,193
<i>Fund Equity Beginning of Year</i>	1,549,082	1,549,082	1,549,082	0
<i>Fund Equity End of Year</i>	<u>\$1,348,582</u>	<u>\$1,348,582</u>	<u>\$1,551,775</u>	<u>\$203,193</u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Cemetery Endowment Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$50	\$50	\$77	\$27
Expenses				
Other	100	100	0	100
<i>Net Change in Fund Equity</i>	(50)	(50)	77	127
<i>Fund Equity Beginning of Year</i>	3,244	3,244	3,244	0
<i>Fund Equity End of Year</i>	\$3,194	\$3,194	\$3,321	\$127

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Statistical Section

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

Contents	Pages(s)
<i>Financial Trends</i>	<i>S2 – S11</i>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	<i>S12 – S20</i>
These schedules contain information to help the reader assess the City's most significant local revenue, the property tax and the municipal income tax.	
<i>Debt Capacity</i>	<i>S21 – S25</i>
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.	
<i>Demographic and Economic Information</i>	<i>S26 – S31</i>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<i>Operating Information</i>	<i>S32 – S35</i>
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 Comprehensive Annual Financial Reports for the relevant year.

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

	2019	2018	2017 (2)	2016
Governmental Activities				
Net Investment in Capital Assets	\$78,994,183	\$78,737,049	\$65,981,738	\$73,353,987
Restricted:				
Capital Projects	231,764	1,110,602	7,843,753	590,944
Debt Service	2,023,439	2,479,039	2,771,399	3,474,178
Community Center	N/A	N/A	N/A	N/A
Court Computerization	143,943	137,454	174,606	163,287
Fire Department	466,590	209,281	254,211	226,751
Police Department	579,771	521,130	509,726	549,496
Road Maintenance	393,517	220,836	174,144	234,283
Street Construction, Maintenance, and Repair	1,147,848	806,269	700,642	639,465
Other Purposes	120,909	124,487	122,269	172,873
Unrestricted (Deficit)	(3,262,106)	(13,354,556)	(7,158,140)	3,808,154
<i>Total Governmental Activities Net Position</i>	<u>\$80,839,858</u>	<u>\$70,991,591</u>	<u>\$71,374,348</u>	<u>\$83,213,418</u>

(1) The City reported the impact of GASB Statement No. 68 beginning in 2014.

(2) The City reported the impact of GASB Statement No. 75 beginning in 2017.

2015	2014 (1)	2013	2012	2011	2010
\$69,946,323	\$74,133,853	\$72,417,114	\$70,119,261	\$66,408,438	\$65,615,699
900,027	1,420,845	329,701	232,792	3,045,641	801,922
3,973,179	4,415,231	4,805,954	4,901,981	5,840,447	5,713,451
N/A	N/A	146,894	N/A	N/A	N/A
150,372	242,043	235,719	N/A	N/A	N/A
148,663	177,816	238,486	99,629	311,661	424,696
524,703	480,237	410,660	N/A	N/A	N/A
218,201	245,463	215,326	345,691	137,076	402,803
731,322	872,497	1,015,590	853,116	725,291	825,033
176,243	159,198	37,646	860,505	1,309,947	788,783
2,295,237	654,223	16,694,528	15,190,625	9,915,091	10,215,534
<u>\$79,064,270</u>	<u>\$82,801,406</u>	<u>\$96,547,618</u>	<u>\$92,603,600</u>	<u>\$87,693,592</u>	<u>\$84,787,921</u>

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

	2019	2018	2017	2016
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government:				
Legislative and Executive	\$551,325	\$354,788	\$276,352	\$344,701
Judicial System	240,670	19,135	16,699	19,564
Public Safety:				
Police	7,885	266,786	227,076	227,804
Fire	310,041	285,673	291,958	291,535
Public Health and Social Services	80,350	52,722	46,885	49,812
Street Construction, Maintenance, and Repair	6,391	106,521	91,515	100,066
Housing and Community Development	202,895	71,849	52,589	63,540
Basic Utility Services	136,565	255,642	174,702	171,080
Recreational Activities	1,079,178	1,064,322	1,079,413	1,150,592
Subtotal - Charges for Services	<u>2,615,300</u>	<u>2,477,438</u>	<u>2,257,189</u>	<u>2,418,694</u>
Operating Grants and Contributions:				
General Government:				
Legislative and Executive	650	4,171	5,030	3,834
Judicial System	0	94	105	81
Public Safety:				
Police	38,606	26,125	44,717	27,355
Fire	276,465	228,981	228,960	230,305
Public Health and Social Services	18,694	726	826	606
Street Construction, Maintenance, and Repair	985,832	726,372	745,911	749,205
Housing and Community Development	0	641	25,643	525
Basic Utility Services	2,667	6,158	4,737	30,886
Recreational Activities	12,323	9,474	10,402	10,844
Subtotal - Operating Grants and Contributions	<u>1,335,237</u>	<u>1,002,742</u>	<u>1,066,331</u>	<u>1,053,641</u>
Capital Grants and Contributions:				
General Government				
Legislative and Executive	0	4,450,772	0	0
Public Safety:				
Fire	0	114,636	224,133	0
Public Health and Social Services	0	1,079	0	0
Street Construction, Maintenance, and Repair	0	229,787	1,259,818	0
Basic Utility Services	1,287,054	96,438	110,805	1,271,409
Recreational Activities	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>1,287,054</u>	<u>4,892,712</u>	<u>1,594,756</u>	<u>1,271,409</u>
<i>Total Governmental Program Revenues</i>	<u>\$5,237,591</u>	<u>\$8,372,892</u>	<u>\$4,918,276</u>	<u>\$4,743,744</u>

2015	2014	2013	2012	2011	2010
\$359,173	\$354,858	\$840,125	\$2,299,783	\$279,495	\$286,925
17,080	18,808	20,172	20,671	20,697	25,697
206,834	333,532	211,069	226,459	203,272	217,057
284,088	234,018	250,218	279,871	242,973	240,339
46,217	44,774	39,658	43,699	28,694	56,109
93,240	95,899	94,951	91,811	95,030	91,510
55,154	43,901	37,370	46,690	42,223	54,910
130,548	117,458	106,846	237,193	98,226	125,501
995,080	994,881	945,844	1,111,284	990,728	979,197
<u>2,187,414</u>	<u>2,238,129</u>	<u>2,546,253</u>	<u>4,357,461</u>	<u>2,001,338</u>	<u>2,077,245</u>
5,988	200,435	10,319	1,536	840	1,675
115	1,737	1,327	1,911	20	54
32,454	29,374	32,227	24,616	27,905	36,852
228,841	244,241	231,789	248,914	275,546	394,314
941	727	1,604	239	91	345
763,645	805,157	1,067,022	735,099	750,313	792,508
791	25,154	8,917	6,474	18,878	253
5,771	6,571	8,198	4,521	678	3,939
4,940	14,615	6,557	6,782	3,985	3,615
<u>1,043,486</u>	<u>1,328,011</u>	<u>1,367,960</u>	<u>1,030,092</u>	<u>1,078,256</u>	<u>1,233,555</u>
0	4,740	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
2,194,237	1,682,114	735,758	1,302,454	279,119	1,081,781
13,500	0	0	0	0	295,000
<u>2,207,737</u>	<u>1,686,854</u>	<u>735,758</u>	<u>1,302,454</u>	<u>279,119</u>	<u>1,376,781</u>
<u>\$5,438,637</u>	<u>\$5,252,994</u>	<u>\$4,649,971</u>	<u>\$6,690,007</u>	<u>\$3,358,713</u>	<u>\$4,687,581</u>

(continued)

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

	2019	2018	2017	2016
Expenses				
Governmental Activities:				
General Government:				
Legislative and Executive	\$8,736,365	\$11,336,784	\$6,962,354	\$6,569,538
Judicial System	206,352	212,850	160,528	139,516
Public Safety:				
Police	1,543,413	6,725,624	5,487,502	5,028,825
Fire	376,008	3,400,741	2,842,061	2,761,668
Public Health and Social Services	1,435,281	1,350,715	1,345,241	1,206,467
Street Construction, Maintenance, and Repair	4,871,513	4,615,122	4,212,835	3,860,763
Housing and Community Development	1,334,087	1,121,780	1,139,785	852,380
Basic Utility Services	2,669,147	2,620,164	2,799,212	2,260,630
Recreational Activities	2,485,063	2,521,106	2,362,129	2,173,693
Interest and Fiscal Charges	629,735	535,387	388,089	297,563
<i>Total Governmental Activities Expenses</i>	<u>24,286,964</u>	<u>34,440,273</u>	<u>27,699,736</u>	<u>25,151,043</u>
Net (Expense)/Revenue				
Governmental Activities	<u>(19,049,373)</u>	<u>(26,067,381)</u>	<u>(22,781,460)</u>	<u>(20,407,299)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	2,123,999	1,853,125	1,880,670	1,791,350
Fire Department	2,034,107	1,795,019	1,821,727	1,735,188
Road Maintenance	598,266	527,936	535,794	510,360
Police Department	179,466	158,398	160,760	153,115
Debt Service	0	0	0	0
Municipal Income Taxes levied for:				
General Purposes	18,419,954	15,447,729	15,017,616	16,717,227
Capital Outlay	2,220,004	2,860,004	2,603,334	2,540,000
Grants and Entitlements not Restricted to				
Specific Programs	1,224,575	411,203	519,469	434,179
Investment Earnings	684,761	430,972	286,340	159,788
Gain on Sale of Capital Assets	0	0	4,383	65,078
Miscellaneous	1,412,508	2,171,702	653,726	450,162
<i>Total Governmental Activities General Revenues</i>	<u>28,897,640</u>	<u>25,656,088</u>	<u>23,483,819</u>	<u>24,556,447</u>
Special Item	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Position				
Governmental Activities	<u>\$9,848,267</u>	<u>(\$411,293)</u>	<u>\$702,359</u>	<u>\$4,149,148</u>

2015	2014	2013	2012	2011	2010
\$6,025,851	\$5,586,065	\$5,483,124	\$5,786,026	\$5,499,027	\$5,647,128
222,456	129,098	97,176	108,293	198,239	210,129
4,511,969	4,372,780	4,630,560	4,537,860	3,992,061	4,240,615
2,646,098	2,557,376	2,305,771	2,318,180	2,314,537	2,413,597
1,608,683	992,430	1,088,378	1,092,369	1,048,646	1,144,253
3,642,128	4,323,479	4,652,589	3,654,599	4,059,126	4,007,522
796,624	848,261	795,200	962,912	852,056	833,662
2,242,264	2,402,003	2,044,860	2,133,946	1,726,275	1,366,953
2,430,087	2,137,156	2,129,059	2,074,033	2,078,502	2,001,190
297,843	419,654	400,314	493,021	557,354	602,512
<u>24,424,003</u>	<u>23,768,302</u>	<u>23,627,031</u>	<u>23,161,239</u>	<u>22,325,823</u>	<u>22,467,561</u>
<u>(18,985,366)</u>	<u>(18,515,308)</u>	<u>(18,977,060)</u>	<u>(16,471,232)</u>	<u>(18,967,110)</u>	<u>(17,779,980)</u>
1,687,653	1,811,854	1,806,589	1,827,272	1,814,714	1,817,177
1,634,162	1,755,072	1,749,910	1,770,008	1,757,630	1,779,370
480,721	516,198	514,678	520,591	517,013	523,345
144,202	154,859	154,253	156,178	155,104	157,003
0	0	0	0	211	17
13,887,608	12,129,661	13,729,250	12,853,245	13,246,409	11,932,814
2,400,000	2,600,000	2,400,000	2,410,000	2,280,000	2,280,000
592,098	462,912	1,364,858	1,217,585	1,130,958	1,074,764
144,903	74,550	81,848	130,456	306,830	320,959
0	0	58,756	27,112	14,939	13,730
476,450	418,473	1,060,936	468,793	648,973	501,889
<u>21,447,797</u>	<u>19,923,579</u>	<u>22,921,078</u>	<u>21,381,240</u>	<u>21,872,781</u>	<u>20,401,068</u>
<u>(6,199,567)</u>	<u>(2,250,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(\$3,737,136)</u>	<u>(\$841,729)</u>	<u>\$3,944,018</u>	<u>\$4,910,008</u>	<u>\$2,905,671</u>	<u>\$2,621,088</u>

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

	2019	2018	2017	2016
General Fund				
Nonspendable	\$608,036	\$684,633	\$653,650	\$683,505
Committed	368,230	1,610,988	190,043	169,400
Assigned	6,253	13,472	3,406,744	2,460,460
Unassigned	11,493,016	7,516,683	5,563,611	6,516,688
Total General Fund	<u>12,475,535</u>	<u>9,825,776</u>	<u>9,814,048</u>	<u>9,830,053</u>
All Other Governmental Funds				
Nonspendable	110,953	146,737	134,448	105,103
Restricted	3,519,624	2,217,153	8,594,221	2,193,631
Committed	2,484,101	2,119,784	3,517,135	3,636,653
Assigned	5,273,600	2,014,987	1,546,073	713,255
Unassigned (Deficit)	(263,256)	(1,277,509)	0	(1,087,163)
Total All Other Governmental Funds	<u>11,125,022</u>	<u>5,221,152</u>	<u>13,791,877</u>	<u>5,561,479</u>
Total Governmental Funds	<u>\$23,600,557</u>	<u>\$15,046,928</u>	<u>\$23,605,925</u>	<u>\$15,391,532</u>

2015	2014	2013	2012	2011	2010
\$589,306	\$308,324	\$258,918	\$307,263	\$297,402	\$263,507
142,318	793,372	145,272	114,187	776,399	776,399
2,704,811	2,067,087	559,154	544,608	312,269	312,269
5,069,907	5,491,224	8,722,841	8,383,941	7,210,298	5,768,584
8,506,342	8,660,007	9,686,185	9,349,999	8,596,368	7,120,759
107,137	133,664	129,133	136,440	125,942	129,154
2,147,017	2,201,974	2,618,061	2,202,655	2,402,674	3,294,029
3,573,849	2,561,420	2,877,955	2,070,730	2,188,145	1,719,966
713,353	556,085	729,938	742,995	769,587	764,875
(1,455,542)	0	0	0	(836,211)	(828,692)
5,085,814	5,453,143	6,355,087	5,152,820	4,650,137	5,079,332
\$13,592,156	\$14,113,150	\$16,041,272	\$14,502,819	\$13,246,505	\$12,200,091

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

	2019	2018	2017	2016
Revenues				
Taxes (1)	\$25,037,902	\$22,713,757	\$22,875,042	\$22,820,621
Charges for Services	1,367,465	1,335,769	1,316,865	1,439,170
Licenses and Permits	768,888	574,510	497,995	479,977
Fines and Forfeitures	246,540	285,373	227,119	261,776
Intergovernmental	2,569,884	1,831,409	2,763,597	2,737,344
Special Assessments	433,965	440,629	477,980	499,052
Interest	647,535	394,589	264,667	141,358
Donations	54,825	21,287	23,989	21,036
Rentals	192,506	195,911	164,758	172,849
Miscellaneous	1,285,355	2,065,459	524,561	332,601
<i>Total Revenues</i>	<u>32,604,865</u>	<u>29,858,693</u>	<u>29,136,573</u>	<u>28,905,784</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	7,295,921	6,187,449	5,909,340	6,253,951
Judicial System	158,801	194,178	139,126	131,893
Public Safety:				
Police	5,245,953	5,438,717	5,045,643	4,544,489
Fire	2,666,529	2,594,276	2,531,150	2,405,316
Public Health and Social Services	1,063,834	1,071,758	1,076,825	987,931
Street Construction, Maintenance, and Repair	3,410,558	3,334,437	3,218,196	3,192,590
Housing and Community Development	1,054,064	968,608	963,735	894,594
Basic Utility Services	1,564,067	1,692,068	1,906,348	2,048,023
Recreational Activities	1,934,197	1,926,370	1,892,774	1,786,943
Capital Outlay	6,740,199	13,331,304	6,503,427	3,588,452
Debt Service:				
Principal Retirement	1,251,767	1,228,603	1,368,604	1,069,465
Interest and Fiscal Charges	621,519	528,801	359,136	282,739
Bond Issuance Costs	169,490	0	186,766	0
<i>Total Expenditures</i>	<u>33,176,899</u>	<u>38,496,569</u>	<u>31,101,070</u>	<u>27,186,386</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(572,034)</u>	<u>(8,637,876)</u>	<u>(1,964,497)</u>	<u>1,719,398</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	10,027	50,343	18,113	14,900
Gain on Sale of Capital Assets	0	0	0	65,078
Refunding Bonds Issued	0	0	0	0
General Obligation Bonds Issued	8,500,000	0	9,980,000	0
Special Assessment Bonds Issued	0	0	0	0
Premium on Issuance of Debt	615,636	0	180,777	0
OPWC Loan Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	3,854,418	3,499,115	4,153,161	2,468,989
Transfers Out	(3,854,418)	(3,499,115)	(4,153,161)	(2,468,989)
<i>Total Other Financing Sources (Uses)</i>	<u>9,125,663</u>	<u>50,343</u>	<u>10,178,890</u>	<u>79,978</u>
Special Item	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$8,553,629</u>	<u>(\$8,587,533)</u>	<u>\$8,214,393</u>	<u>\$1,799,376</u>
Debt Service as a Percentage of Noncapital Expenditures	7.2%	6.9%	7.2%	6.1%

(1) Includes All Taxes

2015	2014	2013	2012	2011	2010
\$19,698,588	\$20,648,817	\$19,389,630	\$19,442,490	\$19,254,109	\$18,730,301
1,279,220	1,272,274	1,278,936	1,317,669	1,210,862	1,177,776
441,223	342,268	309,326	564,218	430,730	525,806
253,729	368,109	299,141	266,067	254,848	308,416
4,106,032	3,138,374	4,035,155	3,183,232	2,516,919	3,179,603
459,522	510,313	949,306	488,399	324,876	324,741
130,922	64,798	75,100	120,244	295,858	307,103
20,482	208,943	6,759	7,895	6,218	8,138
137,112	190,031	67,596	66,677	84,040	44,935
357,138	321,424	958,110	450,563	632,139	485,427
<u>26,883,968</u>	<u>27,065,351</u>	<u>27,369,059</u>	<u>25,907,454</u>	<u>25,010,599</u>	<u>25,092,246</u>
5,941,020	5,658,375	5,704,562	5,646,837	5,515,740	5,541,484
220,781	123,991	93,327	109,800	203,415	208,078
4,210,229	4,285,136	4,638,749	4,570,485	4,046,058	4,299,205
2,375,886	2,379,842	2,195,067	2,267,257	2,244,514	2,390,618
949,909	857,569	886,624	880,908	861,325	842,538
3,214,009	3,225,278	3,670,149	2,872,254	3,125,788	3,460,310
812,040	808,555	795,612	863,860	887,874	813,415
1,911,114	1,809,942	1,759,741	1,949,493	1,593,784	1,432,297
1,756,475	1,869,032	1,848,435	1,803,188	1,772,171	1,846,298
4,634,472	4,297,901	3,124,437	3,981,464	2,007,069	1,332,610
1,035,335	1,005,335	963,884	1,278,884	1,178,884	1,138,884
286,576	422,517	394,976	463,528	560,548	604,565
35,000	0	0	118,151	0	0
<u>27,382,846</u>	<u>26,743,473</u>	<u>26,075,563</u>	<u>26,806,109</u>	<u>23,997,170</u>	<u>23,910,302</u>
<u>(498,878)</u>	<u>321,878</u>	<u>1,293,496</u>	<u>(898,655)</u>	<u>1,013,429</u>	<u>1,181,944</u>
0	0	18,236	30,406	32,985	13,733
0	0	0	0	0	0
2,640,000	0	0	3,580,000	0	0
0	0	0	0	0	0
0	0	0	2,005,000	0	0
0	0	0	136,940	0	0
0	0	226,721	2,308	0	0
(2,662,116)	0	0	(3,599,685)	0	0
2,272,467	2,232,116	3,189,271	2,277,477	2,042,634	2,447,956
<u>(2,272,467)</u>	<u>(2,232,116)</u>	<u>(3,189,271)</u>	<u>(2,277,477)</u>	<u>(2,042,634)</u>	<u>(2,447,956)</u>
<u>(22,116)</u>	<u>0</u>	<u>244,957</u>	<u>2,154,969</u>	<u>32,985</u>	<u>13,733</u>
<u>0</u>	<u>(2,250,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(\$520,994)</u>	<u>(\$1,928,122)</u>	<u>\$1,538,453</u>	<u>\$1,256,314</u>	<u>\$1,046,414</u>	<u>\$1,195,677</u>
6.2%	6.7%	6.4%	7.9%	8.4%	8.5%

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

Tax Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2019	\$545,915,280	\$108,489,980	\$1,869,729,314	\$21,159,680	\$24,045,091
2018	540,608,750	110,240,490	1,859,569,257	20,388,440	23,168,682
2017	482,603,830	100,874,550	1,667,081,086	20,721,470	23,547,125
2016	476,728,340	100,946,970	1,650,500,886	20,463,690	23,254,193
2015	472,551,960	100,539,620	1,637,404,514	19,790,100	22,488,750
2014	453,626,110	124,402,550	1,651,510,457	19,695,230	22,380,943
2013	453,604,210	123,043,670	1,647,565,371	18,850,720	21,421,273
2012	469,788,160	110,239,930	1,657,223,114	17,092,360	19,423,136
2011	470,033,220	107,690,260	1,650,638,514	16,066,350	18,257,216
2010	468,585,650	107,226,880	1,645,178,657	15,680,600	17,818,864

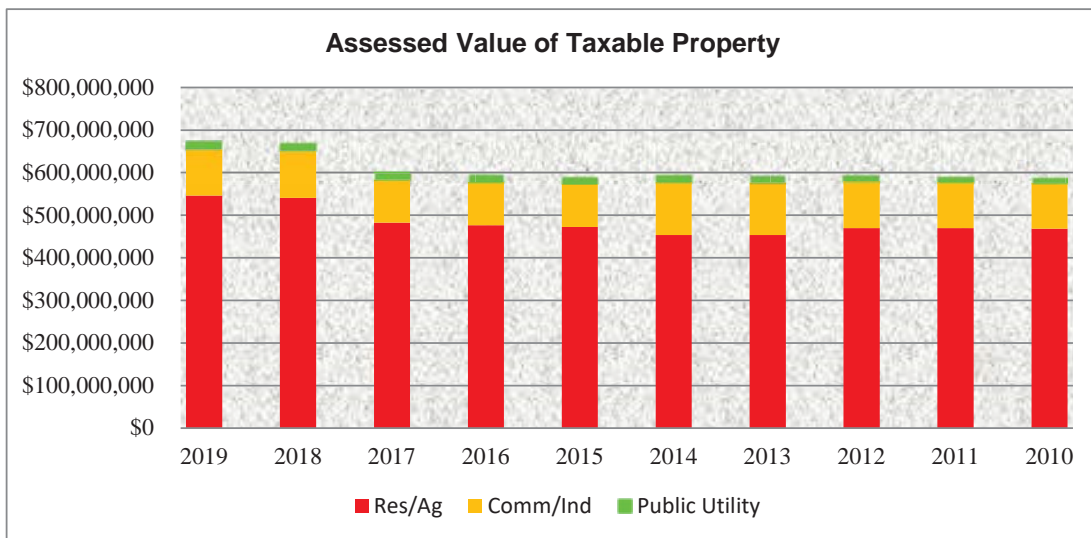
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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 the 10 percent and a 2 1/2 percent rollback, and homestead exemptions before being billed. The 10 percent rollback for

Source: Cuyahoga County, Ohio; County Fiscal Officer

Assessed Value	Total Estimated Actual Value	Ratio	Tax Rate
\$675,564,940	\$1,893,774,405	35.67%	\$8.21
671,237,680	1,882,737,939	35.65	8.21
604,199,850	1,690,628,211	35.74	8.21
598,139,000	1,673,755,079	35.74	8.21
592,881,680	1,659,893,264	35.72	8.21
597,723,890	1,673,891,400	35.71	8.21
595,498,600	1,668,986,644	35.68	8.21
597,120,450	1,676,646,251	35.61	8.21
593,789,830	1,668,895,730	35.58	8.21
591,493,130	1,662,997,521	35.57	8.21



City of Brecksville, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years

	2019	2018	2017	2016
Unvoted Millage				
Operating	\$3.5100	\$3.5100	\$3.5100	\$3.5100
Police Pension	0.3000	0.3000	0.3000	0.3000
<i>Total Unvoted Millage</i>	<u>3.8100</u>	<u>3.8100</u>	<u>3.8100</u>	<u>3.8100</u>
Charter Millage				
1982 Charter/Fire	3.4000	3.4000	3.4000	3.4000
1987 Charter/Road Improvement	1.0000	1.0000	1.0000	1.0000
<i>Total Charter Millage</i>	<u>4.4000</u>	<u>4.4000</u>	<u>4.4000</u>	<u>4.4000</u>
Total Millage	<u><u>\$8.2100</u></u>	<u><u>\$8.2100</u></u>	<u><u>\$8.2100</u></u>	<u><u>\$8.2100</u></u>
Overlapping Rates by Taxing District				
Brecksville-Broadview Heights City School District				
Residential/Agricultural Real	\$41.4324	\$42.3783	\$44.8382	\$38.9210
Commercial/Industrial and Public Utility Real	49.3920	49.7683	52.2282	46.2177
General Business and Public Utility Personal	82.7900	82.8900	82.8900	77.0000
Cuyahoga Valley Career Center				
Residential/Agricultural Real	2.0000	2.0000	2.0000	2.0000
Commercial/Industrial and Public Utility Real	2.0000	2.0000	2.0000	2.0000
General Business and Public Utility Personal	2.0000	2.0000	2.0000	2.0000
Cuyahoga County Commissioner				
Residential/Agricultural Real	12.7973	13.9140	13.9141	13.8800
Commercial/Industrial and Public Utility Real	13.0770	14.0061	14.0060	14.0124
General Business and Public Utility Personal	14.0500	14.0500	14.0500	14.0500
Special Taxing Districts (1)				
Residential/Agricultural Real	8.9475	9.7638	9.7637	9.2408
Commercial/Industrial and Public Utility Real	9.2104	9.8423	9.8422	9.3438
General Business and Public Utility Personal	9.8800	9.8800	9.8800	9.3800

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 to 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's residents.

Charter millage is consistently applied to all types of property as opposed to the voted levies of the overlapping taxing districts.

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

2015	2014	2013	2012	2011	2010
\$3.5100	\$3.5100	\$3.5100	\$3.5100	\$3.5100	\$3.5100
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
3.8100	3.8100	3.8100	3.8100	3.8100	3.8100
3.4000	3.4000	3.4000	3.4000	3.4000	3.4000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
4.4000	4.4000	4.4000	4.4000	4.4000	4.4000
\$8.2100	\$8.2100	\$8.2100	\$8.2100	\$8.2100	\$8.2100

\$38.9563	\$39.9725	\$40.1206	\$40.0657	\$39.1912	\$39.1175
46.9105	43.8622	43.2930	43.4617	42.8357	42.8641
77.0000	77.0000	77.2000	77.2000	77.2000	77.2000

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	2.0000	2.0000	2.0000

14.0500	14.0500	14.0500	13.2200	13.1182	13.1866
13.8698	14.0195	13.9495	12.9968	12.7845	12.8413
14.0500	14.0500	14.0500	13.2200	13.2200	13.3200

9.2368	9.3643	8.4639	7.5635	7.5041	7.3870
9.3676	9.3401	8.3843	7.4621	7.3648	7.3450
9.3800	9.3800	8.4800	7.5800	7.5800	7.5800

City of Brecksville, Ohio
Property Tax Levies And Collections
Last Ten Years

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)
2019	\$5,493,437	\$5,412,932	98.53%	\$102,676	\$5,515,608
2018	4,980,791	4,877,119	97.92	128,424	5,005,543
2017	4,932,190	4,774,261	96.80	114,971	4,889,232
2016	4,990,947	4,756,871	95.31	82,375	4,839,246
2015	5,165,687	4,523,952	87.58	87,656	4,611,608
2014	5,219,426	4,532,551	86.84	91,162	4,623,713
2013	4,910,392	4,547,214	92.60	119,432	4,666,646
2012	4,905,724	4,736,054	96.54	122,347	4,858,401
2011	4,884,659	4,714,666	96.52	143,718	4,858,384
2010	4,864,431	4,702,865	96.68	146,148	4,849,013

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

Note: The City is aware of the requirement to report delinquent tax collections by levy year rather than by collection year; however, the County is unable to provide delinquent collections by levy year. We are looking at options to improve this presentation.

<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
100.40%	\$134,611	2.45%
100.50	131,149	2.63
99.13	251,692	5.10
96.96	194,442	3.90
89.27	298,803	5.78
88.59	433,570	8.31
95.04	301,993	6.15
99.04	212,193	4.33
99.46	205,553	4.21
99.68	229,099	4.71

City of Brecksville, Ohio
Principal Real Property Taxpayers
2019 and 2010

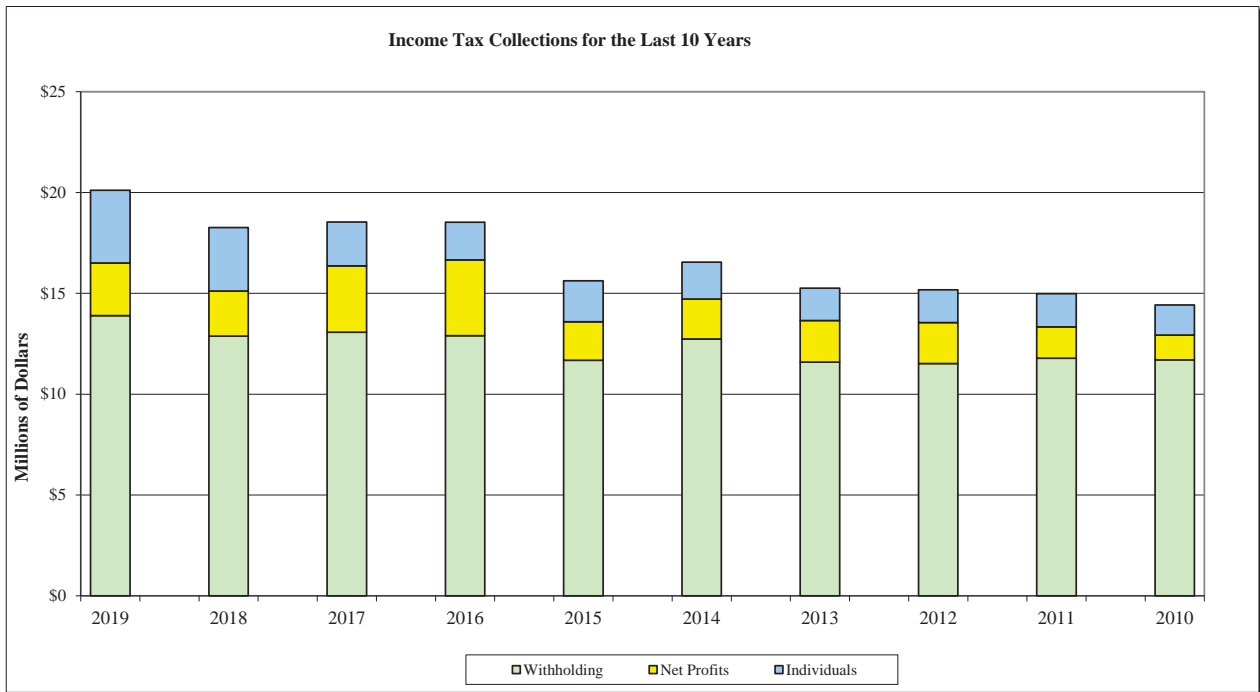
Taxpayer	2019	
	Real Property Assessed Valuation	Percentage of Real Property Assessed Valuation
Cleveland Electric Illuminating Company	\$15,752,700	2.41 %
Grand Bay of Brecksville	6,208,190	0.95
Holar Properties, LLC	6,050,530	0.92
Creekview Commons, LLC	5,254,270	0.80
Ohio Bell Telephone Company	5,150,810	0.79
PDM Group, Incorporated	4,970,000	0.76
DP LXI, LLC	3,634,130	0.55
Gateway Association	3,385,560	0.52
Treeline, Incorporated	3,131,380	0.48
MS Brecksville L.P.	3,051,130	0.47
Total	\$56,588,700	8.65 %
Total Real Property Assessed Valuation	\$654,405,260	

Taxpayer	2010	
	Real Property Assessed Valuation	Percentage of Real Property Assessed Valuation
Cleveland Electric Illuminating Company	\$14,288,630	2.48 %
Ohio Bell Telephone Company	8,461,150	1.47
PDM Group, Incorporated	7,334,740	1.27
Grand Bay of Brecksville	6,663,290	1.16
Cleveland Cuyahoga	6,413,230	1.11
Gateway Association	4,629,870	0.80
Creekview Commons, LLC	3,961,620	0.69
Treeline, Incorporated	3,779,220	0.66
CEI	3,144,050	0.55
Millers Crossing, LLC	2,556,860	0.44
Total	\$61,232,660	10.63 %
Total Real Property Assessed Valuation	\$575,812,530	

Source: Cuyahoga County Fiscal Officer

City of Brecksville, Ohio
Income Tax Revenue Base and Collections
 (Modified Accrual Basis)
 Last Ten Years

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2019	2.00%	\$20,105,526	\$13,898,950	69.13%	\$2,609,697	12.98%	\$3,596,879	17.89%
2018	2.00	18,258,736	12,881,538	70.55	2,227,566	12.20	3,149,632	17.25
2017	2.00	18,533,341	13,071,973	70.53	3,290,873	17.76	2,170,495	11.71
2016	2.00	18,526,248	12,901,679	69.64	3,755,270	20.27	1,869,298	10.09
2015	2.00	15,617,083	11,683,140	74.81	1,909,969	12.23	2,023,974	12.96
2014	2.00	16,542,412	12,737,657	77.00	1,985,089	12.00	1,819,665	11.00
2013	2.00	15,253,849	11,591,400	75.99	2,059,270	13.50	1,603,179	10.51
2012	2.00	15,175,081	11,514,851	75.88	2,030,426	13.38	1,629,804	10.74
2011	2.00	14,978,641	11,779,203	78.64	1,554,783	10.38	1,644,655	10.98
2010	2.00	14,425,759	11,705,203	81.14	1,220,691	8.46	1,499,864	10.40



City of Brecksville, Ohio
Income Tax Filers by Income Level
Tax Years 2018 and 2010

Tax Year 2018 (1)(2)				
Income Range	Number of Filers	Percent of Filers	Taxable Income (2)	Percent of Taxable Income
Over \$100,000	2,139	41.25 %	\$561,519,468	83.44 %
75,001-100,000	473	9.12	41,063,317	6.10
50,001-75,000	535	10.32	33,284,151	4.95
25,001-50,000	644	12.42	23,864,037	3.55
Under 25,000	1,394	26.89	13,206,786	1.96
Total	<u>5,185</u>	<u>100.00 %</u>	<u>\$672,937,759</u>	<u>100.00 %</u>

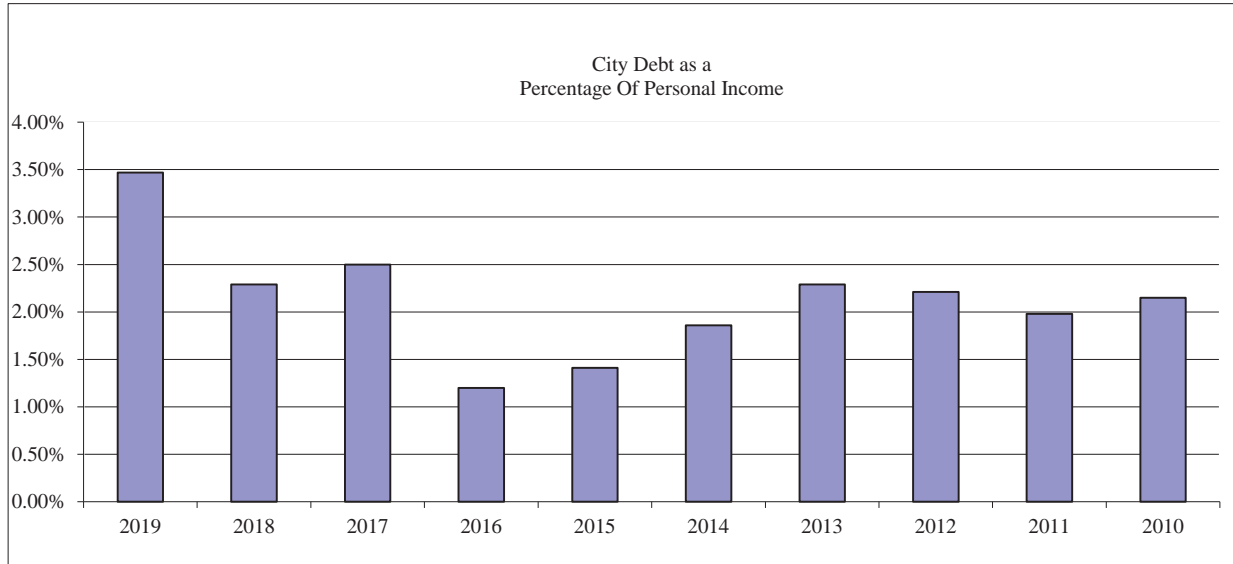
Tax Year 2010 (2)				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	1,770	32.72 %	\$405,884,559	75.52 %
75,001-100,000	547	10.11	47,442,674	8.83
50,001-75,000	642	11.87	39,762,226	7.40
25,001-50,000	783	14.47	29,352,258	5.46
Under 25,000	1,668	30.83	14,987,897	2.79
Total	<u>5,410</u>	<u>100.00 %</u>	<u>\$537,429,614</u>	<u>100.00 %</u>

Source: Regional Income Tax Agency Data

- (1) Information for 2019 was not available
- (2) Taxable income of residents of the City

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

Year	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Total	Total Personal Income (1)	Percentage Of Personal Income	Population (2)	Total Debt Per Capita
2019	\$21,772,644	\$1,686,418	\$280,911	\$23,739,973	\$684,102,216	3.47 %	13,538	\$1,754
2018	13,528,900	2,075,224	317,678	15,921,802	695,057,844	2.29	13,522	1,177
2017	14,346,178	2,454,031	371,281	17,171,490	686,808,360	2.50	13,470	1,275
2016	5,067,679	2,907,837	424,885	8,400,401	702,293,760	1.20	13,440	625
2015	5,660,919	3,336,643	484,350	9,481,912	670,513,930	1.41	13,543	700
2014	6,235,960	3,751,884	549,685	10,537,529	566,818,000	1.86	13,568	777
2013	6,788,673	4,160,821	615,020	11,564,514	504,512,000	2.29	13,554	853
2012	7,321,387	4,559,758	442,183	12,323,328	557,914,651	2.21	13,656	902
2011	7,856,490	2,851,828	493,759	11,202,077	565,836,360	1.98	13,656	820
2010	8,672,310	3,166,959	547,643	12,386,912	576,706,536	2.15	13,656	907



(1) Brecksville Finance Department estimates 2010-2019;
 U.S. Census Bureau
 (2) Estimates 2010-2019; U.S. Census Bureau

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

Year	General Obligation Bonds (1)	Estimated True Value of Taxable Property	Ratio of Bonded Debt to Estimated True Value of Taxable Property	Bonded Debt per Capita
2019	\$21,772,644	\$1,893,774,405	1.15%	\$1,608
2018	13,528,900	1,882,737,939	0.72	1,001
2017	14,346,178	1,690,628,211	0.85	1,065
2016	5,067,679	1,673,755,079	0.30	377
2015	5,660,919	1,659,893,264	0.34	418
2014	6,235,960	1,673,891,400	0.37	460
2013	6,788,673	1,668,986,644	0.41	497
2012	7,321,387	1,676,646,251	0.44	536
2011	7,856,490	1,668,895,730	0.47	575
2010	8,672,310	1,662,997,521	0.52	635

(1) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal; therefore, these resources are not shown as a deduction from general obligation bonded debt.

City of Brecksville
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2019*

	Debt Attributable to Governmental Activities	Percentage Applicable to City (1)	Amount of Direct and Overlapping Debt
Direct Debt:			
City of Brecksville			
General Obligation Bonds	\$21,772,644	100.00%	\$21,772,644
Special Assessment Bonds	1,686,418	100.00	1,686,418
OPWC Loans	<u>280,911</u>	100.00	<u>280,911</u>
Total Direct Debt	<u>23,739,973</u>		<u>23,739,973</u>
Overlapping Debt:			
Payable from Property Taxes:			
Cuyahoga County Bonds	259,469,382	2.15	5,578,592
Regional Transit Authority Bonds	75,907,645	2.15	1,632,014
Brecksville-Broadview Heights City School District Bonds	57,870,846	59.18	34,247,967
Payable from Other Sources:			
Cuyahoga County Revenue Bonds	596,158,206	2.15	12,817,401
Cuyahoga County Loans	1,345,885	2.15	28,937
Cuyahoga County Capital Leases	307,766,236	2.15	6,616,974
Brecksville-Broadview Heights City School District Capital Leases	<u>223,149</u>	59.18	<u>132,060</u>
Total Overlapping Debt	<u>1,298,741,349</u>		<u>61,053,944</u>
Total Direct and Overlapping Debt	<u>\$1,322,481,322</u>		<u>\$84,793,917</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 2019 collection year.

City of Brecksville, Ohio
Legal Debt Margin Information
Last Ten Years
(amounts expressed in thousands)

	2019	2018	2017	2016
Overall Debt Limitation (10.5% of Assessed Valuation)	\$70,934	\$70,480	\$63,441	\$62,805
Net Debt Within 10.5% Limitations	<u>22,983</u>	<u>16,040</u>	<u>18,421</u>	<u>7,185</u>
Overall Legal Debt Margin Within 10.5% Limitations	<u>\$47,951</u>	<u>\$54,440</u>	<u>\$45,020</u>	<u>\$55,620</u>
Total net debt applicable to the limit as a percentage of debt limit	32.40%	22.76%	29.04%	11.44%
Unvoted Debt Limitation (5.5% of Assessed Valuation)	\$37,156	\$36,918	\$33,231	\$32,898
Net Debt Within 5.5% Limitations	<u>22,983</u>	<u>16,040</u>	<u>18,421</u>	<u>7,185</u>
Unvoted Legal Debt Margin Within 5.5% Limitations	<u>\$14,173</u>	<u>\$20,878</u>	<u>\$14,810</u>	<u>\$25,713</u>
Total net debt applicable to the limit as a percentage of debt limit	61.86%	43.45%	55.43%	21.84%

Legal Debt Margin Calculation for 2018

	Overall Margin Within 10.5%	Unvoted Margin Within 5.5%
Assessed property value	<u>\$675,564,940</u>	<u>\$675,564,940</u>
Overall Debt Limitation (percentage of assessed valuation)	\$70,934,319	\$37,156,072
Gross Indebtedness	25,750,911	25,750,911
Less: Special Assessment Bonds	(1,675,000)	(1,675,000)
OPWC Loans	(280,911)	(280,911)
General Obligation Bond Retirement Fund Balance	<u>(811,912)</u>	<u>(811,912)</u>
Net Debt Within Limitations	<u>\$22,983,088</u>	<u>\$22,983,088</u>
Legal Debt Margin Within Limitations	<u>\$47,951,231</u>	<u>\$14,172,984</u>

Note: Under State of Ohio finance law, the City of Brecksville's outstanding general obligation debt should not exceed 10.5 percent of total assessed property value. In addition, the outstanding general obligation debt net of voted debt should not exceed 5.5 percent of total assessed property value. By law, the general obligation debt subject to the limitation is offset by amounts set aside for repaying general obligation bonds.

2015	2014	2013	2012	2011	2010
\$62,253	\$62,761	\$62,527	\$62,698	\$62,348	\$62,107
<u>7,433</u>	<u>7,977</u>	<u>6,537</u>	<u>7,050</u>	<u>7,637</u>	<u>8,438</u>
<u>\$54,820</u>	<u>\$54,784</u>	<u>\$55,990</u>	<u>\$55,648</u>	<u>\$54,711</u>	<u>\$53,669</u>
11.94%	12.71%	10.45%	11.24%	12.25%	13.59%
\$32,609	\$32,875	\$32,752	\$32,842	\$32,658	\$32,532
<u>7,433</u>	<u>7,977</u>	<u>6,537</u>	<u>7,050</u>	<u>7,637</u>	<u>8,438</u>
<u>\$25,176</u>	<u>\$24,898</u>	<u>\$26,215</u>	<u>\$25,792</u>	<u>\$25,021</u>	<u>\$24,094</u>
22.79%	24.26%	19.96%	21.47%	23.38%	25.94%

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

Year	Population (1)	Total Personal Income (2)	Median Family Income (1)	Per Capita Income (1)	Unemployment Rate (3)		City Square Miles (4)
					Cuyahoga County	State of Ohio	
2019	13,538	\$684,102,216	\$105,566	\$50,532	3.6%	4.1%	19.57
2018	13,522	695,057,844	101,060	51,402	5.0	4.6	19.57
2017	13,470	686,808,360	98,345	50,988	4.8	4.7	19.57
2016	13,440	702,293,760	100,589	52,254	5.3	4.9	19.57
2015	13,543	670,513,930	93,409	49,510	4.0	4.8	19.57
2014	13,568	566,818,000	95,470	41,776	5.3	4.7	19.57
2013	13,554	504,512,000	111,667	37,222	7.5	7.4	19.57
2012	13,656	557,914,651	91,432	40,855	6.6	6.8	19.57
2011	13,656	565,836,360	92,088	41,435	7.1	8.6	19.57
2010	13,656	576,706,536	96,038	42,231	8.6	10.1	19.54

(1) Estimates 2010-2019; U.S. Census Bureau

(2) Brecksville Finance Department estimates 2010-2019;
U.S. Census Bureau.

(3) Ohio Bureau of Employment Services; U.S. Department of Labor, Bureau of
Labor Statistics; Unemployment rate for the City is unavailable.

(4) City Records

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

2019			
Employer	Nature of Activity	Employees	Percentage of Total City Employment
PNC Bank NA	Banking Services	1,171	8.06 %
Crosscounty Mortgage, Incorporated	Financial Services	649	4.47
Lubrizol Advanced Materials/ Lubrizol Corporation	Chemical Technology	606	4.17
American Medical Technology	Medical Equipment	551	3.80
House of LaRose/ LRMG	Beverage Distribution	441	3.04
AT&T/ Ohio Bell	Communication Services	414	2.85
Brecksville-Broadview Heights City School District	Public Education	380	2.62
First Energy/ Illuminating Company	Electric Utility	241	1.66
Curtiss-Wright Flow Control	Manufacturing	234	1.61
NVR/ Ryan Homes	Construction	152	1.05
Total		<u>4,839</u>	<u>33.33 %</u>
Total Employment within the City		<u>14,518</u>	

2010			
Employer	Nature of Activity	Employees	Percentage of Total City Employment
Defense Finance	Financial Services	1,653	8.78 %
PNC Bank NA	Banking Services	1,078	5.72
AT&T/Ohio Bell	Communication Services	1,022	5.42
Lubrizol Advanced Materials/ Lubrizol Corporation	Chemical Technology	756	4.01
Brecksville-Broadview Heights City School District	Public Education	432	2.30
First Energy/Illuminating Company	Electric Utility	418	2.22
House of LaRose	Beverage Distribution	319	1.69
Curtiss-Wright Flow Control	Manufacturing	176	0.93
City of Brecksville	Municipal Government	133	0.71
Cuyahoga Valley Joint Vocational School District	Vocational Education	110	0.59
Total		<u>6,097</u>	<u>32.37 %</u>
Total Employment within the City		<u>18,837</u>	

Source: Regional Income Tax Agency and a survey conducted by the City.

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

Function/Program	2019	2018	2017	2016
General Government				
Council	4.5	4.5	4.5	4.5
Mayor	2.0	2.0	2.0	2.0
Finance	4.0	4.0	4.0	4.0
Income Tax	N/A	N/A	N/A	N/A
Purchasing	2.0	2.0	2.0	2.0
Legal	1.0	1.0	1.0	1.5
Mayor's Court	1.5	1.5	1.5	1.5
Technology	3.5	3.5	3.0	3.0
Engineering	0.5	0.5	0.0	1.0
Administrative Support	1.0	1.0	3.0	2.0
Public Safety				
Police	34.0	40.0	41.0	41.5
Fire	24.5	23.0	26.0	26.0
Recreational Activities				
Community Center	49.5	40.0	31.0	49.0
Senior/Community Services	4.5	4.5	5.0	4.5
Street Construction, Maintenance and Repair Service				
	54.5	52.0	42.5	43.0
Housing and Community Development				
Building Inspection	7.0	6.5	6.5	6.5
Basic Utility Services				
Housekeeping	11.5	9.5	10.5	10.5
Totals:	<u>205.5</u>	<u>195.5</u>	<u>183.5</u>	<u>202.5</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: Finance Department

2015	2014	2013	2012	2011	2010
4.5	4.5	4.5	4.5	4.5	4.5
2.0	2.0	2.0	2.0	2.0	2.0
4.0	4.0	3.5	3.5	3.5	3.5
N/A	0.5	0.5	0.5	0.5	0.5
2.0	2.0	2.0	2.0	2.0	2.0
1.5	1.5	1.5	1.5	1.5	1.5
1.5	1.5	1.5	1.5	1.5	2.0
3.0	3.0	3.0	3.0	3.5	3.5
1.0	1.0	1.0	1.0	1.0	1.0
2.0	1.5	1.5	1.5	1.5	1.5
41.5	42.5	41.5	44.5	43.5	41.0
28.5	27.0	28.0	27.5	25.5	27.0
34.5	36.5	37.5	42.5	44.0	45.0
5.0	5.5	5.0	5.5	5.5	5.5
46.0	44.0	46.0	46.0	48.0	43.5
7.0	6.5	6.0	6.0	5.5	6.5
11.0	11.5	11.5	12.0	12.0	11.5
195.0	195.0	196.5	205.0	205.5	202.0

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

Function/Program	2019	2018	2017	2016
General Government				
Building Department Vehicles	4	4	4	4
Other Department Vehicles	4	4	4	4
Police				
Stations	1	1	1	1
Square Footage of Building	6,577	6,577	6,577	6,577
Vehicles	23	23	23	22
Fire				
Stations	1	1	1	1
Square Footage of Building	17,674	17,674	17,674	17,674
Vehicles	11	14	14	13
Street Construction, Maintenance and Repair				
Streets (lane miles)	191	191	191	191
Urban Forestry Vehicles	4	3	3	3
Other Public Services Vehicles	63	64	65	64
Recreational Activities				
Recreation Center	1	1	1	1
Recreation Center Square Footage	65,000	65,000	65,000	65,000
Number of Parks	3	3	3	3
Number of Baseball Diamonds	10	10	10	10
Number of Playgrounds	8	8	8	8
Number of Tennis Courts	3	3	3	3
Number of Full Sized Soccer Fields	3	3	3	3
Vehicles	4	4	4	4
Housing and Community Development				
Human Services Center Square Footage	29,000	29,000	29,000	29,000
Vehicles	4	4	5	5

Source: Finance Department

2015	2014	2013	2012	2011	2010
5	5	4	5	5	5
4	4	5	4	3	4
1	1	1	1	1	1
6,577	6,577	6,577	6,577	6,577	6,577
22	22	22	22	22	23
1	1	1	1	1	1
17,674	17,674	17,674	17,674	17,674	17,674
15	14	14	14	15	14
189	189	189	189	189	189
3	3	3	3	3	3
62	58	59	57	54	54
1	1	1	1	1	1
65,000	65,000	65,000	65,000	65,000	65,000
3	3	3	3	3	3
10	10	10	10	10	10
8	8	8	8	8	8
3	3	3	3	3	3
3	3	3	3	3	3
4	4	4	4	4	3
29,000	29,000	29,000	29,000	29,000	29,000
5	5	5	6	6	5

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

Function/Program	2019	2018	2017	2016
Police:				
Police Expenditures (in thousands)	\$5,264	\$5,242	\$4,747	\$4,218
Total Arrests	2,185	2,761	2,300	2,716
Part One Offenses	76	66	68	79
OVI Arrests	22	39	35	45
Prisoners	182	272	399	555
Motor Vehicle Accidents	211	211	231	243
Calls for Service	15,861	15,004	15,198	13,515
Incidents per Citizen	1.3693	1.1096	1.3535	1.0056
Cost per Citizen	\$388.83	\$387.66	\$352.41	\$313.84
Fire:				
Fire Expenditures (in thousands)	\$2,637	\$2,600	\$2,532	\$2,432
Emergency Responses	1,605	1,537	1,601	1,623
Fire Safety Inspections	263	331	322	132
Fire Protection Systems Inspected	31	46	49	47
Building Fire Protection Plans Reviewed	11	10	14	16
Percentage of Business Inspected	40%	33%	32%	25%
Number of Community Programs	187	201	197	190
Emergency Responses per Citizen	0.1411	0.1137	0.1189	0.1208
Cost per Citizen	\$194.79	\$192.28	\$187.97	\$180.95
Street Lights Expenditures (in thousands)	\$102	\$103	\$104	\$106
Cost per Acre of Streetlights	\$8.16	\$8.24	\$8.30	\$8.48
Public Health Services:				
Health Department (in thousands)	\$65	\$59	\$54	\$54
Health Cost per Citizen	\$4.80	\$4.36	\$4.01	\$4.02
Recreational Activities:				
Blossom Hill (in thousands)	\$300	\$284	\$281	\$264
Community Center (in thousands)	1,884	1,931	1,907	1,845
Total Leisure Service Cost (in thousands)	\$2,184	\$2,215	\$2,188	\$2,109
Cost per Citizen	\$161.32	\$163.81	\$162.44	\$156.92
Community Center Square Feet	65,000	65,000	65,000	65,000
Square Feet per Citizen	4.80	4.81	4.83	4.84
Total Recreational Revenue (in thousands)	\$1,041	\$1,036	\$1,035	\$1,110
Community Center Members	5,087	5,689	5,721	5,669
Total Participations	155,954	171,844	175,130	172,277
Fitness Class Participations	15,312	16,817	17,067	18,833
Participations per Citizen	11.52	12.71	13.00	12.82
Cost per Participation	\$14.00	\$12.89	\$10.89	\$10.71
Revenue per Participation	\$6.68	\$6.03	\$5.91	\$6.44
Housing and Community Development:				
Human Services (in thousands)	\$828	\$876	\$905	\$844
Cost per Citizen	\$61.16	\$64.78	\$67.19	\$63.00
Human Services Square Feet	29,000	29,000	29,000	29,000
Square Feet per Member	16.83	17.30	21.53	21.48
Total Human Services Revenue (in thousands)	\$78	\$104	\$97	\$116
Human Services Members	1,723	1,676	1,230	1,350
Total Participations	32,300	30,349	32,130	31,719
Participations per Citizen	2.39	2.24	2.39	2.36
Cost per Member	\$480.56	\$522.67	\$735.77	\$625.19

2015	2014	2013	2012	2011	2010
\$4,030	\$4,065	\$3,916	\$3,956	\$3,645	\$3,716
2,382	2,534	3,308	3,009	3,036	3,658
72	78	74	96	85	80
36	36	50	47	56	47
541	593	857	931	901	908
191	188	152	206	204	215
12,643	12,646	14,349	13,708	15,174	14,701
0.9260	0.9260	1.0510	1.0040	1.1110	1.0770
\$295.11	\$297.67	\$286.76	\$289.69	\$266.92	\$272.08
\$2,453	\$2,385	\$2,355	\$2,244	\$2,304	\$2,438
1,471	1,398	1,246	1,318	1,395	1,351
484	381	337	308	284	404
44	46	78	42	59	35
9	6	3	5	3	2
44%	37%	33%	31%	30%	36%
184	188	172	140	143	197
0.1077	0.1024	0.0912	0.0965	0.1022	0.0989
\$179.63	\$174.65	\$172.42	\$164.31	\$168.72	\$178.53
\$109	\$108	\$129	\$116	\$101	\$108
\$8.72	\$8.64	\$10.28	\$9.26	\$8.08	\$8.61
\$54	\$54	\$52	\$52	\$50	\$50
\$3.95	\$3.95	\$3.84	\$3.84	\$3.62	\$3.62
\$285	\$261	\$279	\$223	\$254	\$253
1,811	1,931	2,054	1,808	1,762	1,843
\$2,096	\$2,192	\$2,333	\$2,031	\$2,016	\$2,096
\$153.49	\$160.52	\$170.89	\$148.75	\$147.61	\$153.48
65,000	65,000	65,000	65,000	65,000	65,000
4.76	4.76	4.76	4.76	4.76	4.76
\$933	\$1,032	\$977	\$1,157	\$1,008	\$972
5,814	5,979	6,200	6,242	6,693	6,479
171,917	173,042	173,308	192,970	171,646	169,171
18,602	16,534	22,603	23,521	20,754	21,584
12.59	12.67	12.69	14.13	12.57	12.39
\$10.53	\$11.16	\$11.85	\$9.37	\$10.27	\$10.89
\$5.43	\$5.96	\$5.64	\$5.99	\$5.87	\$5.74
\$805	\$863	\$838	\$707	\$696	\$676
\$59.00	\$63.00	\$61.00	\$52.00	\$51.00	\$50.00
29,000	29,000	29,000	29,000	29,000	29,000
27.08	19.89	23.37	15.65	24.21	25.55
\$87	\$93	\$88	\$89	\$81	\$81
1,071	1,458	1,241	1,853	1,198	1,135
42,202	51,168	50,961	42,942	38,553	37,663
3.09	3.75	3.73	3.14	2.82	2.76
\$751.63	\$591.91	\$675.33	\$381.33	\$580.88	\$595.59

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

Function/Program	2019	2018	2017	2016
Housing and Community Development:				
Planning and Zoning (in thousands)	\$3	\$4	\$5	\$7
Housing and Building Inspection (in thousands)	\$582	\$560	\$554	\$528
Cost per Citizen	\$43.21	\$41.71	\$41.50	\$40.00
Building Permits - Residential	891	966	952	859
Dollar Value of Permits (in thousands)	\$23,405	\$27,773	\$22,705	\$22,412
Building Permits - Commercial	134	150	205	202
Dollar Value of Permits (in thousands)	\$16,702	\$8,794	\$18,220	\$8,932
Engineering (in thousands)	\$106	\$102	\$122	\$104
Engineering Reviews				
New Topo Reviews	26	37	26	28
Revised Topo Reviews	16	38	23	30
Retaining Wall Reviews	5	6	9	8
Plat Reviews	5	6	8	8
Other Reviews	90	93	110	90
Builder Grades	48	57	50	31
Landscaping Grades	13	9	5	9
Total All Reviews	203	246	231	204
Number of Trees Planted	177	126	267	323
Number of Trees Removed	104	70	203	240
Cemetery Internments	52	47	41	61
Grave Purchases/Interment Payments (in thousands)	\$13	\$21	\$14	\$24
Street Construction, Maintenance and Repair:				
Street Maintenance (in thousands)	\$1,294	\$1,207	\$1,143	\$1,074
Snow and Ice Removal (in thousands)	\$178	\$130	\$142	\$149
Streets (lane miles)	191	191	191	191
Cost per mile of street	\$7.71	\$6.32	\$6.73	\$6.40
Feet of street per capita	74.49	74.58	74.87	75.04
Asphalt Usage (in tons)	4,892	8,407	6,090	6,755
Asphalt Cost per ton	\$63.50	\$60.00	\$57.75	\$54.75
Salt Usage (in tons)	8,265	8,323	6,501	8,553
Concrete Used (in cubic yards)	4,355	1,652	1,141	5,140
Brush/Grass/Yard Waste Collected (in cubic yard)	1,580	2,162	1,450	1,375
Leaves Collected (in cubic yards)	9,521	8,990	7,705	9,050
General Government:				
Law (in thousands)	\$248	\$292	\$262	\$256
Cost per budget dollar	\$0.0044	\$0.0051	\$0.0048	\$0.0061
Finance (in thousands)	\$443	\$424	\$430	\$411
Cost per budget dollar	\$0.0079	\$0.0074	\$0.0079	\$0.0097
Purchasing (in thousands)	\$212	\$212	\$202	\$196
Cost per employee	\$1,031.63	\$1,084.40	\$1,100.82	\$967.90
Lands and Buildings (in thousands)	\$1,166	\$1,045	\$1,054	\$1,187
Cost per citizen	\$86.13	\$77.28	\$78.25	\$88.32
Mayor's Office (in thousands)	\$196	\$227	\$266	\$257
Council (in thousands)	\$251	\$254	\$257	\$260

Source: Finance Department

2015	2014	2013	2012	2011	2010
\$4	\$7	\$6	\$5	\$5	\$5
\$518	\$471	\$462	\$454	\$479	\$505
\$38.00	\$35.00	\$34.00	\$34.00	\$35.00	\$37.00
761	742	826	853	845	895
\$17,387	\$12,356	\$4,307	\$9,648	\$3,236	\$3,654
183	167	213	208	244	207
\$7,826	\$12,140	\$12,250	\$10,818	\$4,081	\$21,592
\$135	\$138	\$187	\$339	\$339	\$241
31	8	6	7	5	5
36	14	13	9	8	8
3	2	12	7	5	39
3	2	6	4	3	6
73	56	43	51	55	13
25	12	9	6	5	9
8	6	5	3	2	4
179	100	94	87	83	84
211	134	163	92	175	168
124	757	98	157	196	190
31	45	64	54	48	43
\$16	\$19	\$38	\$43	\$33	\$27
\$1,048	\$923	\$1,182	\$1,070	\$1,185	\$892
\$191	\$240	\$169	\$97	\$157	\$220
189	189	189	189	189	189
\$6.56	\$6.15	\$7.15	\$6.18	\$7.10	\$5.88
73.08	73.08	73.08	73.08	73.08	73.08
8,062	12,481	9,926	5,576	7,650	5,415
\$55.00	\$55.00	\$60.75	\$60.75	\$68.30	\$68.50
10,950	11,745	10,270	4,920	7,650	6,863
6,888	10,934	6,151	5,239	44,438	3,945
1,403	2,657	1,478	1,743	3,094	2,354
8,221	8,440	7,222	7,710	6,333	6,411
\$252	\$251	\$231	\$304	\$248	\$247
\$0.0079	\$0.0083	\$0.0072	\$0.0077	\$0.0071	\$0.0069
\$393	\$352	\$339	\$319	\$308	\$325
\$0.0123	\$0.0112	\$0.0105	\$0.0080	\$0.0088	\$0.0090
\$195	\$177	\$175	\$168	\$165	\$169
\$835.12	\$758.03	\$747.46	\$720.77	\$706.21	\$724.63
\$1,090	\$818	\$742	\$651	\$563	\$602
\$79.82	\$59.90	\$54.35	\$47.65	\$41.23	\$44.06
\$249	\$237	\$235	\$234	\$233	\$218
\$258	\$249	\$249	\$250	\$248	\$238

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OHIO AUDITOR OF STATE
KEITH FABER



CITY OF BRECKSVILLE

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 9, 2020**