



City of Brecksville, Ohio



Comprehensive Annual Financial Report

For the period ended December 31, 2020

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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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, 2020 through December 31, 2020. 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.

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

Keith Faber
Auditor of State
Columbus, Ohio

June 25, 2021

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Brecksville City Council



Michael Harwood,
President



Laura Redinger,
Vice-President



Dominic Caruso



Lou Carouse, Jr.



Daryl Kingston



Ann Koepke



Kim Veras

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CITY OF BRECKSVILLE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

ISSUED BY THE DEPARTMENT OF FINANCE

Laura Starosta, CGFM, CPFO

FINANCE DIRECTOR



City of Brecksville, Ohio
Comprehensive Annual Financial Report
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June 1, 2021

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, 2020. 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 14,518, up 8.49 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 crisscross 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 26th consecutive year in 2020.

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 158 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. The City is currently constructing a field house on the property, which will connect to a new elementary school being constructed by the Brecksville-Broadview Heights City School District. 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. 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.

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.

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, which is utilized as a retail banking call center.

Metro Health System is a hospital and health provider system, under Cuyahoga County, with numerous locations around northeast Ohio. The facility has an ambulatory, health, and surgery center on approximately 21 acres near the intersection of State Routes 77 and 82. The health center features primary and specialty care services and a pharmacy. The outpatient surgery center offers three state-of-the-art operating suites.

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.

During 2020, the City Council authorized the creation of three tax incremental financing (TIF) districts and one incentive district declaring improvements to certain parcels of real property at the former VA property and specific adjacent property to be a public purpose, and requiring the owners of the improvement 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.

The City authorized development, tax increment financing, and job creation incentive agreements 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.

Valor Acres is divided into three distinct areas. The first 118 acres under the development of Sherwin-Williams for their new research and development center. There is proposed residential phase upon which apartments, townhouses, condominiums will be constructed, along with a Memorial Park. The park is in honor of the Veterans Administration Hospital that was dedicated in 1960 and decommissioned in 2011. The intent of the third phase is “multi-use”, offices and local business are the two main uses for this phase of the project.

The City acquired the Central School and Comstock House properties from Brecksville-Broadview Heights City School District. These properties are under review to determine the use (zoning in the near future), whether or not the school building or Comstock House can be utilized-repurposed in part or fully, plan to enhance our current downtown activity and Old Town areas, and potential of providing added retail, parking and perhaps other uses as part of our downtown future development.

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 30th consecutive, Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the Fiscal Year ended December 31, 2019. It was also the 14th 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 field house 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 conveyed 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.

2021 Priorities:

- Completion of the final construction punch-list for the police station.
- Discussion and design of remodel of City Hall will continue. Space previously 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 2021.
- The City has budgeted various sanitary and storm sewer projects for 2021 as part of the City's on-going commitment to improving infrastructure. A large item is \$3,700,000 for the Chippewa Road sanitary sewer and storm project.
- 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 with expected completion during 2021.
- During 2020, the City and the Ohio Department of Transportation have initiated the study and design of the Interstate 77 and Miller Road interchange project. This area has long been targeted for improvements as it will provide greater access to land designated for future economic development. The planned work will consist of adding a northbound exit ramp to Miller Road, adding a southbound entrance ramp to Interstate 77, adding an auxiliary lane between the new southbound entrance ramp and the existing Interstate 80 exit ramp, widening of Miller Road, and improvements to the Miller Road and Southpoint Parkway intersection. This project is scheduled to start construction in 2023.

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 2020 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 \$6.6 million at the end of 2020. These additional funds supplement the cost of operating our fire rescue ambulance service and provide dollars for expanding our aquatics facilities and the new field house at Blossom Hill Park. This recommendation came after studying several other options, which led to this being the most appropriate. The credit reduction expires at the earliest of ten years or three consecutive years of income tax receipts over \$18 million. At the end of 2020 it was determined that income tax receipts exceeded \$18 million for three consecutive years and the credit is restored to 100 percent for tax year 2021.

Relevant Financial Policies

By City ordinance, \$3,020,004 of total income tax proceeds are credited to the following capital projects funds: \$1,700,004 to the buildings and improvements fund, \$360,000 to the road improvements fund, and \$960,000 to the general municipal improvement fund, with the remainder credited to the general 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

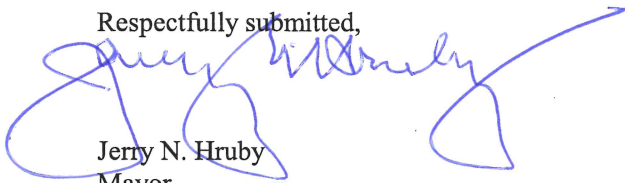
The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities whose Comprehensive Annual Financial Report is easily readable, efficiently organized, and conforms to GFOA reporting 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, 2019. 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.

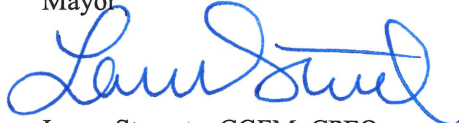
In addition, we would like to thank Brecksville City Council, without whose positive leadership and encouragement, the preparation of this report would not have been possible.

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, 2019

Christopher P. Morill

Executive Director/CEO

City of Brecksville, Ohio

City Officials

ELECTED OFFICIALS

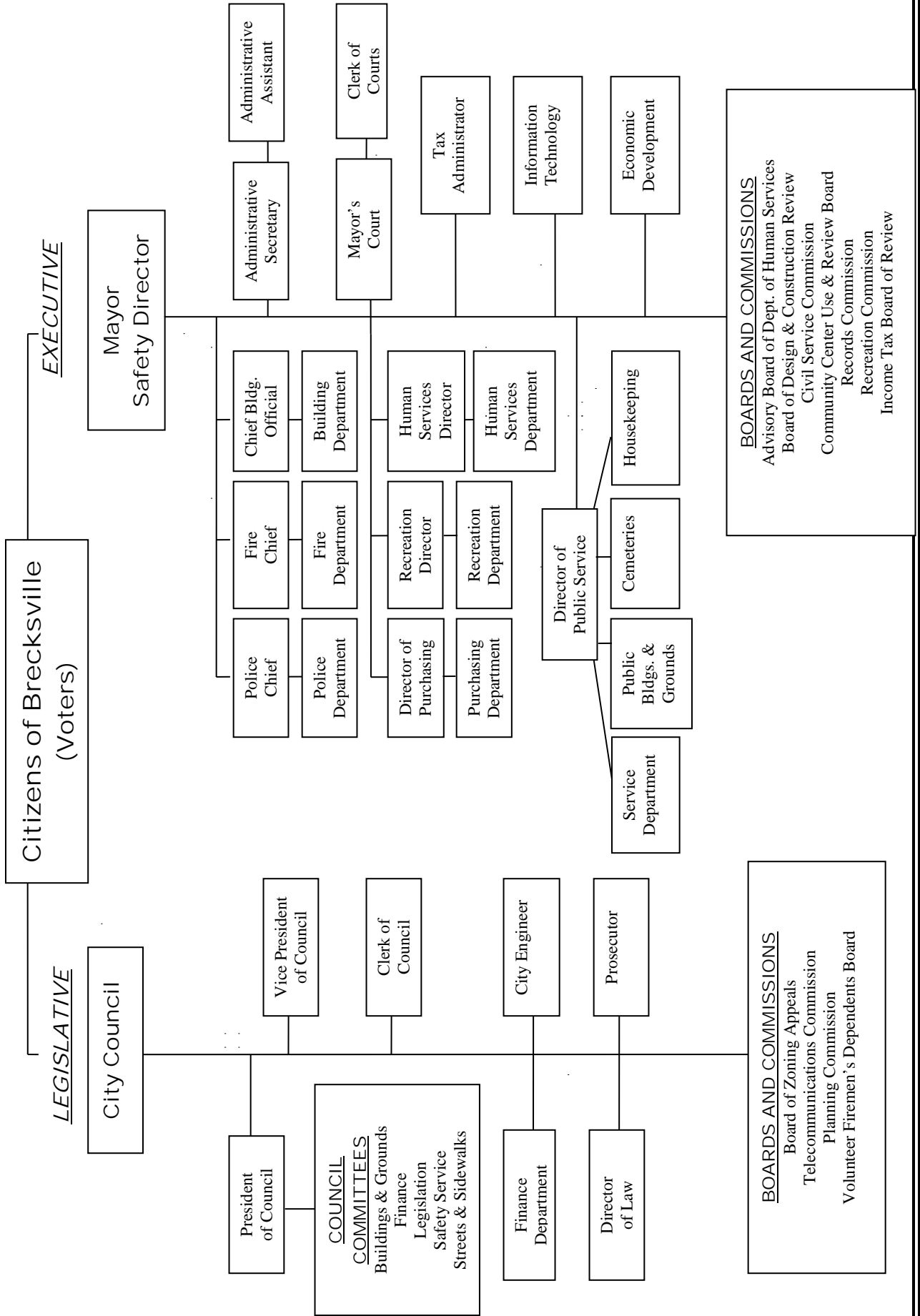
Mayor and Safety Director..... Jerry N. Hruby
President of Council..... Michael T. Harwood
Vice-President of Council..... Laura C. Redinger
Council Member Louis N. Carouse
Council Member Dominic Caruso
Council Member Daryl Kingston (1)
Council Member Ann Koepke
Council Member Kimberly A. Veras

APPOINTED OFFICIALS

Director of Finance Laura Starosta
Police Chief..... William Goodrich
Fire Chief Nikola Zamiska
Service Director Ron Weidig
Director of Purchasing Rebecca Riser
Chief Building Official Scott Packard
Clerk of Courts..... Shelley Kazimore
Director of Recreation..... Thomas Tupa
Director of Law David 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 August 5, 2020, Jack Petsche was removed as a member of Council.
Effective August 18, 2020, Daryl Kingston was appointed to fill the vacancy
for the unexpired term, or until January 1, 2022, left by the removal of Jack
Petsche.

CITY OF BRECKSVILLE, OHIO ORGANIZATIONAL CHART





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, 2020, 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, 2020, 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 3 to the basic financial statements, the City restated its net position at December 31, 2019 due to depreciable capital assets and restated its fund balance to correct intergovernmental payables. Also, as discussed in Note 27 to the basic financial statements, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. 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 June 1, 2021, 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

June 1, 2021

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2020
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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, 2020. 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 2020 are as follows:

- The assets and deferred outflows of resources of the City of Brecksville exceeded its liabilities and deferred inflows of resources by \$90,862,416. This is an increase of \$9,898,093 over last year's net position.
- Total costs of all City services were \$29,584,513 in 2020, an increase of \$5,297,549, or 21.81 percent, over 2019. This increase can be attributed to the increase in other postemployment benefits (OPEB) expense, which was offset by a decrease in pension expense. The change in pension expense is due to the change in amortization related to changes of assumption and the net difference between projected and actual earnings on pension plan investments. The change in OPEB expense results from benefit changes that were recognized in 2019.
- Total liabilities increased by \$958,184 over 2019. This increase is due to the increase of bond anticipation notes, which was offset by a decrease in the net pension liability. The increase in bond anticipation notes is due to financing for various capital improvements taking place throughout the City.
- Total capital assets increased by \$15,147,426 over 2019. There was an increase to construction in progress. The largest portion of the increase is for two projects: the new aquatics facility at nearly \$4,333,000 and the field house at approximately \$8,335,000.
- The cash balance at the end of 2020, in the general fund of \$12,767,585, represents 203 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.

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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 2020?" The statement of net position and the statement of activities answer this question. 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 18. 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, 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

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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-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 2020 compared to 2019.

Table 1
Net Position

| | Governmental Activities | | |
|---|-------------------------|--------------|---------------|
| | 2020 | 2019 | Change |
| Assets | | | |
| Current and Other Assets | \$47,406,916 | \$43,047,927 | \$4,358,989 |
| Net Pension Asset | 67,660 | 37,494 | 30,166 |
| Capital Assets, Net | 116,918,208 | 101,770,782 | 15,147,426 |
| <i>Total Assets</i> | 164,392,784 | 144,856,203 | 19,536,581 |
| Deferred Outflows of Resources | | | |
| Asset Retirement Obligations | 12,089 | 14,223 | (2,134) |
| Deferred Charges on Refunding | 93,112 | 123,223 | (30,111) |
| Pension | 3,209,160 | 7,801,322 | (4,592,162) |
| OPEB | 2,221,525 | 1,682,943 | 538,582 |
| <i>Total Deferred Outflows of Resources</i> | \$5,535,886 | \$9,621,711 | (\$4,085,825) |

(continued)

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Table 1
Net Position (continued)

| | Governmental Activities | | |
|--|-------------------------|---------------------|--------------------|
| | 2020 | 2019 | Change |
| Liabilities | | | |
| Current and Other Liabilities | \$7,156,591 | \$7,410,320 | \$253,729 |
| Long-Term Liabilities | | | |
| Due Within One Year | 1,814,165 | 1,775,312 | (38,853) |
| Due in More Than One Year: | | | |
| Net Pension Liability | 20,511,243 | 27,551,921 | 7,040,678 |
| Net OPEB Liability | 7,947,629 | 7,880,808 | (66,821) |
| Other Amounts | 31,171,627 | 23,024,710 | (8,146,917) |
| <i>Total Liabilities</i> | <u>68,601,255</u> | <u>67,643,071</u> | <u>(958,184)</u> |
| Deferred Inflows of Resources | | | |
| Property Taxes | 4,879,468 | 4,863,124 | (16,344) |
| Pension | 3,800,454 | 439,887 | (3,360,567) |
| OPEB | 1,785,077 | 567,509 | (1,217,568) |
| <i>Total Deferred Inflows of Resources</i> | <u>10,464,999</u> | <u>5,870,520</u> | <u>(4,594,479)</u> |
| Net Position | | | |
| Net Investment in Capital Assets | 83,200,864 | 79,168,430 | 4,032,434 |
| Restricted for: | | | |
| Capital Projects | 129,740 | 231,764 | (102,024) |
| Debt Service | 1,175,556 | 2,023,439 | (847,883) |
| Other Purposes | 3,422,496 | 2,852,578 | 569,918 |
| Unrestricted | 2,933,760 | (3,311,888) | 6,245,648 |
| <i>Total Net Position</i> | <u>\$90,862,416</u> | <u>\$80,964,323</u> | <u>\$9,898,093</u> |

The net pension liability (NPL) is one of the largest single liabilities reported by the City at December 31, 2020. 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

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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, 2020. 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 mainly due to the increase in capital assets. Capital assets increased due to the addition of construction in progress for the new aquatics center and the new field house. Even though capital assets was the main reason for the increase during the year, there was also an increase in the new cash with fiscal agents, which represents monies being held for the field house project by the Brecksville-Broadview Heights City School District. In addition to changes in cash with fiscal agents and capital assets, there were changes in pension/OPEB activities.

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 decreased during 2020 as a result of slightly lower interest rates in 2020, and the timing of maturities.

Table 2 shows the changes in net position for the year ended December 31, 2020 compared to 2019.

Table 2
Changes in Net Position

| | Governmental Activities | | |
|--|-------------------------|---------------------|--------------------|
| | 2020 | 2019 | Change |
| Program Revenues | | | |
| Charges for Services and Operating Assessments | \$1,842,907 | \$2,615,300 | (\$772,393) |
| Operating Grants and Contributions | 1,907,356 | 1,335,237 | 572,119 |
| Capital Grants and Contributions | 6,412,299 | 1,287,054 | 5,125,245 |
| <i>Total Program Revenues</i> | <u>10,162,562</u> | <u>5,237,591</u> | <u>4,924,971</u> |
| General Revenues | | | |
| Property Taxes | 4,904,636 | 4,935,838 | (31,202) |
| Income Taxes | 20,240,276 | 20,639,958 | (399,682) |
| Grants and Entitlements | 1,615,802 | 1,224,575 | 391,227 |
| Investment Earnings | 607,016 | 684,761 | (77,745) |
| Other | 1,952,314 | 1,412,508 | 539,806 |
| Total General Revenues | <u>29,320,044</u> | <u>28,897,640</u> | <u>422,404</u> |
| <i>Total Revenues</i> | <u>\$39,482,606</u> | <u>\$34,135,231</u> | <u>\$5,347,375</u> |

(continued)

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Table 2
Changes in Net Position (continued)

| | Governmental Activities | | |
|--|-------------------------|---------------------|--------------------|
| | 2020 | 2019 | Change |
| Program Expenses | | | |
| General Government: | | | |
| Legislative and Executive | \$8,989,300 | \$8,736,365 | (\$252,935) |
| Judicial System | 168,915 | 206,352 | 37,437 |
| Public Safety: | | | |
| Police | 5,232,665 | 1,543,413 | (3,689,252) |
| Fire | 3,296,619 | 376,008 | (2,920,611) |
| Public Health and Social Services | 1,192,513 | 1,435,281 | 242,768 |
| Street Construction, Maintenance, and Repair | 4,421,862 | 4,871,513 | 449,651 |
| Housing and Community Development | 938,557 | 1,334,087 | 395,530 |
| Basic Utility Services | 2,826,513 | 2,669,147 | (157,366) |
| Recreational Activities | 1,600,150 | 2,485,063 | 884,913 |
| Interest and Fiscal Charges | 917,419 | 629,735 | (287,684) |
| <i>Total Program Expenses</i> | <u>29,584,513</u> | <u>24,286,964</u> | <u>(5,297,549)</u> |
| <i>Change in Net Position</i> | 9,898,093 | 9,848,267 | 49,826 |
| Net Position Beginning of Year - Restated | <u>80,964,323</u> | <u>71,116,056</u> | <u>9,848,267</u> |
| Net Position End of Year | <u>\$90,862,416</u> | <u>\$80,964,323</u> | <u>\$9,898,093</u> |

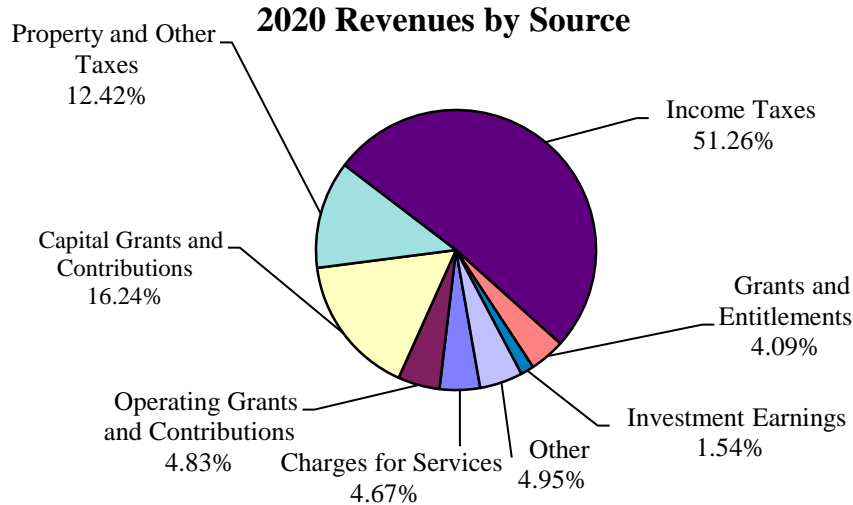
Governmental Activities

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 decreased from the prior year. This decrease can be attributed to a general decrease in net profits, which is a possible result of the COVID-19 pandemic. The City has an active economic development program, which continually works on recruiting new establishments to the City while retaining its current businesses.

In 2020, City income tax revenue of \$3,020,004 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. \$80,000 per month, or \$960,000 per year, is allocated toward general municipal improvements. These revenues are allocated by ordinance of City Council providing that a substantial portion of income tax collections is designated for roads, City facilities and capital needs.

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



Capital grants and contributions saw a significant increase over 2019. In 2020, the Brecksville Community Improvement Corporation (CIC) acquired the adjacent properties to the former Veterans' Administration hospital, which was transferred to the City and back to the CIC. These transactions resulted in capital grants and contributions of \$5,350,000.

The City recognized a slight decrease in property tax collections in 2020. In the next few years we anticipate a steady increase in valuation as corporate renovations, expansions, and new developments are recognized, and as several housing developments become populated with new homes.

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.

Public safety, including the police and fire departments, accounted for a large portion of program expenses, which is an increase over 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 increase over 2019 due to benefit changes that were recognized in 2019.

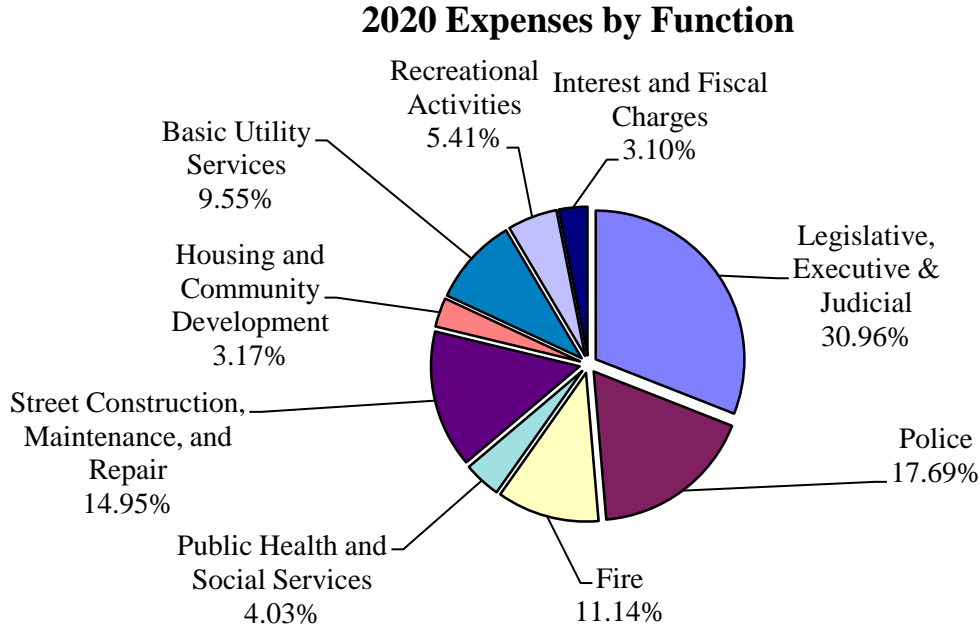
The fire department is funded through Charter levy millage. The majority of operating costs for maintaining the fire department 24 hours a day, 7 days a week are financed with this millage. In 2020, the fire department also received a transfer in from the general fund to maintain its operation level. 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. The community center expenses are included in the recreational activities expenses. There was a decrease in this expense from 2019 due to an overall decrease in activity in the human services and community center departments due to partial closure during the COVID-19 pandemic.

The City's on-going commitment to infrastructure maintenance is reflected in the \$2,826,513 spent on utilities and \$4,421,862 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.

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Total program expenses for 2020 by function are as follows:



The City's Funds

Information about the City's governmental funds begins on page 18. 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. Even though tax revenues decreased during the year, some general fund expenditures were expensed out of the local coronavirus relief fund as a response to the COVID-19 pandemic. Additionally, the City monitored and reduced expenses throughout the year due to the potential change in revenue due to the pandemic.

Another significant fund is the fire department fund. Its primary revenue source, property tax, had a slight increase in 2020. The fire department fund, for the eighth year in a row, required a transfer in from the general fund.

The City has four other funds presented as major funds. These four funds are the general municipal improvement fund, the buildings and improvements fund, the road improvements fund and the recreation facilities expansion fund. The general municipal improvement fund was reduced further during 2020, as City Council decided to utilize available fund balance. The buildings and improvements fund balance was decreased due to increased capital outlay expenditures. The income tax revenue received by the road improvements fund was utilized for the City's road repair program during 2020. The recreation facilities expansion fund balance was increased even with the continuation of the construction costs of the new aquatic facility and new field house adjacent to the new Brecksville-Broadview Heights City School District elementary school.

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 2020, the City amended its general fund budget several times. The final budgeted

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revenues were higher than original budgeted revenues because the City prefers to take a conservative approach for its revenue projections. 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 2019. There were several large additions to construction in progress for the current year, including the Whitewood and Meadow aerial sewer, the joint widening of State Route 82 with the City of Broadview Heights, the aquatics facility, and the field house 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 \$2,029,323, a 2019 Aquatic Facility Project Bond for \$6,762,075, a 2017 Police Facility Project Bond for \$7,594,868, a 2017 Service Center Garage Bond for \$1,709,754, a 2015 Refunding Tree Farm Property Bond from direct placement for \$1,325,000 and a Human Services Facility Refunding Bond of \$1,224,720.

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 2020, the City issued various purpose notes in the anticipation of bonds in the amounts of \$2,350,000 and \$9,750,000. Of these amounts, \$1,600,000 was for the purpose of State Route 82 street improvements; \$8,600,000 was for the construction of a field house at Blossom Hill; and \$1,900,000 was for the participation in a joint project with the City of Broadview Heights for State Route 82 street improvements.

The Ohio Public Works Commission (OPWC) loans from direct borrowings are paid semi-annually with the exception of the July of 2020 payment as the City elected to defer payment as offered by OPWC in response to the COVID-19 pandemic. All loans will be paid in full in the year 2034.

The City's overall debt increased in 2020 as the result of an increase in bond anticipation notes. The City's overall legal ten and one-half percent debt limitation (voted and unvoted) on December 31, 2020 was \$40.27 million. The aggregated outstanding debt subject to the five and one half percent limitation is \$6.17 million. The difference of \$34.10 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.

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For the Year Ended December 31, 2020
Unaudited

Current Financial Related Activities

The City of Brecksville continues to remain financially strong. Economic development agreements entered into in previous years are proving fruitful. 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 various outside funding for items such as training, law enforcement, recycling, and 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 police station. In 2018, the City entered into an agreement with the Chagrin Valley Dispatch Council to provide jail services.

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 management 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.

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

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 Comprehensive Annual Financial Report 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.

Basic Financial Statements

City of Brecksville, Ohio
Statement of Net Position
December 31, 2020

| | Governmental Activities |
|--|----------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | \$26,242,284 |
| Cash and Cash Equivalents: | |
| In Segregated Accounts | 63,201 |
| With Fiscal Agents | 4,943,437 |
| Materials and Supplies Inventory | 400,241 |
| Accounts Receivable | 165,751 |
| Intergovernmental Receivable | 3,504,855 |
| Accrued Interest Receivable | 42,701 |
| Municipal Income Taxes Receivable | 5,382,193 |
| Property Taxes Receivable | 5,004,379 |
| Special Assessments Receivable | 1,370,711 |
| Prepaid Items | 150,063 |
| Assets Held for Resale | 137,100 |
| Net Pension Asset (See Note 12) | 67,660 |
| Nondepreciable Capital Assets | 40,196,472 |
| Depreciable Capital Assets, Net | 76,721,736 |
| <i>Total Assets</i> | <i>164,392,784</i> |
| Deferred Outflows of Resources | |
| Asset Retirement Obligations | 12,089 |
| Deferred Charges on Refunding | 93,112 |
| Pension | 3,209,160 |
| OPEB | 2,221,525 |
| <i>Total Deferred Outflows of Resources</i> | <i>5,535,886</i> |
| Liabilities | |
| Accounts Payable | 418,054 |
| Contracts Payable | 513,802 |
| Retainage Payable | 922,678 |
| Accrued Wages | 687,492 |
| Payroll Withholdings Payable | 18,371 |
| Intergovernmental Payable | 287,834 |
| Deposits Held Payable | 813,472 |
| Unearned Revenue | 125 |
| Notes Payable | 2,540,000 |
| Accrued Interest Payable | 244,042 |
| Claims Payable | 271,169 |
| Vacation Benefits Payable | 439,552 |
| Long-Term Liabilities: | |
| Due Within One Year | 1,814,165 |
| Due In More Than One Year: | |
| Net Pension Liability (See Note 12) | 20,511,243 |
| Net OPEB Liability (See Note 13) | 7,947,629 |
| Other Amounts | 31,171,627 |
| <i>Total Liabilities</i> | <i>68,601,255</i> |
| Deferred Inflows of Resources | |
| Property Taxes | 4,879,468 |
| Pension | 3,800,454 |
| OPEB | 1,785,077 |
| <i>Total Deferred Inflows of Resources</i> | <i>10,464,999</i> |
| Net Position | |
| Net Investment in Capital Assets | 83,200,864 |
| Restricted for: | |
| Capital Projects | 129,740 |
| Debt Service | 1,175,556 |
| Court Computerization | 146,591 |
| Fire Department | 1,052,048 |
| Police Department | 618,936 |
| Road Maintenance | 441,926 |
| Street Construction, Maintenance, and Repair | 1,035,380 |
| Other Purposes | 127,615 |
| Unrestricted (Deficit) | 2,933,760 |
| <i>Total Net Position</i> | <i>\$90,862,416</i> |

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
Statement of Activities
For the Year Ended December 31, 2020

| | Expenses | Program Revenues | | | Net (Expense) Changes in Net Position |
|--|---------------------|---|--|--|---|
| | | Charges for Services and Operating Assessments | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| Governmental Activities | | | | | |
| General Government: | | | | | |
| Legislative and Executive | \$8,989,300 | \$319,617 | \$220,492 | \$5,472,832 | (\$2,976,359) |
| Judicial System | 168,915 | 131,371 | 2,090 | 0 | (35,454) |
| Public Safety: | | | | | |
| Police | 5,232,665 | 3,837 | 71,942 | 0 | (5,156,886) |
| Fire | 3,296,619 | 251,482 | 516,173 | 0 | (2,528,964) |
| Public Health and Social Services | 1,192,513 | 65,481 | 98,643 | 0 | (1,028,389) |
| Street Construction, Maintenance, and Repair | 4,421,862 | 6,162 | 911,220 | 930,000 | (2,574,480) |
| Housing and Community Development | 938,557 | 208,004 | 14,431 | 0 | (716,122) |
| Basic Utility Services | 2,826,513 | 201,093 | 32,882 | 9,467 | (2,583,071) |
| Recreational Activities | 1,600,150 | 655,860 | 39,483 | 0 | (904,807) |
| Interest and Fiscal Charges | 917,419 | 0 | 0 | 0 | (917,419) |
| <i>Total Governmental Activities</i> | <u>\$29,584,513</u> | <u>\$1,842,907</u> | <u>\$1,907,356</u> | <u>\$6,412,299</u> | <u>(19,421,951)</u> |
| General Revenues | | | | | |
| Property Taxes Levied for: | | | | | |
| General Purposes | | | | | 2,096,864 |
| Fire Department | | | | | 2,031,160 |
| Road Maintenance | | | | | 597,386 |
| Police Department | | | | | 179,226 |
| Municipal Income Taxes Levied for: | | | | | |
| General Purposes | | | | | 17,220,272 |
| Capital Outlay | | | | | 3,020,004 |
| Grants and Entitlements not Restricted to Specific Programs | | | | | |
| Investment Earnings | | | | | 1,615,802 |
| Miscellaneous | | | | | 607,016 |
| | | | | | <u>1,952,314</u> |
| <i>Total General Revenues</i> | | | | | <u>29,320,044</u> |
| Change in Net Position | | | | | 9,898,093 |
| <i>Net Position Beginning of Year - Restated (See Note 3)</i> | | | | | <u>80,964,323</u> |
| <i>Net Position End of Year</i> | | | | | <u><u>\$90,862,416</u></u> |

See accompanying notes to the basic financial statements

City of Brecksville, Ohio

Balance Sheet

Governmental Funds

December 31, 2020

| | General | Fire Department | General Municipal Improvement | Buildings and Improvements | Road Improvements |
|---|---------------------|--------------------|-------------------------------------|-------------------------------|----------------------|
| Assets | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$12,767,585 | \$1,195,550 | \$1,184,381 | \$1,150,087 | \$267,140 |
| Cash and Cash Equivalents: | | | | | |
| In Segregated Accounts | 61,301 | 0 | 0 | 0 | 0 |
| With Fiscal Agents | 0 | 0 | 0 | 0 | 0 |
| Materials and Supplies Inventory | 278,272 | 61,175 | 0 | 0 | 0 |
| Accounts Receivable | 127,219 | 1,541 | 0 | 2,017 | 0 |
| Interfund Receivable | 205,000 | 0 | 0 | 0 | 0 |
| Intergovernmental Receivable | 242,139 | 128,980 | 2,741,961 | 0 | 26,069 |
| Accrued Interest Receivable | 42,701 | 0 | 0 | 0 | 0 |
| Municipal Income Taxes Receivable | 4,878,859 | 0 | 160,000 | 283,334 | 60,000 |
| Property Taxes Receivable | 2,139,518 | 2,072,456 | 0 | 0 | 0 |
| Special Assessments Receivable | 0 | 0 | 0 | 0 | 0 |
| Prepaid Items | 142,795 | 496 | 0 | 0 | 0 |
| Assets Held for Resale | 137,100 | 0 | 0 | 0 | 0 |
| Restricted Assets: | | | | | |
| Equity in Pooled Cash and Cash Equivalents | 827,950 | 0 | 0 | 0 | 0 |
| Total Assets | \$21,850,439 | \$3,460,198 | \$4,086,342 | \$1,435,438 | \$353,209 |
| Liabilities | | | | | |
| Accounts Payable | \$345,074 | \$8,005 | \$18,404 | \$0 | \$0 |
| Contracts Payable | 25,602 | 0 | 0 | 360 | 0 |
| Retainage Payable | 0 | 0 | 0 | 0 | 0 |
| Accrued Wages | 539,829 | 101,839 | 0 | 0 | 0 |
| Payroll Withholdings Payable | 12,547 | 5,250 | 0 | 0 | 0 |
| Interfund Payable | 0 | 0 | 162,685 | 0 | 27,315 |
| Intergovernmental Payable | 186,235 | 35,727 | 0 | 43,891 | 0 |
| Deposits Held Payable from Restricted Assets | 813,072 | 0 | 0 | 0 | 0 |
| Unearned Revenue | 0 | 0 | 0 | 0 | 0 |
| Notes Payable | 0 | 0 | 2,540,000 | 0 | 0 |
| Accrued Interest Payable | 0 | 0 | 30,830 | 0 | 115 |
| Total Liabilities | 1,922,359 | 150,821 | 2,751,919 | 44,251 | 27,430 |
| Deferred Inflows of Resources | | | | | |
| Property Taxes | 2,086,106 | 2,020,730 | 0 | 0 | 0 |
| Unavailable Revenue | 2,190,069 | 180,706 | 2,669,247 | 0 | 26,069 |
| Total Deferred Inflows of Resources | 4,276,175 | 2,201,436 | 2,669,247 | 0 | 26,069 |
| Fund Balances | | | | | |
| Nonspendable | 573,045 | 61,671 | 0 | 0 | 0 |
| Restricted | 0 | 1,046,270 | 0 | 0 | 0 |
| Committed | 600,337 | 0 | 0 | 1,391,187 | 299,710 |
| Assigned | 2,549,000 | 0 | 0 | 0 | 0 |
| Unassigned (Deficit) | 11,929,523 | 0 | (1,334,824) | 0 | 0 |
| Total Fund Balances (Deficit) | 15,651,905 | 1,107,941 | (1,334,824) | 1,391,187 | 299,710 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$21,850,439 | \$3,460,198 | \$4,086,342 | \$1,435,438 | \$353,209 |

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, 2020*

| Recreation Facilities Expansion | Other Governmental Funds | Total Governmental Funds |
|---------------------------------------|--------------------------------|--------------------------------|
| \$1,450,698 | \$5,661,181 | \$23,676,622 |
| 0 | 1,900 | 63,201 |
| 4,943,437 | 0 | 4,943,437 |
| 0 | 60,794 | 400,241 |
| 3,797 | 28,325 | 162,899 |
| 0 | 0 | 205,000 |
| 0 | 365,706 | 3,504,855 |
| 0 | 0 | 42,701 |
| 0 | 0 | 5,382,193 |
| 0 | 792,405 | 5,004,379 |
| 0 | 1,370,711 | 1,370,711 |
| 0 | 6,772 | 150,063 |
| 0 | 0 | 137,100 |
| 0 | 400 | 828,350 |
| <u>\$6,397,932</u> | <u>\$8,288,194</u> | <u>\$45,871,752</u> |
| \$5,900 | \$39,969 | \$417,352 |
| 325,048 | 162,792 | 513,802 |
| 908,167 | 14,511 | 922,678 |
| 0 | 45,824 | 687,492 |
| 0 | 574 | 18,371 |
| 0 | 15,000 | 205,000 |
| 2,611 | 19,370 | 287,834 |
| 0 | 400 | 813,472 |
| 0 | 125 | 125 |
| 0 | 0 | 2,540,000 |
| 0 | 0 | 30,945 |
| <u>1,241,726</u> | <u>298,565</u> | <u>6,437,071</u> |
| 0 | 772,632 | 4,879,468 |
| 0 | 1,671,657 | 6,737,748 |
| 0 | 2,444,289 | 11,617,216 |
| 0 | 67,566 | 702,282 |
| 0 | 2,939,682 | 3,985,952 |
| 0 | 1,776,015 | 4,067,249 |
| 5,156,206 | 772,046 | 8,477,252 |
| 0 | (9,969) | 10,584,730 |
| <u>5,156,206</u> | <u>5,545,340</u> | <u>27,817,465</u> |
| <u>\$6,397,932</u> | <u>\$8,288,194</u> | <u>\$45,871,752</u> |

Total Governmental Fund Balances \$27,817,465

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. 116,918,208

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

| | |
|---------------------------|------------------|
| Delinquent Property Taxes | 124,911 |
| Municipal Income Taxes | 1,934,074 |
| Intergovernmental | 1,478,805 |
| Special Assessments | 1,370,711 |
| Miscellaneous | 1,829,247 |
| Total | 6,737,748 |

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. 1,468,293

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (213,097)

Vacation benefits payable are not expected to be paid with expendable available financial resources and therefore are not reported in the funds. (439,552)

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

| | |
|--------------------------------------|---------------------|
| General Obligation Bonds | (20,645,740) |
| Special Assessment Bonds | (1,277,612) |
| Bond Anticipation Notes | (9,669,822) |
| OPWC Loans | (265,333) |
| Compensated Absences | (1,063,280) |
| Deferred Outflows - Asset Retirement | 12,089 |
| Asset Retirement Obligations | (64,005) |
| Total | (32,973,703) |

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 | 67,660 |
| Deferred Outflows - Pension | 3,209,160 |
| Deferred Outflows - OPEB | 2,221,525 |
| Net Pension Liability | (20,511,243) |
| Net OPEB Liability | (7,947,629) |
| Deferred Inflows - Pension | (3,800,454) |
| Deferred Inflows - OPEB | (1,785,077) |
| Total | (28,546,058) |

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. 93,112

Net Position of Governmental Activities \$90,862,416

City of Brecksville, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

| | General | Fire Department | General Municipal Improvement | Buildings and Improvements | Road Improvements |
|--|---------------------|--------------------|-------------------------------------|-------------------------------|----------------------|
| Revenues | | | | | |
| Property Taxes | \$2,101,012 | \$2,035,176 | \$0 | \$0 | \$0 |
| Municipal Income Taxes | 17,314,462 | 0 | 960,000 | 1,700,004 | 360,000 |
| Charges for Services | 67,919 | 0 | 0 | 0 | 0 |
| Licenses and Permits | 550,157 | 0 | 0 | 0 | 0 |
| Fines and Forfeitures | 123,752 | 0 | 0 | 0 | 0 |
| Intergovernmental | 1,678,260 | 265,470 | 0 | 122,832 | 0 |
| Special Assessments | 0 | 0 | 20,203 | 0 | 6,162 |
| Interest | 335,851 | 15,391 | 35,296 | 18,598 | 5,348 |
| Contributions and Donations | 5,399,993 | 0 | 9,467 | 0 | 0 |
| Rentals | 161,338 | 0 | 0 | 0 | 0 |
| Miscellaneous | 934,951 | 126,004 | 218,553 | 9,232 | 12,143 |
| <i>Total Revenues</i> | <u>28,667,695</u> | <u>2,442,041</u> | <u>1,243,519</u> | <u>1,850,666</u> | <u>383,653</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government: | | | | | |
| Legislative and Executive | 6,825,785 | 0 | 0 | 0 | 0 |
| Judicial System | 145,329 | 0 | 0 | 0 | 0 |
| Public Safety: | | | | | |
| Police | 4,838,220 | 0 | 0 | 0 | 0 |
| Fire | 12,176 | 2,398,686 | 0 | 0 | 0 |
| Public Health and Social Services | 927,028 | 0 | 0 | 0 | 0 |
| Street Construction, Maintenance, and Repair | 2,058,422 | 0 | 0 | 0 | 0 |
| Housing and Community Development | 812,213 | 0 | 0 | 0 | 0 |
| Basic Utility Services | 1,949,850 | 0 | 0 | 0 | 0 |
| Recreational Activities | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5,350,000 | 0 | 2,182,840 | 1,003,755 | 367,999 |
| Debt Service: | | | | | |
| Principal Retirement | 0 | 0 | 0 | 0 | 0 |
| Interest and Fiscal Charges | 0 | 0 | 98,318 | 0 | 1,590 |
| Issuance Costs | 0 | 0 | 0 | 0 | 0 |
| <i>Total Expenditures</i> | <u>22,919,023</u> | <u>2,398,686</u> | <u>2,281,158</u> | <u>1,003,755</u> | <u>369,589</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>5,748,672</u> | <u>43,355</u> | <u>(1,037,639)</u> | <u>846,911</u> | <u>14,064</u> |
| Other Financing Sources (Uses) | | | | | |
| Sale of Capital Assets | 4,197 | 396 | 0 | 0 | 0 |
| Bond Anticipation Notes Issued | 0 | 0 | 960,000 | 0 | 0 |
| Premium on Bond Anticipation Notes Issued | 0 | 0 | 0 | 0 | 0 |
| Transfers In | 0 | 550,000 | 0 | 0 | 0 |
| Transfers Out | (2,576,499) | 0 | (313,129) | (989,083) | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>(2,572,302)</u> | <u>550,396</u> | <u>646,871</u> | <u>(989,083)</u> | <u>0</u> |
| <i>Net Change in Fund Balances</i> | 3,176,370 | 593,751 | (390,768) | (142,172) | 14,064 |
| <i>Fund Balances (Deficit) Beginning of Year - Restated (See Note 3)</i> | <u>12,475,535</u> | <u>514,190</u> | <u>(944,056)</u> | <u>1,533,359</u> | <u>285,646</u> |
| <i>Fund Balances (Deficit) End of Year</i> | <u>\$15,651,905</u> | <u>\$1,107,941</u> | <u>(\$1,334,824)</u> | <u>\$1,391,187</u> | <u>\$299,710</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, 2020*

| Recreation Facilities Expansion | Other Governmental Funds | Total Governmental Funds |
|---------------------------------------|--------------------------------|--------------------------------|
| \$0 | \$778,148 | \$4,914,336 |
| 0 | 0 | 20,334,466 |
| 0 | 809,692 | 877,611 |
| 0 | 269,595 | 819,752 |
| 0 | 6,458 | 130,210 |
| 0 | 1,632,637 | 3,699,199 |
| 0 | 397,218 | 423,583 |
| 103,592 | 64,903 | 578,979 |
| 0 | 7,127 | 5,416,587 |
| 0 | 25,995 | 187,333 |
| 9,467 | 174,565 | 1,484,915 |
| <u>113,059</u> | <u>4,166,338</u> | <u>38,866,971</u> |
| 0 | 224,630 | 7,050,415 |
| 0 | 7,486 | 152,815 |
| 0 | 182,411 | 5,020,631 |
| 0 | 247,591 | 2,658,453 |
| 0 | 8,158 | 935,186 |
| 0 | 1,819,633 | 3,878,055 |
| 0 | 27,030 | 839,243 |
| 0 | 37,373 | 1,987,223 |
| 0 | 1,612,350 | 1,612,350 |
| 8,732,487 | 212,236 | 17,849,317 |
| 0 | 1,505,578 | 1,505,578 |
| 0 | 678,327 | 778,235 |
| 0 | 56,977 | 56,977 |
| <u>8,732,487</u> | <u>6,619,780</u> | <u>44,324,478</u> |
| <u>(8,619,428)</u> | <u>(2,453,442)</u> | <u>(5,457,507)</u> |
| 0 | 0 | 4,593 |
| 8,600,000 | 0 | 9,560,000 |
| 0 | 109,822 | 109,822 |
| 748,926 | 2,919,790 | 4,218,716 |
| <u>(340,005)</u> | <u>0</u> | <u>(4,218,716)</u> |
| <u>9,008,921</u> | <u>3,029,612</u> | <u>9,674,415</u> |
| 389,493 | 576,170 | 4,216,908 |
| <u>4,766,713</u> | <u>4,969,170</u> | <u>23,600,557</u> |
| <u>\$5,156,206</u> | <u>\$5,545,340</u> | <u>\$27,817,465</u> |

Net Change in Fund Balances - Total Governmental Funds \$4,216,908

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

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

| | |
|---------------------------|--------------------|
| Capital Asset Additions | 24,785,908 |
| Current Year Depreciation | <u>(3,256,424)</u> |
| Total | 21,529,484 |

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. (6,382,058)

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

| | |
|---------------------------|----------------|
| Delinquent Property Taxes | (9,700) |
| Municipal Income Taxes | (94,190) |
| Intergovernmental | 819,671 |
| Special Assessments | (595,582) |
| Miscellaneous | <u>303,130</u> |
| Total | 423,329 |

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

| | |
|---|------------------|
| Bond Anticipation Notes Issued | (9,560,000) |
| Premium on Bond Anticipation Notes Issued | <u>(109,822)</u> |
| Total | (9,669,822) |

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. 1,505,578

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 Debt | (154,783) |
| Amortization of Premium on Debt | 45,710 |
| Amortization of Deferred Charges on Refunding | <u>(30,111)</u> |
| Total | (139,184) |

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

| | |
|----------------------|-----------------|
| Compensated Absences | (67,236) |
| Vacation Payable | <u>(48,662)</u> |
| Total | (115,898) |

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

| | |
|---------|---------------|
| Pension | 1,761,862 |
| OPEB | <u>25,765</u> |
| Total | 1,787,627 |

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 | (2,643,747) |
| OPEB | <u>(711,572)</u> |
| Total | (3,415,319) |

The internal service fund used by management to charge the individual funds is reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. 159,582

Asset retirement obligation 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. (2,134)

Net Position of Governmental Activities \$9,898,093

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, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-------------|--------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property Taxes | \$2,056,229 | \$2,056,229 | \$2,101,012 | \$44,783 |
| Municipal Income Taxes | 16,515,000 | 16,515,000 | 16,819,060 | 304,060 |
| Charges for Services | 73,000 | 73,000 | 67,919 | (5,081) |
| Licenses and Permits | 323,000 | 323,000 | 539,510 | 216,510 |
| Fines and Forfeitures | 242,800 | 242,800 | 125,683 | (117,117) |
| Intergovernmental | 1,144,960 | 1,705,902 | 1,671,116 | (34,786) |
| Interest | 150,000 | 150,000 | 169,513 | 19,513 |
| Contributions and Donations | 33,965 | 33,965 | 49,993 | 16,028 |
| Rentals | 166,416 | 166,416 | 156,690 | (9,726) |
| Miscellaneous | 955,286 | 955,286 | 879,000 | (76,286) |
| <i>Total Revenues</i> | 21,660,656 | 22,221,598 | 22,579,496 | 357,898 |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Legislative and Executive | 8,125,578 | 8,239,946 | 7,373,991 | 865,955 |
| Judicial System | 166,297 | 166,297 | 143,746 | 22,551 |
| Public Safety: | | | | |
| Police | 5,336,687 | 5,346,686 | 4,887,878 | 458,808 |
| Fire | 23,472 | 23,472 | 12,176 | 11,296 |
| Public Health and Social Services | 1,215,007 | 1,196,901 | 983,822 | 213,079 |
| Street Construction, Maintenance, and Repair | 2,509,714 | 2,501,229 | 2,021,318 | 479,911 |
| Housing and Community Development | 1,151,087 | 1,151,087 | 850,589 | 300,498 |
| Basic Utility Services | 2,084,578 | 2,180,174 | 2,034,957 | 145,217 |
| <i>Total Expenditures</i> | 20,612,420 | 20,805,792 | 18,308,477 | 2,497,315 |
| <i>Excess of Revenues Over Expenditures</i> | 1,048,236 | 1,415,806 | 4,271,019 | 2,855,213 |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 10,000 | 10,000 | 3,777 | (6,223) |
| Advances In | 750,000 | 750,000 | 750,000 | 0 |
| Advances Out | (115,000) | (115,000) | (115,000) | 0 |
| Transfers Out | (2,212,317) | (2,576,499) | (2,576,499) | 0 |
| <i>Total Other Financing Sources (Uses)</i> | (1,567,317) | (1,931,499) | (1,937,722) | (6,223) |
| <i>Net Change in Fund Balance</i> | (519,081) | (515,693) | 2,333,297 | 2,848,990 |
| <i>Fund Balance Beginning of Year</i> | 9,672,155 | 9,672,155 | 9,672,155 | 0 |
| Prior Year Encumbrances Appropriated | 523,443 | 523,443 | 523,443 | 0 |
| <i>Fund Balance End of Year</i> | \$9,676,517 | \$9,679,905 | \$12,528,895 | \$2,848,990 |

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, 2020

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Property Taxes | \$1,991,780 | \$1,991,780 | \$2,035,176 | \$43,396 |
| Intergovernmental | 274,406 | 284,021 | 265,470 | (18,551) |
| Interest | 15,000 | 15,000 | 15,391 | 391 |
| Contributions and Donations | 50 | 50 | 0 | (50) |
| Miscellaneous | 6,846 | 132,094 | 127,195 | (4,899) |
| <i>Total Revenues</i> | 2,288,082 | 2,422,945 | 2,443,232 | 20,287 |
| Expenditures | | | | |
| Current: | | | | |
| Public Safety: | | | | |
| Fire | 2,953,688 | 2,953,688 | 2,414,336 | 539,352 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (665,606) | (530,743) | 28,896 | 559,639 |
| Other Financing Sources | | | | |
| Sale of Capital Assets | 500 | 500 | 0 | (500) |
| Transfers In | 550,000 | 550,000 | 550,000 | 0 |
| <i>Total Other Financing Sources</i> | 550,500 | 550,500 | 550,000 | (500) |
| <i>Net Change in Fund Balance</i> | (115,106) | 19,757 | 578,896 | 559,139 |
| <i>Fund Balance Beginning of Year</i> | 562,625 | 562,625 | 562,625 | 0 |
| Prior Year Encumbrances Appropriated | 24,312 | 24,312 | 24,312 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$471,831</u> | <u>\$606,694</u> | <u>\$1,165,833</u> | <u>\$559,139</u> |

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
Statement of Fund Net Position
Proprietary Fund
December 31, 2020

| | <u>Internal Service Fund - Insurance</u> |
|--|--|
| Assets | |
| <i>Current Assets:</i> | |
| Equity in Pooled Cash and Cash Equivalents | \$1,737,312 |
| Accounts Receivable | <u>2,852</u> |
| <i>Total Assets</i> | 1,740,164 |
| Liabilities | |
| <i>Current Liabilities:</i> | |
| Accounts Payable | 702 |
| Claims Payable | <u>271,169</u> |
| <i>Total Liabilities</i> | <u>271,871</u> |
| Net Position | |
| Unrestricted | <u><u>\$1,468,293</u></u> |

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, 2020

| | Internal Service Fund - Insurance |
|---------------------------------------|---|
| Operating Revenues | |
| Charges for Services | \$2,222,727 |
| Miscellaneous | 164,269 |
| <i>Total Operating Revenues</i> | 2,386,996 |
| Operating Expenses | |
| Purchased Services | 3,585 |
| Claims | 2,251,866 |
| <i>Total Operating Expenses</i> | 2,255,451 |
| <i>Operating Income</i> | 131,545 |
| Non-Operating Revenues | |
| Interest on Investments | 28,037 |
| <i>Change in Net Position</i> | 159,582 |
| <i>Net Position Beginning of Year</i> | 1,308,711 |
| <i>Net Position End of Year</i> | \$1,468,293 |

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2020

| | Internal Service Fund - Insurance |
|--|---|
| Increase in Cash and Cash Equivalents | |
| Cash Flows from Operating Activities | |
| Cash Received from Customers | \$2,222,727 |
| Other Operating Revenues | 163,227 |
| Cash Payments to Suppliers for Purchased Services | (3,623) |
| Cash Payments for Claims | (2,224,831) |
| <i>Net Cash Provided by Operating Activities</i> | 157,500 |
| Cash Flows from Investing Activities | |
| Interest on Investments | 28,037 |
| <i>Net Increase in Cash and Cash Equivalents</i> | 185,537 |
| <i>Cash and Cash Equivalents Beginning of Year</i> | 1,551,775 |
| <i>Cash and Cash Equivalents End of Year</i> | \$1,737,312 |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities | |
| Operating Income | \$131,545 |
| <i>Adjustments:</i> | |
| Increase in Accounts Receivable | (1,042) |
| Increase (Decrease) in Liabilities: | |
| Accounts Payable | (38) |
| Claims Payable | 27,035 |
| <i>Total Adjustments</i> | 25,955 |
| <i>Net Cash Provided by Operating Activities</i> | \$157,500 |

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2020

| | Private Purpose Trust | Custodial Mayor's Court |
|--|--------------------------|-------------------------------|
| | Cemetery | |
| Assets | | |
| Equity in Pooled Cash and Cash Equivalents | \$3,379 | \$1,094 |
| Liabilities | | |
| Intergovernmental Payable | 0 | \$1,094 |
| Net Position | | |
| Held in Trust for Cemetery | 379 | |
| Endowments | 3,000 | |
| <i>Total Net Position</i> | \$3,379 | |

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, 2020

| | Private Purpose Trust | Custodial Mayor's Court |
|---|--------------------------|-------------------------------|
| | Cemetery | Court |
| Additions | | |
| Fines and Forfeitures for Other Governments | \$0 | \$33,693 |
| Interest | 58 | 0 |
| <i>Total Additions</i> | 58 | 33,693 |
| Deductions | | |
| Distributions of Court Funds to Other Governments | 0 | 33,693 |
| <i>Net Increase in Fiduciary Net Position</i> | 58 | 0 |
| <i>Net Position Beginning of Year</i> | 3,321 | 0 |
| <i>Net Position End of Year</i> | \$3,379 | \$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, 2020

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, 2020

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.

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.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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 Funds 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., 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.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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.

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 asset retirement obligations, deferred charges on refunding, pension and OPEB reported on the

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

government-wide statement of net position. The deferred outflows of resources related to asset retirement obligations is originally measured at the amount of the corresponding liability. This amount is expensed in a systematic and rational manner over the tangible asset's useful life. 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, 2020, but which were levied to finance 2021 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, intergovernmental grants, special assessments, and miscellaneous reimbursements. 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 19. 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.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The City recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations 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, 2020

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.

Equity in Pooled 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.

The City is financing the construction of a new field house as part of the new school in the Brecksville-Broadview Heights City School District, which the School District is holding as fiscal agent as part of the total construction of the school building. The balances in these accounts are presented on the statement of fund net position as "cash and cash equivalents with fiscal agents."

During 2020, investments were limited to STAR Ohio, American treasury obligation fund accounts, government securities, negotiable certificates of deposit, municipal securities, US treasury notes, and commercial paper.

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 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates; however, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million or more. STAR Ohio reserves the right to limit the transactions to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

American treasury obligation fund accounts, governmental securities, negotiable certificates of deposit, municipal securities, US treasury notes, and commercial paper are reported at fair value, which is based on quoted market prices.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue is distributed to all funds. Interest revenue credited to the general fund during 2020 amounted to \$355,851, of which \$54,947 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.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Materials and Supplies Inventory

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020, 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 various land and buildings 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 amounts held for contractors.

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.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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.

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.

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, bond anticipation notes, 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, 2020

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. City Council assigned fund balance to cover a gap between estimated revenue and appropriations in the 2021 appropriated budget.

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, 2020

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, 2020

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

During the prior year, an intergovernmental payable was incorrectly posted to the fire ambulance fund rather than the general municipal improvement fund in the amount of \$680,800. Also, errors in accumulated depreciation were discovered. These errors resulted in an overstatement of guardrail infrastructure assets of \$1,056 and an understatement of sanitary sewer infrastructure assets of \$175,303, for a total restatement needed in the amount of \$174,247.

| | <u>General</u> | <u>Fire Department</u> | <u>General Municipal Improvement</u> | <u>Buildings and Improvements</u> | <u>Road Improvement</u> |
|--|---------------------|----------------------------|--|---------------------------------------|-----------------------------|
| Fund Balances (Deficit), December 31, 2019 | \$12,475,535 | \$514,190 | (\$263,256) | \$1,533,359 | \$285,646 |
| Adjustments: | | | | | |
| Intergovernmental Payable | <u>0</u> | <u>0</u> | <u>(680,800)</u> | <u>0</u> | <u>0</u> |
| Restated Fund Balances (Deficit), December 31, 2019 | <u>\$12,475,535</u> | <u>\$514,190</u> | <u>(\$944,056)</u> | <u>\$1,533,359</u> | <u>\$285,646</u> |

(continued)

| | <u>Recreation Facilities Expansion</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|--|---|---|
| Fund Balances (Deficit), December 31, 2019 | \$4,766,713 | \$4,288,370 | \$23,600,557 |
| Adjustments: | | | |
| Intergovernmental Payables | <u>0</u> | <u>680,800</u> | <u>0</u> |
| Restated Fund Balances (Deficit), December 31, 2019 | <u>\$4,766,713</u> | <u>\$4,969,170</u> | <u>\$23,600,557</u> |

For 2020, the City implemented the Governmental Accounting Standard Board's (GASB) Statement No. 83, Certain Asset Retirement Obligations. GASB Statement 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The implementation of GASB Statement No. 83 and the understatement of depreciable capital assets had the following effect on net position as of December 31, 2019:

| | |
|---|---------------------|
| Net Position December 31, 2019 | \$80,839,858 |
| Adjustments: | |
| GASB Statement 83 | (49,782) |
| Depreciable Capital Assets | <u>174,247</u> |
| Restated Net Position December 31, 2019 | <u>\$80,964,323</u> |

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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).
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 | \$3,176,370 | \$593,751 |
| Net Adjustment for Revenue Accruals | (5,914,746) | 795 |
| Beginning Fair Value Adjustment for Investments | 68,399 | 0 |
| Ending Fair Value Adjustment for Investments | (242,272) | 0 |
| Advances In | 750,000 | 0 |
| Advances Out | (115,000) | 0 |
| Net Adjustment for Expenditure Accruals | 5,512,367 | 8,817 |
| Encumbrances | (901,821) | (24,467) |
| Budget Basis | \$2,333,297 | \$578,896 |

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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;
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);

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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.

Deposits

Custodial Credit Risk 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, 2020, \$814,439 of the City's bank balance of \$11,473,344 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.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Investments

Investments are reported at fair value. As of December 31, 2020, the City had the following investments:

| Measurement/Investment | Measurement Amount | Maturity | Standard & Poor's Rating | Percent of Total Investments |
|---|-----------------------|-----------------------|--------------------------------|------------------------------------|
| Net Asset Value Per Share: | | | | |
| STAR Ohio | \$1,208,180 | Average of 55.8 Days | AAAm | 7.92 % |
| Fair Value - Level 1 Input: | | | | |
| American Treasury Obligation Fund | 455,313 | Less than one year | AAAm | N/A |
| Fair Value - Level 2 Inputs: | | | | |
| Federal Home Loan Bank Notes | 981,934 | Less than five years | AA+ | 6.43 |
| Federal Home Loan Mortgage Corporation Notes | 1,634,002 | Less than five years | AA+ | 10.71 |
| Federal Farm Credit Bank Notes | 2,765,079 | Less than five years | AA+ | 18.12 |
| Federal National Mortgage Association Notes | 199,872 | Less than four years | AA+ | N/A |
| Negotiable Certificates of Deposit | 5,481,993 | Less than four years | N/A | 35.92 |
| Municipal Securities | 261,628 | Less than three years | AA | N/A |
| US Treasury Notes | 985,016 | Less than two years | N/A | 6.45 |
| Commercial Paper | 1,288,136 | Less than one year | N/A | 8.44 |
| Total Fair Value - Level 2 Inputs | <u>13,597,660</u> | | | |
| Total Investments | <u>\$15,261,153</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, 2020. The American Treasury Obligation Fund is measured at fair value and is valued using quoted market prices (Level 1 inputs). The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

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

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 6 – Receivables

Receivables at December 31, 2020, consisted primarily of accounts (billings for user charged services, rentals, and miscellaneous reimbursements); interfund; intergovernmental receivables arising from grants, entitlements, and shared revenues; municipal income taxes; property taxes; and special assessments. 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 \$1,370,711 in the special assessments bond retirement fund. At December 31, 2020, the amount of delinquent special assessments was \$10,711.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2020 for real and public utility property taxes represents collections of 2019 taxes.

2020 real property taxes were levied after October 1, 2020, on the assessed value as of January 1, 2020, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2020 real property taxes are collected in and intended to finance 2021.

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. 2020 public utility property taxes which became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2020, was \$8.21 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2020 property tax receipts were based are as follows:

| <u>Category</u> | <u>Assessed Value</u> |
|---|-----------------------------|
| Real Estate: | |
| Residential/Agricultural | \$550,691,840 |
| Other Real Estate | 109,682,240 |
| Tangible Personal Property Public Utility | <u>21,683,560</u> |
| Total Assessed Values | <u><u>\$682,057,640</u></u> |

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2020, and for which there was an enforceable legal claim. In governmental

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

funds, the portion of the receivable not levied to finance 2020 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 for tax years 2015 through 2020 and 100 percent credit for tax year 2021 and thereafter.

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 2020, by City ordinance, \$3,020,004 of total income tax proceeds are credited to the following capital projects funds: \$960,000 to the general municipal improvement fund, \$1,700,004 to the buildings and improvements fund and \$360,000 to the road improvements fund.

In March of 2020, Ohio’s General Assembly passed House Bill 197, which addressed various topics, including income tax collection. This legislation indicated that for the period of the state of emergency related to COVID-19 declared on March 9, 2020, and for thirty days after the conclusion of that period, any day on which an employee performs personal services at a location, including the employee’s home, to which the employee is required to report for employment duties because of the declaration, shall be deemed to be a day performing personal services at the employee’s principal place of work. The City’s income tax receivable/revenue has been calculated consistent with the provisions of House Bill 197.

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

Intergovernmental Receivables

A summary of the intergovernmental receivables follows:

| Governmental Activities: | |
|-----------------------------------|--------------------|
| NEORS D Grant | \$1,424,518 |
| ODOT Grant | 930,000 |
| County District 13 Grant Projects | 387,443 |
| Homestead and Rollback | 304,256 |
| Excise and Gasoline Tax | 179,070 |
| County Road Maintenance Program | 90,000 |
| Local Government | 88,669 |
| Auto Registration | 57,472 |
| Permissive Tax | 17,056 |
| DARE Grant | 13,393 |
| Coronavirus Emergency Program | 10,000 |
| EMS Grant | 2,978 |
| Total | <u>\$3,504,855</u> |

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 7 – Tax Abatements

As of December 31, 2020, the City provides tax abatements through three 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 \$485,997 through expenses during 2020.

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 2020, 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 | \$70,756,123 |
| | 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 |
| | Abuse and Molestation | 1,000,000 |
| | Cyber Liability | 2,000,000 |
| Curtis 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, a Sedgwich Company, provides administrative, cost control, and actuarial services to the OAPT.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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.

The claims liability of \$271,169, reported in the self-insurance fund at December 31, 2020, 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 |
|------|---------------------------------|------------------------|-------------------|---------------------------|
| 2019 | \$204,840 | \$2,273,169 | \$2,233,875 | \$244,134 |
| 2020 | 244,134 | 2,251,866 | 2,224,831 | 271,169 |

Note 9 – Interfund Transfers and Balances

Interfund Transfers

Interfund transfers for the year ended December 31, 2020, consisted of the following:

| Transfers From | Transfers To | | | Totals |
|-------------------------------|--------------------|---------------------------------------|--------------------------------|--------------------|
| | Fire Department | Recreation Facilities Expansion | Other Governmental Funds | |
| General | \$550,000 | \$748,926 | \$1,277,573 | \$2,576,499 |
| General Municipal Improvement | 0 | 0 | 313,129 | 313,129 |
| Buildings and Improvements | 0 | 0 | 989,083 | 989,083 |
| Other Governmental Funds | 0 | 0 | 340,005 | 340,005 |
| <i>Total All Funds</i> | <u>\$550,000</u> | <u>\$748,926</u> | <u>\$2,919,790</u> | <u>\$4,218,716</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 \$1,120,000, \$550,000, and \$157,573, respectively, were to fund their operations. A transfer from the general fund to the recreation facilities expansion fund of \$748,926 was made in anticipation of expenditures that were budgeted to happen during the current year. To provide funds for loan payments, transfers totaling \$31,156 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 2020, this amount was \$1,611,061.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
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Interfund Balances

The general fund has an interfund receivable balance of \$115,000, and the special assessment bond retirement debt service fund and general municipal improvement capital projects fund had interfund payable balances of \$15,000 and \$100,000, respectively. The purpose of these advances were to fund their operations until their own revenues could cover the funds.

Additionally, the general municipal improvement and road improvements major capital projects funds had interfund payable balances of \$62,685 and \$27,315, respectively, and the general fund had an interfund receivable balance of \$90,000 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 |
| 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 | \$90,000 | \$14,140 | \$104,140 |

Note 10 – Capital Assets

A summary of changes in capital assets during 2020 follows:

| | Balance 12/31/2019 | Additions | Deductions | Balance 12/31/2020 |
|---|-----------------------|-------------|---------------|-----------------------|
| Governmental Activities: | | | | |
| <i>Capital Assets not being Depreciated:</i> | | | | |
| Land | \$7,460,576 | \$6,056,501 | (\$6,368,558) | \$7,148,519 |
| Construction in Progress | 16,705,725 | 16,930,502 | (588,274) | 33,047,953 |
| <i>Total Capital Assets not being Depreciated</i> | 24,166,301 | 22,987,003 | (6,956,832) | 40,196,472 |
| <i>Capital Assets being Depreciated:</i> | | | | |
| Land Improvements | 5,387,190 | 67,114 | 0 | 5,454,304 |
| Buildings and Improvements | 37,368,405 | 742,088 | (40,714) | 38,069,779 |
| Machinery and Equipment | 16,211,174 | 704,396 | (333,113) | 16,582,457 |
| Furniture and Fixtures | 447,078 | 0 | 0 | 447,078 |
| Infrastructure: | | | | |
| Roads | 47,437,727 | 761,510 | (344,514) | 47,854,723 |
| Sidewalks | 3,597,083 | 0 | 0 | 3,597,083 |
| Guardrails | 561,624 | 40,307 | (6,558) | 595,373 |
| Traffic Signals | 2,320,884 | 0 | 0 | 2,320,884 |
| Storm Sewers | 14,327,445 | 0 | 0 | 14,327,445 |
| Sanitary Sewers | 16,192,790 | 71,764 | 0 | 16,264,554 |
| Water Lines | 226,460 | 0 | 0 | 226,460 |
| <i>Total Capital Assets being Depreciated</i> | \$144,077,860 | \$2,387,179 | (\$724,899) | \$145,740,140 |

(continued)

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

| Governmental Activities (continued): | Balance 12/31/2019 | Additions | Deductions | Balance 12/31/2020 |
|--|-----------------------|----------------------|----------------------|-----------------------|
| Less Accumulated Depreciation: | | | | |
| Land Improvements | (\$3,336,642) | (\$218,541) | \$0 | (\$3,555,183) |
| Buildings and Improvements | (15,358,627) | (790,530) | 31,552 | (16,117,605) |
| Machinery and Equipment | (10,532,055) | (1,012,291) | 328,775 | (11,215,571) |
| Furniture and Fixtures | (294,488) | (15,363) | 0 | (309,851) |
| Infrastructure: | | | | |
| Roads | (23,859,534) | (770,594) | 344,514 | (24,285,614) |
| Sidewalks | (3,283,258) | (14,609) | 0 | (3,297,867) |
| Guardrails | (254,985) | (12,921) | 6,558 | (261,348) |
| Traffic Signals | (1,772,696) | (107,643) | 0 | (1,880,339) |
| Storm Sewers | (3,129,337) | (144,722) | 0 | (3,274,059) |
| Sanitary Sewers | (4,503,143) | (163,563) | 0 | (4,666,706) |
| Water Lines | (148,614) | (5,647) | 0 | (154,261) |
| <i>Total Accumulated Depreciation</i> | <u>(66,473,379)</u> | <u>(3,256,424) *</u> | <u>711,399</u> | <u>(69,018,404)</u> |
| <i>Total Capital Assets being Depreciated, Net</i> | <u>77,604,481</u> | <u>(869,245)</u> | <u>(13,500)</u> | <u>76,721,736</u> |
| <i>Governmental Activities Capital Assets, Net</i> | <u>\$101,770,782</u> | <u>\$22,117,758</u> | <u>(\$6,970,332)</u> | <u>\$116,918,208</u> |

The City and Brecksville-Broadview Heights City School District entered into a land and building exchange agreement in November of 2019. The City transferred ownership of approximately 25 acres of land on Oakes Road. In return, the School District transferred land and school buildings at each of the following locations: 27 Public Square, 8929 Highland Road, and Royalton Road, which totaled 15.04 acres of land. The School District plans to construct a new school. As part of the agreement, the City is financing the construction of a new field house as part of the new school in order to maximize the benefit to the community. While the City will be in charge of the management and general operations of the field house, the School District will have a School Resource Officer working there and the School District will have access to use the field house.

*Depreciation expense was charged to governmental activities as follows:

| | |
|---|--------------------|
| General Government: | |
| Legislative and Executive | \$411,529 |
| Public Safety: | |
| Police | 150,924 |
| Fire | 284,125 |
| Public Health Services | 198,725 |
| Street Construction, Maintenance and Repair | 1,105,814 |
| Housing and Community Development | 24,468 |
| Basic Utility Services | 676,893 |
| Recreational Activities | 403,946 |
| Total Depreciation Expense | <u>\$3,256,424</u> |

Note 11 – Assets Held for Resale

Assets held for resale represent various parcels within the City. One parcel was received through the land reutilization program, which will be sold for future development/ownership. At December 31, 2020, this one parcel was held for resale with a value of \$137,100.

City of Brecksville, Ohio
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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.

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

The Ohio Revised Code 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 (OPERS)

City employees, other than full-time police and firefighters, participate in the 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

City of Brecksville, Ohio
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pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (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 for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS' Comprehensive 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 |

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

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

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a COLA on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the COLA is 3 percent. 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.

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

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

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

| | State and Local |
|--|--------------------|
| 2020 Statutory Maximum Contribution Rates | |
| Employer | 14.0 % |
| Employee * | 10.0 % |
| 2020 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.

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

City of Brecksville, Ohio
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For 2020, the City's contractually required contribution was \$906,412 for the traditional plan, \$16,742 for the combined plan and \$13,622 for the member-directed plan. Of these amounts, \$53,623 is reported as an intergovernmental payable for the traditional plan, \$992 for the combined plan, and \$804 for the member-directed plan.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

City full-time police and firefighters participate in OPF, a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. 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 member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

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

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 Comprehensive Annual Financial Report referenced previously for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for an annual cost of living adjustment (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 three percent or the percent increase, if any, in the Consumer Price Index over the 12 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.

City of Brecksville, Ohio
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Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions as follows:

| | Police | Firefighters |
|--|-------------|--------------|
| 2020 Statutory Maximum Contribution Rates | | |
| Employer | 19.50 % | 24.00 % |
| Employee | 12.25 % | 12.25 % |
| 2020 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 \$838,708 for 2020. Of this amount, \$28,457 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, 2019, 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, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. 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:

| | OPERS Traditional Plan | OPERS Combined Plan | OPF | Total |
|--|------------------------------|---------------------------|-----------------|-----------------|
| Proportion of the Net Pension Liability/Asset: | | | | |
| Current Measurement Date | 0.04681500% | 0.03244700% | 0.16711770% | |
| Prior Measurement Date | 0.04989200% | 0.03353000% | 0.17013500% | |
| Change in Proportionate Share | -0.00307700% | -0.00108300% | -0.00301730% | |
| Proportionate Share of the: | | | | |
| Net Pension Liability | \$9,253,302 | \$0 | \$11,257,941 | \$20,511,243 |
| Net Pension Asset | 0 | 67,660 | 0 | 67,660 |
| Pension Expense | \$1,185,954 | \$6,660 | \$1,451,133 | \$2,643,747 |

2020 pension expense for the member-directed defined contribution plan was \$13,622. The aggregate pension expense for all pension plans was \$2,657,369 for 2020.

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At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

| | OPERS Traditional Plan | OPERS Combined Plan | OPF | Total |
|---|------------------------------|---------------------------|--------------------|--------------------|
| Deferred Outflows of Resources | | | | |
| Differences between expected and actual experience | \$0 | \$0 | \$426,149 | \$426,149 |
| Changes of assumptions | 494,235 | 6,977 | 276,353 | 777,565 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 0 | 1,105 | 242,479 | 243,584 |
| City contributions subsequent to the measurement date | 906,412 | 16,742 | 838,708 | 1,761,862 |
| <i>Total Deferred Outflows of Resources</i> | <u>\$1,400,647</u> | <u>\$24,824</u> | <u>\$1,783,689</u> | <u>\$3,209,160</u> |
| Deferred Inflows of Resources | | | | |
| Differences between expected and actual experience | \$116,995 | \$15,885 | \$580,617 | \$713,497 |
| Net difference between projected and actual earnings on pension plan investments | 1,845,826 | 8,776 | 543,849 | 2,398,451 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 455,172 | 5,174 | 228,160 | 688,506 |
| <i>Total Deferred Inflows of Resources</i> | <u>\$2,417,993</u> | <u>\$29,835</u> | <u>\$1,352,626</u> | <u>\$3,800,454</u> |

\$1,761,862 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 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| | OPERS Traditional Plan | OPERS Combined Plan | OPF | Total |
|--------------------------|------------------------------|---------------------------|--------------------|----------------------|
| Year Ending December 31: | | | | |
| 2021 | (\$526,376) | (\$4,932) | (\$105,821) | (\$637,129) |
| 2022 | (740,903) | (4,768) | 7,850 | (737,821) |
| 2023 | 76,436 | (2,320) | 266,144 | 340,260 |
| 2024 | (732,915) | (5,536) | (511,928) | (1,250,379) |
| 2025 | 0 | (1,537) | (63,890) | (65,427) |
| Thereafter | 0 | (2,660) | 0 | (2,660) |
| Total | <u>(\$1,923,758)</u> | <u>(\$21,753)</u> | <u>(\$407,645)</u> | <u>(\$2,353,156)</u> |

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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,

City of Brecksville, Ohio
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2019, 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, 2019, 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 | 1.4 percent, simple through 2020, then 2.15 percent, simple | 1.4 percent, simple through 2020, then 2.15 percent, simple |
| Investment Rate of Return | 7.2 percent | 7.2 percent |
| Actuarial Cost Method | Individual Entry Age | Individual Entry Age |

In October 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 3 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 then 2.15 percent simple.

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

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

During 2019, 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 17.2 percent for 2019.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future

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real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------|----------------------|---|
| Fixed Income | 25.00 % | 1.83 % |
| Domestic Equities | 19.00 | 5.75 |
| Real Estate | 10.00 | 5.20 |
| Private Equity | 12.00 | 10.70 |
| International Equities | 21.00 | 7.66 |
| Other investments | 13.00 | 4.98 |
| Total | 100.00 % | 5.61 % |

Discount Rate The discount rate used to measure the total pension liability was 7.2 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.

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 | \$15,261,690 | \$9,253,302 | \$3,851,938 |
| OPERS Combined Plan | (40,883) | (67,660) | (86,958) |

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, 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

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their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered 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, 2019, are presented as follows:

| | |
|----------------------------|--|
| Valuation Date | January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019 |
| 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 | 3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent |
| Cost of Living Adjustments | 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 Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

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

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

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

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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 average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2019, are summarized as follows:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|------------------------------|----------------------|---|
| Cash and Cash Equivalents | 0.00 % | 1.00 % |
| Domestic Equity | 16.00 | 5.40 |
| Non-US Equity | 16.00 | 5.80 |
| Private Markets | 8.00 | 8.00 |
| Core Fixed Income * | 23.00 | 2.70 |
| High Yield Fixed Income | 7.00 | 4.70 |
| Private Credit | 5.00 | 5.50 |
| U.S. Inflation Linked Bonds* | 17.00 | 2.50 |
| Master Limited Partnerships | 8.00 | 6.60 |
| Real Assets | 8.00 | 7.40 |
| Private Real Estate | 12.00 | 6.40 |
| Total | 120.00 % | |

Note: Assumptions are geometric.

* levered 2x

OPF's Board of Trustees has incorporated the risk parity concept into OPF's 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 preceding, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

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

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

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| | 1% Decrease (7.00%) | Current Discount Rate (8.00%) | 1% Increase (9.00%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net pension liability | \$15,603,115 | \$11,257,941 | \$7,623,634 |

Note 13 – Defined Benefit OPEB Plans

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

The 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 postemployment 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 separation, 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 75. See OPERS' Comprehensive Annual Financial Report referenced later for additional information.

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

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

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

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Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020, OPERS did not allocate any employer contribution to health care for members in the traditional pension plan and 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 2020 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 \$5,449 for 2020. Of this amount, \$322 is reported as an intergovernmental payable.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, 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 Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code 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 Ohio Revised Code.

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 Ohio Revised Code 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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2020, 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 \$20,316 for 2020. Of this amount, \$690 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, 2018, rolled forward to the measurement date of December 31, 2019, 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, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

| | <u>OPERS</u> | <u>OPF</u> | <u>Total</u> |
|--|---------------------|---------------------|--------------|
| Proportion of the Net OPEB Liability: | | | |
| Current Measurement Date | 0.04558800% | 0.16711770% | |
| Prior Measurement Date | 0.04856300% | 0.17013500% | |
| Change in Proportionate Share | <u>-0.00297500%</u> | <u>-0.00301730%</u> | |
| | | | |
| Proportionate Share of the Net OPEB Liability | \$6,296,886 | \$1,650,743 | \$7,947,629 |
| | | | |
| OPEB Expense | \$559,129 | \$212,443 | \$771,572 |

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At December 31, 2020, 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 | \$169 | \$0 | \$169 |
| Changes of assumptions | 996,730 | 965,088 | 1,961,818 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 2,096 | 231,677 | 233,773 |
| City contributions subsequent to the measurement date | 5,449 | 20,316 | 25,765 |
| <i>Total Deferred Outflows of Resources</i> | <u>\$1,004,444</u> | <u>\$1,217,081</u> | <u>\$2,221,525</u> |
| Deferred Inflows of Resources | | | |
| Differences between expected and actual experience | \$575,880 | \$177,522 | \$753,402 |
| Changes of assumptions | 0 | 351,799 | 351,799 |
| Net difference between projected and actual earnings on OPEB plan investments | 320,636 | 75,961 | 396,597 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 265,696 | 17,583 | 283,279 |
| <i>Total Deferred Inflows of Resources</i> | <u>\$1,162,212</u> | <u>\$622,865</u> | <u>\$1,785,077</u> |

\$25,765 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 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | <u>OPERS</u> | <u>OPF</u> | <u>Total</u> |
|--------------------------|--------------------|------------------|------------------|
| Year Ending December 31: | | | |
| 2021 | (\$9,097) | \$108,638 | \$99,541 |
| 2022 | (17,364) | 108,638 | 91,274 |
| 2023 | 254 | 124,219 | 124,473 |
| 2024 | (137,010) | 99,653 | (37,357) |
| 2025 | 0 | 101,478 | 101,478 |
| Thereafter | 0 | 31,274 | 31,274 |
| Total | <u>(\$163,217)</u> | <u>\$573,900</u> | <u>\$410,683</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 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, 2018, rolled

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forward to the measurement date of December 31, 2019. 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 | 3.16 percent |
| Prior measurement date | 3.96 percent |
| Investment Rate of Return | 6.00 percent |
| Municipal Bond Rate: | |
| Current measurement date | 2.75 percent |
| Prior measurement date | 3.71 percent |
| Health Care Cost Trend Rate: | |
| Current measurement date | 10.0 percent, initial 3.50 percent, ultimate in 2030 |
| Prior measurement date | 7.25 percent, initial 3.25 percent, ultimate in 2029 |
| Actuarial Cost Method | Individual Entry Age Normal |

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.

During 2019, 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, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. 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 19.7 percent for 2019.

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'

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primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------------|----------------------|---|
| Fixed Income | 36.00 % | 1.53 % |
| Domestic Equities | 21.00 | 5.75 |
| Real Estate Investment Trust | 6.00 | 5.69 |
| International Equities | 23.00 | 7.66 |
| Other investments | 14.00 | 4.90 |
| Total | 100.00 % | 4.55 % |

Discount Rate A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. 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 2.75 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

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 3.16 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 (2.16 percent) or one percentage point higher (4.16 percent) than the current rate:

| | 1% Decrease (2.16%) | Current Discount Rate (3.16%) | 1% Increase (4.16%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net OPEB liability | \$8,240,487 | \$6,296,886 | \$4,740,696 |

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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 City’s proportionate share of the net OPEB liability calculated using the assumed trend rates, and the City’s proportionate share of 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 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

| | 1% Decrease | Current Health Care Cost Trend Rate Assumption | 1% Increase |
|--|-------------|--|-------------|
| City's proportionate share of the net OPEB liability | \$6,111,071 | \$6,296,886 | \$6,480,334 |

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

Actuarial Assumptions – OPF

OPF’s total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, 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.

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

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

| | |
|----------------------------|--|
| Valuation Date | January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019 |
| 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 | 3.25 percent |
| Single discount rate: | |
| Current measurement date | 3.56 percent |
| Prior measurement date | 4.66 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 Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

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

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

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 3.56 percent. For 2018, the total OPEB liability was calculated using the discount rate of 4.66 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

City of Brecksville, Ohio
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inflows from investment earnings were calculated using the longer-term assumed investment rate of 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 2.75 percent at December 31, 2019 and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent for 2018. 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 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, 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 City's proportionate share of the net OPEB liability calculated using the discount rate of 3.56 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 (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

| | 1% Decrease (2.56%) | Current Discount Rate (3.56%) | 1% Increase (4.56%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net OPEB liability | \$2,046,816 | \$1,650,743 | \$1,321,635 |

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 2020 were \$98.83 and \$32.75, respectively.

City of Brecksville, Ohio
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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, 2020.

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>Bond Anticipation Notes:</i> | | | | |
| Field House Bond Anticipation Notes | 2020 | 2.00 | 8,600,000 | February 25, 2021 |
| Route 82 Bond Anticipation Notes | 2020 | 2.00 | 960,000 | February 25, 2021 |
| <i>OPWC Loans from Direct Borrowings:</i> | | | | |
| 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 |

City of Brecksville, Ohio
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A schedule of changes in bonds and other long-term obligations of the City during 2020 follows:

| | Principal Outstanding 12/31/2019 | Additions | Deletions | Principal Outstanding 12/31/2020 | Amounts Due in One Year |
|---|--|---------------------|----------------------|--|-------------------------------|
| Governmental Activities | | | | | |
| <i>General Obligations Bonds:</i> | | | | | |
| 2012 Human Services Facility Refunding | \$1,590,000 | \$0 | (\$390,000) | \$1,200,000 | \$395,000 |
| Premium on Bonds | 32,960 | 0 | (8,240) | 24,720 | 0 |
| 2017 Police Facility Project | | | | | |
| Serial Bond | 2,875,000 | 0 | (105,000) | 2,770,000 | 110,000 |
| Term Bond | 4,710,000 | 0 | 0 | 4,710,000 | 0 |
| Premium on Bonds | 122,047 | 0 | (7,179) | 114,868 | 0 |
| 2017 Service Center Garage | | | | | |
| Serial Bond | 830,000 | 0 | (85,000) | 745,000 | 85,000 |
| Term Bond | 935,000 | 0 | 0 | 935,000 | 0 |
| Premium on Bonds | 31,613 | 0 | (1,859) | 29,754 | 0 |
| 2019 Police Facility Project | | | | | |
| Serial Bond | 820,000 | 0 | (45,000) | 775,000 | 50,000 |
| Term Bond | 1,160,000 | 0 | 0 | 1,160,000 | 0 |
| Premium on Bonds | 98,424 | 0 | (4,101) | 94,323 | 0 |
| 2019 Aquatic Facility Project | | | | | |
| Serial Bond | 3,655,000 | 0 | (210,000) | 3,445,000 | 220,000 |
| Term Bond | 2,845,000 | 0 | 0 | 2,845,000 | 0 |
| Premium on Bonds | 492,600 | 0 | (20,525) | 472,075 | 0 |
| <i>From Direct Placement:</i> | | | | | |
| 2015 Various Purpose Tree Farm Refunding | 1,575,000 | 0 | (250,000) | 1,325,000 | 255,000 |
| Total General Obligation Bonds | 21,772,644 | 0 | (1,126,904) | 20,645,740 | 1,115,000 |
| <i>Special Assessment Bonds:</i> | | | | | |
| 2001 Service Road Sewer and Water | 115,000 | 0 | (60,000) | 55,000 | 55,000 |
| 2001 Four Seasons Sewer and Water | 195,000 | 0 | (95,000) | 100,000 | 100,000 |
| 2005 Route 21, Hilton, Whitewood Sewer and Storm | 435,000 | 0 | (65,000) | 370,000 | 65,000 |
| 2012 Katherine Boulevard Improvements | 455,000 | 0 | (150,000) | 305,000 | 150,000 |
| Premium on Bonds | 11,418 | 0 | (3,806) | 7,612 | 0 |
| 2012 Riverview Road Sewer | | | | | |
| Serial Bond | 110,000 | 0 | (25,000) | 85,000 | 25,000 |
| Term Bond | 290,000 | 0 | 0 | 290,000 | 0 |
| <i>From Direct Placement:</i> | | | | | |
| 2015 Various Purpose Route 21 Access Road Refunding | 75,000 | 0 | (10,000) | 65,000 | 10,000 |
| Total Special Assessment Bonds | 1,686,418 | 0 | (408,806) | 1,277,612 | 405,000 |
| <i>Bond Anticipation Notes:</i> | | | | | |
| 2020 Field House Bond Anticipation Notes | 0 | 8,600,000 | 0 | 8,600,000 | 0 |
| 2020 Route 82 Bond Anticipation Notes | 0 | 960,000 | 0 | 960,000 | 0 |
| Premium on Notes | 0 | 109,822 | 0 | 109,822 | 0 |
| Total Long-Term Notes | 0 | 9,669,822 | 0 | 9,669,822 | 0 |
| <i>OPWC Loans from Direct Borrowings:</i> | | | | | |
| 2005 Route 21, Hilton, Whitewood Sanitary Sewer | 63,564 | 0 | (5,779) | 57,785 | 11,557 |
| 2006 Fitzwater, Riverview Wiese, Carriage Hill Cleaning | 57,027 | 0 | (4,074) | 52,953 | 8,147 |
| 2013 Wiese Road Retaining Wall Improvement | 160,320 | 0 | (5,725) | 154,595 | 11,451 |
| Total OPWC Loans | 280,911 | 0 | (15,578) | 265,333 | 31,155 |
| <i>Net Pension Liability:</i> | | | | | |
| OPERS | 13,664,410 | 0 | (4,411,108) | 9,253,302 | 0 |
| OPF | 13,887,511 | 0 | (2,629,570) | 11,257,941 | 0 |
| Total Net Pension Liability | 27,551,921 | 0 | (7,040,678) | 20,511,243 | 0 |
| <i>Net OPEB Liability:</i> | | | | | |
| OPERS | 6,331,468 | 0 | (34,582) | 6,296,886 | 0 |
| OPF | 1,549,340 | 101,403 | 0 | 1,650,743 | 0 |
| Total Net OPEB Liability | 7,880,808 | 101,403 | (34,582) | 7,947,629 | 0 |
| Compensated Absences | 996,044 | 321,393 | (254,157) | 1,063,280 | 263,010 |
| Asset Retirement Obligations | 64,005 | 0 | 0 | 64,005 | 0 |
| Total Governmental Activities | \$60,232,751 | \$10,092,618 | (\$8,880,705) | \$61,444,664 | \$1,814,165 |

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All bonds are secured by the full faith and credit of the City. General obligation bonds will be paid from taxes received 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.

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, enforcement and education and local Coronavirus relief 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. Asset retirement obligations will be paid from the buildings and improvements capital projects fund.

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, 2020, \$1,225,000 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, 2020, \$1,440,000 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.

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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.

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.

On February 27, 2020, the City issued bond anticipation notes in the amount of \$9,750,000, \$9,560,000 being the long-term portion. See Note 17 for the \$190,000 portion reflected as a fund liability. Of this amount, \$8,600,000 was 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 Oakes Road and \$1,150,000 was for the purpose of Route 82 street improvements in a joint project with the City of Broadview Heights. The notes were issued at an interest rate of 2.00 percent and mature on February 25, 2021. The notes were issued with a premium of \$109,822.

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The City's overall legal debt margin was \$40,273,718 at December 31, 2020. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2020, are as follows:

| | General Obligation Bonds | | | | General Obligation Bonds from | |
|-----------|--------------------------|-------------|--------------|-------------|-------------------------------|----------|
| | Serial Portion | | Term Portion | | Direct Placement | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2021 | \$860,000 | \$584,727 | \$0 | \$0 | \$255,000 | \$26,898 |
| 2022 | 875,000 | 558,439 | 0 | 0 | 265,000 | 21,721 |
| 2023 | 900,000 | 531,538 | 0 | 0 | 265,000 | 16,341 |
| 2024 | 865,000 | 503,676 | 0 | 0 | 270,000 | 10,962 |
| 2025 | 890,000 | 477,077 | 0 | 0 | 270,000 | 5,481 |
| 2026-2030 | 3,680,000 | 1,578,416 | 1,295,000 | 303,526 | 0 | 0 |
| 2031-2035 | 865,000 | 283,787 | 4,990,000 | 729,218 | 0 | 0 |
| 2036-2040 | 0 | 0 | 2,945,000 | 251,025 | 0 | 0 |
| 2041-2043 | 0 | 0 | 420,000 | 25,500 | 0 | 0 |
| Total | \$8,935,000 | \$4,517,660 | \$9,650,000 | \$1,309,269 | \$1,325,000 | \$81,403 |

| | Special Assessment Bonds | | | | OPWC Loans |
|-----------|--------------------------|----------|--------------|----------|-------------|
| | Serial Portion | | Term Portion | | from Direct |
| | Principal | Interest | Principal | Interest | Borrowings |
| 2021 | \$405,000 | \$36,191 | \$0 | \$7,975 | 31,155 |
| 2022 | 260,000 | 21,203 | 0 | 7,975 | 31,155 |
| 2023 | 115,000 | 13,589 | 0 | 7,975 | 31,155 |
| 2024 | 95,000 | 8,960 | 30,000 | 7,975 | 31,156 |
| 2025 | 105,000 | 4,656 | 30,000 | 7,150 | 31,155 |
| 2026-2030 | 0 | 0 | 160,000 | 23,238 | 69,477 |
| 2031-2032 | 0 | 0 | 70,000 | 2,887 | 40,080 |
| Total | \$980,000 | \$84,599 | \$290,000 | \$65,175 | \$265,333 |

Note 17 – Short-Term Obligations

In 2019, the City issued bond anticipation notes in the amount of \$2,800,000, with a premium of \$27,720 outstanding at December 31, 2019. 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 notes were retired on June 3, 2020.

On February 27, 2020, the City had \$1,150,000 in outstanding bond anticipation notes for the purpose of Route 82 street improvements in a joint project with the City of Broadview Heights. \$190,000 of these notes was paid down and is reflected as a fund liability. The remaining \$960,000 was reissued and is reflected as a long-term liability. The notes were issued at an interest rate of 2.00 percent and mature on February 25, 2021. At December 31, 2020, the \$1,150,000 Route 82 obligations had unspent proceeds of \$122,034.

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On June 3, 2020 the City issued bond anticipation notes in the amount of \$2,350,000. Of this amount, \$1,600,000 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 notes were issued at an interest rate of 2.00 percent and mature on June 3, 2021.

| | Principal Outstanding 12/31/2019 | Additions | Deletions | Principal Outstanding 12/31/2020 |
|--------------------------------|--|--------------------|----------------------|--|
| Governmental Activities | | | | |
| 2019 Bond Anticipation Notes | \$2,800,000 | \$0 | (\$2,800,000) | \$0 |
| Premium on Notes | 27,720 | 0 | (27,720) | 0 |
| 2020 Bond Anticipation Notes | 0 | 190,000 | 0 | 190,000 |
| 2020 Bond Anticipation Notes | 0 | 2,350,000 | 0 | 2,350,000 |
| Total Notes Payable | <u>\$2,827,720</u> | <u>\$2,540,000</u> | <u>(\$2,827,720)</u> | <u>\$2,540,000</u> |

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. This lease has not been extended or renewed to continue on past October 1, 2020.

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.

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, a Sedgwich Company, 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

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and designating management. Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. In 2020, the City contributed \$22,500, which represents approximately 5 percent of total contributions.

The Council has established two subsidiary organizations, the Southwest Emergency Response Team, which provides hazardous material and technical rescue 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 230 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 2020, 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.

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 2020, 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 28 communities.

The CVDC is provided with legislative oversight from the Mayors 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

City of Brecksville, Ohio
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Board. The City made contributions to the CVDC (excluding initial equipment purchases) in the amount of \$465,270 during 2020. 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 2020, these costs are not yet available; however, they are not expected to be significantly different from 2019. For 2019, the City paid RITA \$213,965 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 (VA) property. The City also transferred said property to the CIC during the year. In 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.

During 2020, the CIC acquired adjacent properties, transferred them to the City, which then was transferred back to the CIC. A portion of the former VA property and adjacent properties was transferred from the CIC to final owners for economic development. Also, the CIC approved and remitted a payment of \$1,175,000 to the City. The City recorded this receipt into the general fund.

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 \$379 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 – Asset Retirement Obligations

The Bureau of Underground Storage Tank Regulations (BUSTR) regulates petroleum and hazardous substances stored in underground storage tanks. These regulations are included in Ohio Administrative Code Section 1301-7-9 and require a City classified as an "owner" or "operator," to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must first be obtained for that year it is not being used. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination. These assets' retirement obligations (ARO) of

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

\$64,005 associated with the City’s underground storage tanks was estimated by the City engineer. The remaining useful life of these USTs is 30 years. The City maintains insurance related to any potential pollution remediation associated with the USTs.

Note 24 – 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 | \$901,821 |
| Fire Department | 24,467 |
| General Municipal Improvement | 322,169 |
| Buildings and Improvements | 197,297 |
| Recreation Facilities Expansion | 767,044 |
| Other Governmental Funds | 601,068 |
| Total | <u><u>\$2,813,866</u></u> |

Contractual Commitments

At December 31, 2020, the City’s significant contractual commitments consisted of the following:

| Project | Contract Amount | Amount Paid | Remaining on Contract |
|----------------------------|----------------------------|---------------------------|---------------------------|
| Buildings and Improvements | \$8,227,835 | \$7,328,171 | \$899,664 |
| Roads | 1,946,184 | 1,717,966 | 228,218 |
| Sanitary Sewers | 407,382 | 358,894 | 48,488 |
| Information Technology | 89,086 | 32,455 | 56,631 |
| Other | 65,000 | 0 | 65,000 |
| Land Improvements | 56,335 | 17,239 | 39,096 |
| Professional Services | 40,000 | 17,154 | 22,846 |
| Stormwater | 25,130 | 16,141 | 8,989 |
| Totals | <u><u>\$10,856,952</u></u> | <u><u>\$9,488,020</u></u> | <u><u>\$1,368,932</u></u> |

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

Note 25 – Accountability

At December 31, 2020, the general municipal improvement fund had a fund deficit of \$1,334,824. This fund deficit resulted from the issuance of short-term bond anticipation notes, which are used to finance the projects until bonds are issued. Once the notes are retired or bonds are issued, the deficit will be eliminated. The special assessment bond retirement fund has a fund deficit of \$9,969. This fund deficit resulted from an interfund payable. The general fund is liable for any deficits in other funds and provides transfers when cash is required, rather than when accruals occur.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 26 – 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 | General Municipal Improvement | Buildings and Improvements |
|--|---------------------|--------------------|-------------------------------------|-------------------------------|
| <i>Nonspendable:</i> | | | | |
| Materials and Supplies Inventory | \$278,272 | \$61,175 | \$0 | \$0 |
| Prepaid Items | 142,795 | 496 | 0 | 0 |
| Assets Held for Resale | 137,100 | 0 | 0 | 0 |
| Unclaimed Monies | 14,878 | 0 | 0 | 0 |
| <i>Total Nonspendable</i> | 573,045 | 61,671 | 0 | 0 |
| <i>Restricted for:</i> | | | | |
| Capital Projects | 0 | 0 | 0 | 0 |
| Debt Service | 0 | 0 | 0 | 0 |
| Court Computerization | 0 | 0 | 0 | 0 |
| Fire Department | 0 | 1,046,270 | 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 | 1,046,270 | 0 | 0 |
| <i>Committed to:</i> | | | | |
| Capital Projects | 0 | 0 | 0 | 1,391,187 |
| Police Department | 0 | 0 | 0 | 0 |
| Other Purposes | 40,489 | 0 | 0 | 0 |
| Purchases on Order | 559,848 | 0 | 0 | 0 |
| <i>Total Committed</i> | 600,337 | 0 | 0 | 1,391,187 |
| <i>Assigned to:</i> | | | | |
| Capital Projects | 0 | 0 | 0 | 0 |
| Purchases on Order | 2,896 | 0 | 0 | 0 |
| 2021 Appropriations | 2,546,104 | 0 | 0 | 0 |
| <i>Total Assigned</i> | 2,549,000 | 0 | 0 | 0 |
| Unassigned (Deficit) | 11,929,523 | 0 | (1,334,824) | 0 |
| Total Fund Balance (Deficit) | \$15,651,905 | \$1,107,941 | (\$1,334,824) | \$1,391,187 |

(continued)

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

| Fund Balances (continued) | Road Improvements | Recreation Facilities Expansion | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|---------------------------------------|--------------------------------|--------------------------------|
| <i>Nonspendable:</i> | | | | |
| Materials and Supplies Inventory | \$0 | \$0 | \$60,794 | \$400,241 |
| Prepaid Items | 0 | 0 | 6,772 | 150,063 |
| Assets Held for Resale | 0 | 0 | 0 | 137,100 |
| Unclaimed Monies | 0 | 0 | 0 | 14,878 |
| <i>Total Nonspendable</i> | 0 | 0 | 67,566 | 702,282 |
| <i>Restricted for:</i> | | | | |
| Capital Projects | 0 | 0 | 251,774 | 251,774 |
| Debt Service | 0 | 0 | 777,488 | 777,488 |
| Court Computerization | 0 | 0 | 146,591 | 146,591 |
| Fire Department | 0 | 0 | 0 | 1,046,270 |
| Police Department | 0 | 0 | 603,259 | 603,259 |
| Road Maintenance | 0 | 0 | 325,722 | 325,722 |
| Street Construction, Maintenance, and Repair | 0 | 0 | 722,111 | 722,111 |
| Other Purposes | 0 | 0 | 112,737 | 112,737 |
| <i>Total Restricted</i> | 0 | 0 | 2,939,682 | 3,985,952 |
| <i>Committed to:</i> | | | | |
| Capital Projects | 299,710 | 0 | 1,195,812 | 2,886,709 |
| Police Department | 0 | 0 | 5,840 | 5,840 |
| Other Purposes | 0 | 0 | 574,363 | 614,852 |
| Purchases on Order | 0 | 0 | 0 | 559,848 |
| <i>Total Committed</i> | 299,710 | 0 | 1,776,015 | 4,067,249 |
| <i>Assigned to:</i> | | | | |
| Capital Projects | 0 | 5,156,206 | 772,046 | 5,928,252 |
| Purchases on Order | 0 | 0 | 0 | 2,896 |
| 2021 Appropriations | 0 | 0 | 0 | 2,546,104 |
| <i>Total Assigned</i> | 0 | 5,156,206 | 772,046 | 8,477,252 |
| Unassigned (Deficit) | 0 | 0 | (9,969) | 10,584,730 |
| Total Fund Balance (Deficit) | \$299,710 | \$5,156,206 | \$5,545,340 | \$27,817,465 |

Note 27 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the global Coronavirus Disease 2019 (COVID-19) pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The City’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the City’s future

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. Additional funding will be available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

Note 28 – Subsequent Events

On February 25, 2021, the City rolled over \$8,600,000 in bond anticipation notes for the purpose of paying costs of designing, developing, constructing, installing, equipping and improving an athletic field house to be located on the Blossom Hill property on 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. These notes have a maturity date of February 24, 2022, and have an interest rate of 1.00 percent.

On February 25, 2021, the City rolled over \$960,000 in bond anticipation notes 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. The City retired \$190,000 of the notes that had been outstanding. These notes have a maturity date of February 24, 2022, and have an interest rate of 1.00 percent.

On December 15, 2020, the City passed legislation providing for the issuance and sale of bond anticipation notes, not to exceed \$1,400,000, 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 issuance in June of 2021.

On December 15, 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 with all necessary related improvements and appurtenances thereto. The City is anticipating closing this note issuance in June of 2021.

On December 15, 2020, the City passed legislation providing for the issuance and sale of bond anticipation notes, not to exceed \$1,000,000, for the purpose of paying costs of expanding the interchange at Miller Road and Interstate 77 by constructing, reconstructing, widening, paving, grading, draining, curbing, installing and replacing guardrails, adding lighting and signalization, relocating utilities, 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 of 2021.

Required Supplementary Information

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 Seven Years (1) **

| | 2020 | 2019 | 2018 | 2017 |
|--|-------------|--------------|-------------|--------------|
| City's Proportion of the Net Pension Liability | 0.04681500% | 0.04989200% | 0.05081400% | 0.05082200% |
| City's Proportionate Share of the Net Pension Liability | \$9,253,302 | \$13,664,410 | \$7,971,731 | \$11,540,812 |
| City's Covered Payroll | \$6,528,964 | \$6,738,857 | \$6,715,146 | \$6,569,792 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 141.73% | 202.77% | 118.71% | 175.66% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 82.17% | 74.70% | 84.66% | 77.25% |

(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

| 2016 | 2015 | 2014 |
|-------------|-------------|-------------|
| 0.05089900% | 0.05221000% | 0.05221000% |
| \$8,816,348 | \$6,297,110 | \$6,154,879 |
| \$6,334,843 | \$6,400,950 | \$6,342,796 |
| 139.17% | 98.38% | 97.04% |
| 81.08% | 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 Three Years (1) **

| | 2020 | 2019 | 2018 |
|--|-------------|-------------|-------------|
| City's Proportion of the Net Pension Asset | 0.03244700% | 0.03353000% | 0.02909100% |
| City's Proportionate Share of the Net Pension Asset | \$67,660 | \$37,494 | \$39,602 |
| City's Covered Payroll | \$141,943 | \$143,407 | \$119,146 |
| City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll | 47.67% | 26.15% | 33.24% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Asset | 145.28% | 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 Four Years (1) **

| | 2020 | 2019 | 2018 | 2017 |
|--|-------------|-------------|-------------|-------------|
| City's Proportion of the Net OPEB Liability | 0.04558800% | 0.04856300% | 0.04966000% | 0.04896000% |
| City's Proportionate Share of the Net OPEB Liability | \$6,296,886 | \$6,331,468 | \$5,392,710 | \$4,945,126 |
| City's Covered Payroll | \$6,822,382 | \$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 | 92.30% | 89.89% | 76.66% | 73.09% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 47.80% | 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 Seven Years (1) **

| | 2020 | 2019 | 2018 | 2017 |
|--|--------------|--------------|--------------|--------------|
| City's Proportion of the Net Pension Liability | 0.16711770% | 0.17013500% | 0.16985800% | 0.16204100% |
| City's Proportionate Share of the Net Pension Liability | \$11,257,941 | \$13,887,511 | \$10,424,952 | \$10,263,514 |
| City's Covered Payroll | \$4,076,638 | \$3,955,281 | \$3,815,346 | \$3,583,217 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 276.16% | 351.11% | 273.24% | 286.43% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 69.89% | 63.07% | 70.91% | 68.36% |

(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

| 2016 | 2015 | 2014 |
|--------------|-------------|-------------|
| 0.16208000% | 0.16886840% | 0.16886840% |
| \$10,426,720 | \$8,748,087 | \$8,224,421 |
| \$3,494,644 | \$3,429,025 | \$3,374,994 |
| 298.36% | 255.12% | 243.69% |
| 66.77% | 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 Four Years (1) **

| | 2020 | 2019 | 2018 | 2017 |
|--|-------------|-------------|-------------|-------------|
| City's Proportion of the Net OPEB Liability | 0.16711770% | 0.17013500% | 0.16985800% | 0.16204100% |
| City's Proportionate Share of the Net OPEB Liability | \$1,650,743 | \$1,549,340 | \$9,623,916 | \$7,691,722 |
| City's Covered Payroll | \$4,076,638 | \$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 | 40.49% | 39.17% | 252.24% | 214.66% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 47.08% | 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 Eight Years (1)

| | 2020 | 2019 | 2018 | 2017 |
|--|------------------|------------------|------------------|------------------|
| Net Pension Liability - Traditional Plan | | | | |
| Contractually Required Contribution | \$906,412 | \$914,055 | \$943,440 | \$872,969 |
| Contributions in Relation to the Contractually Required Contribution | <u>(906,412)</u> | <u>(914,055)</u> | <u>(943,440)</u> | <u>(872,969)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City Covered Payroll | \$6,474,371 | \$6,528,964 | \$6,738,857 | \$6,715,146 |
| Pension Contributions as a Percentage of Covered Payroll | <u>14.00%</u> | <u>14.00%</u> | <u>14.00%</u> | <u>13.00%</u> |
| Net Pension Liability - Combined Plan | | | | |
| Contractually Required Contribution | \$16,742 | \$19,872 | \$20,077 | \$15,489 |
| Contributions in Relation to the Contractually Required Contribution | <u>(16,742)</u> | <u>(19,872)</u> | <u>(20,077)</u> | <u>(15,489)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City Covered Payroll | \$119,586 | \$141,943 | \$143,407 | \$119,146 |
| Pension Contributions as a Percentage of Covered Payroll | <u>14.00%</u> | <u>14.00%</u> | <u>14.00%</u> | <u>13.00%</u> |
| Net OPEB Liability - OPEB Plan (3) | | | | |
| Contractually Required Contribution | \$5,449 | \$6,059 | \$6,467 | \$7,999 |
| Contributions in Relation to the Contractually Required Contribution | <u>(5,449)</u> | <u>(6,059)</u> | <u>(6,467)</u> | <u>(7,999)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City Covered Payroll (2) | \$6,730,182 | \$6,822,382 | \$7,043,939 | \$7,034,267 |
| OPEB Contributions as a Percentage of Covered Payroll | <u>0.08%</u> | <u>0.09%</u> | <u>0.09%</u> | <u>0.11%</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>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|------------------|------------------|------------------|------------------|
| \$788,375 | \$760,181 | \$768,114 | \$824,563 |
| <u>(788,375)</u> | <u>(760,181)</u> | <u>(768,114)</u> | <u>(824,563)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$6,569,792 | \$6,334,843 | \$6,400,950 | \$6,342,796 |
| <u>12.00%</u> | <u>12.00%</u> | <u>12.00%</u> | <u>13.00%</u> |
| \$10,815 | \$10,591 | \$10,154 | \$10,492 |
| <u>(10,815)</u> | <u>(10,591)</u> | <u>(10,154)</u> | <u>(10,492)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$90,125 | \$88,258 | \$84,617 | \$80,708 |
| <u>12.00%</u> | <u>12.00%</u> | <u>12.00%</u> | <u>13.00%</u> |
| \$4,236 | | | |
| <u>(4,236)</u> | | | |
| <u>\$0</u> | | | |
| \$6,765,817 | | | |
| <u>0.06%</u> | | | |

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

| | 2020 | 2019 | 2018 | 2017 |
|---|------------------|------------------|------------------|------------------|
| Net Pension Liability | | | | |
| Contractually Required Contribution | \$838,708 | \$839,065 | \$813,771 | \$784,801 |
| Contributions in Relation to the Contractually Required Contribution | <u>(838,708)</u> | <u>(839,065)</u> | <u>(813,771)</u> | <u>(784,801)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City Covered Payroll (1) | \$4,063,213 | \$4,076,638 | \$3,955,281 | \$3,815,346 |
| Pension Contributions as a Percentage of Covered Payroll | <u>20.64%</u> | <u>20.58%</u> | <u>20.57%</u> | <u>20.57%</u> |
| Net OPEB Liability | | | | |
| Contractually Required Contribution | \$20,316 | \$20,383 | \$19,777 | \$19,077 |
| Contributions in Relation to the Contractually Required Contribution | <u>(20,316)</u> | <u>(20,383)</u> | <u>(19,777)</u> | <u>(19,077)</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>21.14%</u> | <u>21.08%</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

| <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$736,956 | \$722,599 | \$706,703 | \$589,056 | \$485,500 | \$463,725 |
| <u>(736,956)</u> | <u>(722,599)</u> | <u>(706,703)</u> | <u>(589,056)</u> | <u>(485,500)</u> | <u>(463,725)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$3,583,217 | \$3,494,644 | \$3,429,025 | \$3,374,994 | \$3,380,216 | \$3,217,478 |
| <u>20.57%</u> | <u>20.68%</u> | <u>20.61%</u> | <u>17.45%</u> | <u>14.36%</u> | <u>14.41%</u> |
| \$17,916 | \$17,473 | \$17,145 | \$122,062 | \$228,165 | \$217,180 |
| <u>(17,916)</u> | <u>(17,473)</u> | <u>(17,145)</u> | <u>(122,062)</u> | <u>(228,165)</u> | <u>(217,180)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>0.50%</u> | <u>0.50%</u> | <u>0.50%</u> | <u>3.62%</u> | <u>6.75%</u> | <u>6.75%</u> |
| <u>21.07%</u> | <u>21.18%</u> | <u>21.11%</u> | <u>21.07%</u> | <u>21.11%</u> | <u>21.16%</u> |

City of Brecksville, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2020

Changes in Assumptions – OPERS Pension– Traditional Plan

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 prior years are presented below:

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

The assumptions related COLA or Ad Hoc COLA for Post-January 7, 2013 Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

| | |
|-------------------|---|
| 2020 | 1.4 percent, simple through 2020 then 2.15 percent, simple |
| 2017 through 2019 | 3.0 percent, simple through 2018 then 2.15 percent, simple |
| 2016 and prior | 3.0 percent, simple through 2018 then 2.80 percent, simple |

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

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

Changes in Assumptions – OPERS Pension – Combined Plan

For 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013 retirees as the Traditional Plan. For 2019, the investment rate of return changed from 7.5 percent to 7.2 percent.

City of Brecksville, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2020

Changes in Assumptions – OPF Pension

Amounts reported beginning in 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 below:

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

Amounts reported beginning in 2018 use valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/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 beginning in 2018 use valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/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.

City of Brecksville, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2020

Changes in Assumptions – OPERS OPEB

| | |
|-------------------------------|---|
| Investment Return Assumption: | |
| Beginning in 2019 | 6.00 percent |
| 2018 | 6.50 percent |
| Municipal Bond Rate: | |
| 2020 | 2.75 percent |
| 2019 | 3.71 percent |
| 2018 | 3.31 percent |
| Single Discount Rate: | |
| 2020 | 3.16 percent |
| 2019 | 3.96 percent |
| 2018 | 3.85 percent |
| Health Care Cost Trend Rate: | |
| 2020 | 10.0 percent, initial 3.5 percent, ultimate in 2030 |
| 2019 | 10.0 percent, initial 3.25 percent, ultimate in 2029 |
| 2018 | 7.5 percent, initial 3.25 percent, ultimate in 2028 |

Changes in Assumptions – OPF OPEB

| | |
|-----------------------|--------------|
| Single Discount Rate: | |
| 2020 | 3.56 percent |
| 2019 | 4.66 percent |
| 2018 | 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 and grants 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. This fund also accounts for and reports contributions and donations and a portion of law enforcement forfeitures committed for the DARE program.

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.

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

(continued)

Combining Statements - Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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.

Local Coronavirus Relief Fund This fund accounts for and reports the State Coronavirus Relief Distribution and expenses restricted to assist with the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).

Nonmajor Debt Service Funds

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.

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.

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. This fund also accounts for and reports a portion of water connection fees committed to pay down long-term obligations.

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, 2020

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|--------------------------------------|--|--|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$2,684,045 | \$782,519 | \$2,194,617 | \$5,661,181 |
| Cash and Cash Equivalents: | | | | |
| In Segregated Accounts | 1,900 | 0 | 0 | 1,900 |
| Materials and Supplies Inventory | 60,794 | 0 | 0 | 60,794 |
| Accounts Receivable | 574 | 0 | 27,751 | 28,325 |
| Intergovernmental Receivable | 365,706 | 0 | 0 | 365,706 |
| Property Taxes Receivable | 792,405 | 0 | 0 | 792,405 |
| Special Assessment Receivable | 0 | 1,370,711 | 0 | 1,370,711 |
| Prepaid Items | 6,772 | 0 | 0 | 6,772 |
| Restricted Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | 400 | 0 | 0 | 400 |
| <i>Total Assets</i> | <u>\$3,912,596</u> | <u>\$2,153,230</u> | <u>\$2,222,368</u> | <u>\$8,288,194</u> |
| Liabilities | | | | |
| Accounts Payable | \$37,233 | \$0 | \$2,736 | \$39,969 |
| Contracts Payable | 162,792 | 0 | 0 | 162,792 |
| Retainage Payable | 14,511 | 0 | 0 | 14,511 |
| Accrued Wages | 45,824 | 0 | 0 | 45,824 |
| Payroll Withholdings Payable | 574 | 0 | 0 | 574 |
| Interfund Payable | 0 | 15,000 | 0 | 15,000 |
| Intergovernmental Payable | 19,370 | 0 | 0 | 19,370 |
| Deposits Held Payable from Restricted Assets | 400 | 0 | 0 | 400 |
| Unearned Revenue | 125 | 0 | 0 | 125 |
| <i>Total Liabilities</i> | <u>280,829</u> | <u>15,000</u> | <u>2,736</u> | <u>298,565</u> |
| Deferred Inflows of Resources | | | | |
| Property Taxes | 772,632 | 0 | 0 | 772,632 |
| Unavailable Revenue | 300,946 | 1,370,711 | 0 | 1,671,657 |
| <i>Total Deferred Inflows of Resources</i> | <u>1,073,578</u> | <u>1,370,711</u> | <u>0</u> | <u>2,444,289</u> |
| Fund Balances | | | | |
| Nonspendable | 67,566 | 0 | 0 | 67,566 |
| Restricted | 1,910,420 | 777,488 | 251,774 | 2,939,682 |
| Committed | 580,203 | 0 | 1,195,812 | 1,776,015 |
| Assigned | 0 | 0 | 772,046 | 772,046 |
| Unassigned (Deficit) | 0 | (9,969) | 0 | (9,969) |
| <i>Total Fund Balances</i> | <u>2,558,189</u> | <u>767,519</u> | <u>2,219,632</u> | <u>5,545,340</u> |
| <i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i> | <u>\$3,912,596</u> | <u>\$2,153,230</u> | <u>\$2,222,368</u> | <u>\$8,288,194</u> |

City of Brecksville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|--------------------------------------|--|--|
| Revenues | | | | |
| Property Taxes | \$778,148 | \$0 | \$0 | \$778,148 |
| Charges for Services | 558,210 | 0 | 251,482 | 809,692 |
| Licenses and Permits | 21,599 | 0 | 247,996 | 269,595 |
| Fines and Forfeitures | 6,458 | 0 | 0 | 6,458 |
| Intergovernmental | 1,632,637 | 0 | 0 | 1,632,637 |
| Special Assessments | 0 | 397,218 | 0 | 397,218 |
| Interest | 31,866 | 0 | 33,037 | 64,903 |
| Contributions and Donations | 7,127 | 0 | 0 | 7,127 |
| Rentals | 25,995 | 0 | 0 | 25,995 |
| Miscellaneous | 168,905 | 0 | 5,660 | 174,565 |
| <i>Total Revenues</i> | <u>3,230,945</u> | <u>397,218</u> | <u>538,175</u> | <u>4,166,338</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Legislative and Executive | 220,492 | 4,138 | 0 | 224,630 |
| Judicial System | 7,486 | 0 | 0 | 7,486 |
| Public Safety: | | | | |
| Police | 182,411 | 0 | 0 | 182,411 |
| Fire | 247,591 | 0 | 0 | 247,591 |
| Public Health Services | 8,158 | 0 | 0 | 8,158 |
| Street Construction, Maintenance, and Repair | 1,819,633 | 0 | 0 | 1,819,633 |
| Housing and Community Development | 27,030 | 0 | 0 | 27,030 |
| Basic Utility Services | 37,373 | 0 | 0 | 37,373 |
| Recreational Activities | 1,612,350 | 0 | 0 | 1,612,350 |
| Capital Outlay | 0 | 0 | 212,236 | 212,236 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 1,490,000 | 15,578 | 1,505,578 |
| Interest and Fiscal Charges | 0 | 672,042 | 6,285 | 678,327 |
| Bond Issuance Costs | 0 | 56,977 | 0 | 56,977 |
| <i>Total Expenditures</i> | <u>4,162,524</u> | <u>2,223,157</u> | <u>234,099</u> | <u>6,619,780</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(931,579)</u> | <u>(1,825,939)</u> | <u>304,076</u> | <u>(2,453,442)</u> |
| Other Financing Sources | | | | |
| Premium on Bond Anticipation Notes Issued | 0 | 109,822 | 0 | 109,822 |
| Transfers In | 1,120,000 | 1,611,061 | 188,729 | 2,919,790 |
| <i>Total Other Financing Sources</i> | <u>1,120,000</u> | <u>1,720,883</u> | <u>188,729</u> | <u>3,029,612</u> |
| <i>Net Change in Fund Balances</i> | 188,421 | (105,056) | 492,805 | 576,170 |
| <i>Fund Balances Beginning of Year</i> | <u>2,369,768</u> | <u>872,575</u> | <u>1,726,827</u> | <u>4,969,170</u> |
| <i>Fund Balances End of Year</i> | <u>\$2,558,189</u> | <u>\$767,519</u> | <u>\$2,219,632</u> | <u>\$5,545,340</u> |

City of Brecksville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020

| | Motor Vehicle License Tax | Street Repair and Maintenance | State Highway | Community Center | Road Maintenance |
|--|---------------------------------|-------------------------------------|------------------|---------------------|---------------------|
| Assets | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$52,316 | \$632,881 | \$115,173 | \$660,502 | \$340,233 |
| Cash and Cash Equivalents: | | | | | |
| In Segregated Accounts | 0 | 0 | 0 | 1,900 | 0 |
| Materials and Supplies Inventory | 0 | 60,794 | 0 | 0 | 0 |
| Accounts Receivable | 0 | 0 | 0 | 574 | 0 |
| Intergovernmental Receivable | 17,056 | 218,801 | 17,741 | 0 | 100,990 |
| Property Taxes Receivable | 0 | 0 | 0 | 0 | 609,546 |
| Prepaid Items | 0 | 0 | 0 | 6,772 | 0 |
| Restricted Assets: | | | | | |
| Equity in Pooled Cash and Cash Equivalents | 0 | 0 | 0 | 400 | 0 |
| <i>Total Assets</i> | <u>\$69,372</u> | <u>\$912,476</u> | <u>\$132,914</u> | <u>\$670,148</u> | <u>\$1,050,769</u> |
| Liabilities | | | | | |
| Accounts Payable | \$0 | \$0 | \$0 | \$22,845 | \$0 |
| Contracts Payable | 0 | 162,792 | 0 | 0 | 0 |
| Retainage Payable | 0 | 0 | 0 | 0 | 14,511 |
| Accrued Wages | 0 | 0 | 0 | 45,824 | 0 |
| Payroll Withholdings Payable | 0 | 0 | 0 | 574 | 0 |
| Intergovernmental Payable | 0 | 0 | 0 | 19,370 | 0 |
| Deposits Held Payable from Restricted Assets | 0 | 0 | 0 | 400 | 0 |
| Unearned Revenue | 0 | 0 | 0 | 0 | 0 |
| <i>Total Liabilities</i> | <u>0</u> | <u>162,792</u> | <u>0</u> | <u>89,013</u> | <u>14,511</u> |
| Deferred Inflows of Resources | | | | | |
| Property Taxes | 0 | 0 | 0 | 0 | 594,332 |
| Unavailable Revenue | 11,371 | 145,867 | 11,827 | 0 | 116,204 |
| <i>Total Deferred Inflows of Resources</i> | <u>11,371</u> | <u>145,867</u> | <u>11,827</u> | <u>0</u> | <u>710,536</u> |
| Fund Balances | | | | | |
| Nonspendable | 0 | 60,794 | 0 | 6,772 | 0 |
| Restricted | 58,001 | 543,023 | 121,087 | 0 | 325,722 |
| Committed | 0 | 0 | 0 | 574,363 | 0 |
| <i>Total Fund Balances</i> | <u>58,001</u> | <u>603,817</u> | <u>121,087</u> | <u>581,135</u> | <u>325,722</u> |
| <i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i> | <u>\$69,372</u> | <u>\$912,476</u> | <u>\$132,914</u> | <u>\$670,148</u> | <u>\$1,050,769</u> |

| Federal Equitable Sharing | Enforcement and Education | Court Computerization | Natureworks Grants | Recycling Demo | Tree Planting Grants | Law Enforcement |
|---------------------------------|------------------------------|--------------------------|-----------------------|-------------------|-------------------------|--------------------|
| \$18,547 | \$30,394 | \$146,831 | \$950 | \$6,115 | \$105,672 | \$82,942 |
| 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 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| \$18,547 | \$30,394 | \$146,831 | \$950 | \$6,115 | \$105,672 | \$82,942 |
| \$0 | \$161 | \$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 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 161 | 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 |
| 18,547 | 24,393 | 146,591 | 950 | 6,115 | 105,672 | 82,942 |
| 0 | 5,840 | 0 | 0 | 0 | 0 | 0 |
| 18,547 | 30,233 | 146,591 | 950 | 6,115 | 105,672 | 82,942 |
| \$18,547 | \$30,394 | \$146,831 | \$950 | \$6,115 | \$105,672 | \$82,942 |

(continued)

City of Brecksville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2020

| | Law Enforcement Mandatory Drug | Police Pension | Peace Officer Training | Local Coronavirus Relief | Total Nonmajor Special Revenue Funds |
|--|---|-------------------|------------------------------|--------------------------------|---|
| Assets | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$42,280 | \$424,034 | \$11,063 | \$14,112 | \$2,684,045 |
| Cash and Cash Equivalents: | | | | | |
| In Segregated Accounts | 0 | 0 | 0 | 0 | 1,900 |
| Materials and Supplies Inventory | 0 | 0 | 0 | 0 | 60,794 |
| Accounts Receivable | 0 | 0 | 0 | 0 | 574 |
| Intergovernmental Receivable | 0 | 11,118 | 0 | 0 | 365,706 |
| Property Taxes Receivable | 0 | 182,859 | 0 | 0 | 792,405 |
| Prepaid Items | 0 | 0 | 0 | 0 | 6,772 |
| Restricted Assets: | | | | | |
| Equity in Pooled Cash and Cash Equivalents | 0 | 0 | 0 | 0 | 400 |
| <i>Total Assets</i> | <u>\$42,280</u> | <u>\$618,011</u> | <u>\$11,063</u> | <u>\$14,112</u> | <u>\$3,912,596</u> |
| Liabilities | | | | | |
| Accounts Payable | \$0 | \$0 | \$0 | \$13,987 | \$37,233 |
| Contracts Payable | 0 | 0 | 0 | 0 | 162,792 |
| Retainage Payable | 0 | 0 | 0 | 0 | 14,511 |
| Accrued Wages | 0 | 0 | 0 | 0 | 45,824 |
| Payroll Withholdings Payable | 0 | 0 | 0 | 0 | 574 |
| Intergovernmental Payable | 0 | 0 | 0 | 0 | 19,370 |
| Deposits Held Payable from Restricted Assets | 0 | 0 | 0 | 0 | 400 |
| Unearned Revenue | 0 | 0 | 0 | 125 | 125 |
| <i>Total Liabilities</i> | <u>0</u> | <u>0</u> | <u>0</u> | <u>14,112</u> | <u>280,829</u> |
| Deferred Inflows of Resources | | | | | |
| Property Taxes | 0 | 178,300 | 0 | 0 | 772,632 |
| Unavailable Revenue | 0 | 15,677 | 0 | 0 | 300,946 |
| <i>Total Deferred Inflows of Resources</i> | <u>0</u> | <u>193,977</u> | <u>0</u> | <u>0</u> | <u>1,073,578</u> |
| Fund Balances | | | | | |
| Nonspendable | 0 | 0 | 0 | 0 | 67,566 |
| Restricted | 42,280 | 424,034 | 11,063 | 0 | 1,910,420 |
| Committed | 0 | 0 | 0 | 0 | 580,203 |
| <i>Total Fund Balances</i> | <u>42,280</u> | <u>424,034</u> | <u>11,063</u> | <u>0</u> | <u>2,558,189</u> |
| <i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i> | <u>\$42,280</u> | <u>\$618,011</u> | <u>\$11,063</u> | <u>\$14,112</u> | <u>\$3,912,596</u> |

City of Brecksville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020

| | Motor Vehicle License Tax | Street Repair and Maintenance | State Highway | Community Center | Road Maintenance |
|---|---------------------------------|-------------------------------------|------------------|---------------------|---------------------|
| Revenues | | | | | |
| Property Taxes | \$0 | \$0 | \$0 | \$0 | \$598,568 |
| Charges for Services | 0 | 0 | 0 | 558,210 | 0 |
| Licenses and Permits | 0 | 0 | 0 | 4,549 | 0 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental | 35,401 | 755,998 | 61,298 | 0 | 74,116 |
| Interest | 722 | 8,644 | 2,530 | 8,006 | 6,446 |
| Contributions and Donations | 0 | 0 | 0 | 7,127 | 0 |
| Rentals | 0 | 0 | 0 | 25,995 | 0 |
| Miscellaneous | 0 | 0 | 0 | 87,620 | 81,285 |
| <i>Total Revenues</i> | <u>36,123</u> | <u>764,642</u> | <u>63,828</u> | <u>691,507</u> | <u>760,415</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government: | | | | | |
| Legislative and Executive | 0 | 0 | 0 | 0 | 0 |
| Judicial System | 0 | 0 | 0 | 0 | 0 |
| Public Safety: | | | | | |
| Police | 0 | 0 | 0 | 0 | 0 |
| Fire | 0 | 0 | 0 | 0 | 0 |
| Public Health Services | 0 | 0 | 0 | 0 | 0 |
| Street Construction, Maintenance, and Repair | 12,717 | 847,227 | 75,000 | 0 | 774,794 |
| Housing and Community Development | 0 | 0 | 0 | 0 | 0 |
| Basic Utility Services | 0 | 0 | 0 | 0 | 0 |
| Recreational Activities | 0 | 0 | 0 | 1,584,485 | 0 |
| <i>Total Expenditures</i> | <u>12,717</u> | <u>847,227</u> | <u>75,000</u> | <u>1,584,485</u> | <u>774,794</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 23,406 | (82,585) | (11,172) | (892,978) | (14,379) |
| Other Financing Sources | | | | | |
| Transfers In | 0 | 0 | 0 | 1,120,000 | 0 |
| <i>Net Change in Fund Balances</i> | 23,406 | (82,585) | (11,172) | 227,022 | (14,379) |
| <i>Fund Balances Beginning of Year</i> | 34,595 | 686,402 | 132,259 | 354,113 | 340,101 |
| <i>Fund Balances End of Year</i> | <u>\$58,001</u> | <u>\$603,817</u> | <u>\$121,087</u> | <u>\$581,135</u> | <u>\$325,722</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, 2020

| | 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 | 225 | 5,562 | 0 | 0 |
| Intergovernmental | 0 | 0 | 0 | 0 | 4,491 |
| Interest | 315 | 531 | 2,482 | 0 | 68 |
| Contributions and Donations | 0 | 0 | 0 | 0 | 0 |
| Rentals | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous | 0 | 0 | 0 | 0 | 0 |
| <i>Total Revenues</i> | <u>315</u> | <u>756</u> | <u>8,044</u> | <u>0</u> | <u>4,559</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government: | | | | | |
| Legislative and Executive | 0 | 0 | 0 | 0 | 0 |
| Judicial System | 0 | 0 | 5,396 | 0 | 0 |
| Public Safety: | | | | | |
| Police | 0 | 1,636 | 0 | 0 | 0 |
| Fire | 0 | 0 | 0 | 0 | 0 |
| Public Health Services | 0 | 0 | 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 | 4,491 |
| Recreational Activities | 0 | 0 | 0 | 0 | 0 |
| <i>Total Expenditures</i> | <u>0</u> | <u>1,636</u> | <u>5,396</u> | <u>0</u> | <u>4,491</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 315 | (880) | 2,648 | 0 | 68 |
| Other Financing Sources | | | | | |
| Transfers In | 0 | 0 | 0 | 0 | 0 |
| <i>Net Change in Fund Balances</i> | 315 | (880) | 2,648 | 0 | 68 |
| <i>Fund Balances Beginning of Year</i> | <u>18,232</u> | <u>31,113</u> | <u>143,943</u> | <u>950</u> | <u>6,047</u> |
| <i>Fund Balances End of Year</i> | <u>\$18,547</u> | <u>\$30,233</u> | <u>\$146,591</u> | <u>\$950</u> | <u>\$6,115</u> |

| Tree Planting Grants | Law Enforcement | Law Enforcement Mandatory Drug | Police Pension | Peace Officer Training | Local Coronavirus Relief | Total Nonmajor Special Revenue Funds |
|-------------------------|--------------------|---|-------------------|------------------------------|--------------------------------|---|
| \$0 | \$0 | \$0 | \$179,580 | \$0 | \$0 | \$778,148 |
| 0 | 0 | 0 | 0 | 0 | 0 | 558,210 |
| 17,050 | 0 | 0 | 0 | 0 | 0 | 21,599 |
| 0 | 671 | 0 | 0 | 0 | 0 | 6,458 |
| 0 | 0 | 0 | 22,237 | 0 | 679,096 | 1,632,637 |
| 0 | 1,404 | 718 | 0 | 0 | 0 | 31,866 |
| 0 | 0 | 0 | 0 | 0 | 0 | 7,127 |
| 0 | 0 | 0 | 0 | 0 | 0 | 25,995 |
| 0 | 0 | 0 | 0 | 0 | 0 | 168,905 |
| <u>17,050</u> | <u>2,075</u> | <u>718</u> | <u>201,817</u> | <u>0</u> | <u>679,096</u> | <u>3,230,945</u> |
| 0 | 0 | 0 | 0 | 0 | 220,492 | 220,492 |
| 0 | 0 | 0 | 0 | 0 | 2,090 | 7,486 |
| 0 | 83 | 0 | 165,000 | 0 | 15,692 | 182,411 |
| 0 | 0 | 0 | 0 | 0 | 247,591 | 247,591 |
| 0 | 0 | 0 | 0 | 0 | 8,158 | 8,158 |
| 0 | 0 | 0 | 0 | 0 | 109,895 | 1,819,633 |
| 12,599 | 0 | 0 | 0 | 0 | 14,431 | 27,030 |
| 0 | 0 | 0 | 0 | 0 | 32,882 | 37,373 |
| 0 | 0 | 0 | 0 | 0 | 27,865 | 1,612,350 |
| <u>12,599</u> | <u>83</u> | <u>0</u> | <u>165,000</u> | <u>0</u> | <u>679,096</u> | <u>4,162,524</u> |
| 4,451 | 1,992 | 718 | 36,817 | 0 | 0 | (931,579) |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>1,120,000</u> |
| 4,451 | 1,992 | 718 | 36,817 | 0 | 0 | 188,421 |
| <u>101,221</u> | <u>80,950</u> | <u>41,562</u> | <u>387,217</u> | <u>11,063</u> | <u>0</u> | <u>2,369,768</u> |
| <u>\$105,672</u> | <u>\$82,942</u> | <u>\$42,280</u> | <u>\$424,034</u> | <u>\$11,063</u> | <u>\$0</u> | <u>\$2,558,189</u> |

City of Brecksville, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2020

| | General Obligation Bond Retirement | Special Assessment Bond Retirement | Total Nonmajor Debt Service Funds |
|---|---|---|--|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$777,488 | \$5,031 | \$782,519 |
| Special Assessments Receivable | <u>0</u> | <u>1,370,711</u> | <u>\$1,370,711</u> |
| <i>Total Assets</i> | <u><u>\$777,488</u></u> | <u><u>\$1,375,742</u></u> | <u><u>\$2,153,230</u></u> |
| Liabilities | | | |
| Interfund Payable | <u>\$0</u> | <u>\$15,000</u> | <u>\$15,000</u> |
| Deferred Inflows of Resources | | | |
| Unavailable Revenue | <u>0</u> | <u>1,370,711</u> | <u>1,370,711</u> |
| Fund Balances | | | |
| Restricted | 777,488 | 0 | 777,488 |
| Unassigned (Deficit) | <u>0</u> | <u>(9,969)</u> | <u>(9,969)</u> |
| <i>Total Fund Balances (Deficit)</i> | <u>777,488</u> | <u>(9,969)</u> | <u>767,519</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u><u>\$777,488</u></u> | <u><u>\$1,375,742</u></u> | <u><u>\$2,153,230</u></u> |

City of Brecksville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2020

| | General Obligation Bond Retirement | Special Assessment Bond Retirement | Total Nonmajor Debt Service Funds |
|--|---|---|--|
| Revenues | | | |
| Special Assessments | \$0 | \$397,218 | \$397,218 |
| Expenditures | | | |
| General Government: | | | |
| Legislative and Executive | 0 | 4,138 | 4,138 |
| Debt Service: | | | |
| Principal Retirement | 1,085,000 | 405,000 | 1,490,000 |
| Interest and Fiscal Charges | 613,330 | 58,712 | 672,042 |
| Issuance Costs | 56,977 | 0 | 56,977 |
| <i>Total Expenditures</i> | <u>1,755,307</u> | <u>467,850</u> | <u>2,223,157</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(1,755,307)</u> | <u>(70,632)</u> | <u>(1,825,939)</u> |
| Other Financing Sources | | | |
| Premium on Bond Anticipation Notes Issued | 109,822 | 0 | 109,822 |
| Transfers In | 1,611,061 | 0 | 1,611,061 |
| <i>Total Other Financing Sources</i> | <u>1,720,883</u> | <u>0</u> | <u>1,720,883</u> |
| <i>Net Change in Fund Balances</i> | (34,424) | (70,632) | (105,056) |
| <i>Fund Balances Beginning of Year</i> | <u>811,912</u> | <u>60,663</u> | <u>872,575</u> |
| <i>Fund Balances (Deficit) End of Year</i> | <u>\$777,488</u> | <u>(\$9,969)</u> | <u>\$767,519</u> |

City of Brecksville, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2020

| | 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 | \$251,774 | \$85,895 | \$833,845 | \$987,307 | \$35,796 | \$2,194,617 |
| Accounts Receivable | 0 | 8,500 | 0 | 19,251 | 0 | 27,751 |
| <i>Total Assets</i> | <u>\$251,774</u> | <u>\$94,395</u> | <u>\$833,845</u> | <u>\$1,006,558</u> | <u>\$35,796</u> | <u>\$2,222,368</u> |
| Liabilities | | | | | | |
| Accounts Payable | \$0 | \$0 | \$0 | \$2,736 | \$0 | \$2,736 |
| Fund Balances | | | | | | |
| Restricted | 251,774 | 0 | 0 | 0 | 0 | 251,774 |
| Committed | 0 | 0 | 191,990 | 1,003,822 | 0 | 1,195,812 |
| Assigned | 0 | 94,395 | 641,855 | 0 | 35,796 | 772,046 |
| <i>Total Fund Balances</i> | <u>251,774</u> | <u>94,395</u> | <u>833,845</u> | <u>1,003,822</u> | <u>35,796</u> | <u>2,219,632</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$251,774</u> | <u>\$94,395</u> | <u>\$833,845</u> | <u>\$1,006,558</u> | <u>\$35,796</u> | <u>\$2,222,368</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, 2020

| | 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 | \$251,482 | \$0 | \$251,482 |
| Licenses and Permits | 0 | 67,106 | 180,890 | 0 | 0 | 247,996 |
| Interest | 4,432 | 1,072 | 3,423 | 15,261 | 8,849 | 33,037 |
| Miscellaneous | 0 | 0 | 5,500 | 160 | 0 | 5,660 |
| <i>Total Revenues</i> | <u>4,432</u> | <u>68,178</u> | <u>189,813</u> | <u>266,903</u> | <u>8,849</u> | <u>538,175</u> |
| Expenditures | | | | | | |
| Capital Outlay | 0 | 7,593 | 17,485 | 62,567 | 124,591 | 212,236 |
| Debt Service: | | | | | | |
| Principal Retirement | 15,578 | 0 | 0 | 0 | 0 | 15,578 |
| Interest and Fiscal Charges | 0 | 0 | 0 | 0 | 6,285 | 6,285 |
| <i>Total Expenditures</i> | <u>15,578</u> | <u>7,593</u> | <u>17,485</u> | <u>62,567</u> | <u>130,876</u> | <u>234,099</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (11,146) | 60,585 | 172,328 | 204,336 | (122,027) | 304,076 |
| Other Financing Sources | | | | | | |
| Transfers In | 31,156 | 0 | 0 | 0 | 157,573 | 188,729 |
| <i>Net Change in Fund Balances</i> | 20,010 | 60,585 | 172,328 | 204,336 | 35,546 | 492,805 |
| <i>Fund Balances Beginning of Year</i> | <u>231,764</u> | <u>33,810</u> | <u>661,517</u> | <u>799,486</u> | <u>250</u> | <u>1,726,827</u> |
| <i>Fund Balances End of Year</i> | <u>\$251,774</u> | <u>\$94,395</u> | <u>\$833,845</u> | <u>\$1,003,822</u> | <u>\$35,796</u> | <u>\$2,219,632</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, 2020

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|-----------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Property Taxes | \$2,056,229 | \$2,056,229 | \$2,101,012 | \$44,783 |
| Municipal Income Taxes | 16,515,000 | 16,515,000 | 16,819,060 | 304,060 |
| Charges for Services | 73,000 | 73,000 | 67,919 | (5,081) |
| Licenses and Permits | 323,000 | 323,000 | 539,510 | 216,510 |
| Fines and Forfeitures | 242,800 | 242,800 | 125,683 | (117,117) |
| Intergovernmental | 1,144,960 | 1,705,902 | 1,671,116 | (34,786) |
| Interest | 150,000 | 150,000 | 169,513 | 19,513 |
| Contributions and Donations | 33,965 | 33,965 | 49,993 | 16,028 |
| Rentals | 166,416 | 166,416 | 156,690 | (9,726) |
| Miscellaneous | 955,286 | 955,286 | 879,000 | (76,286) |
| <i>Total Revenues</i> | <u>21,660,656</u> | <u>22,221,598</u> | <u>22,579,496</u> | <u>357,898</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Legislative and Executive: | | | | |
| Mayor: | | | | |
| Salaries and Wages | 201,305 | 201,305 | 166,187 | 35,118 |
| Fringe Benefits | 89,775 | 89,775 | 58,464 | 31,311 |
| Materials and Supplies | 1,300 | 1,476 | 1,476 | 0 |
| Purchased Services | 1,354 | 997 | 997 | 0 |
| Total Mayor | <u>293,734</u> | <u>293,553</u> | <u>227,124</u> | <u>66,429</u> |
| Finance Director: | | | | |
| Salaries and Wages | 320,221 | 320,221 | 317,670 | 2,551 |
| Fringe Benefits | 135,334 | 135,334 | 122,527 | 12,807 |
| Materials and Supplies | 10,874 | 6,150 | 3,789 | 2,361 |
| Purchased Services | 5,000 | 5,000 | 2,592 | 2,408 |
| Total Finance Director | <u>471,429</u> | <u>466,705</u> | <u>446,578</u> | <u>20,127</u> |
| Purchasing Department: | | | | |
| Salaries and Wages | 176,749 | 176,749 | 163,634 | 13,115 |
| Fringe Benefits | 82,846 | 82,846 | 65,695 | 17,151 |
| Materials and Supplies | 2,750 | 2,750 | 2,589 | 161 |
| Purchased Services | 1,449 | 1,449 | 743 | 706 |
| Total Purchasing Department | <u>263,794</u> | <u>263,794</u> | <u>232,661</u> | <u>31,133</u> |
| Legal Department: | | | | |
| Salaries and Wages | 56,878 | 56,878 | 51,022 | 5,856 |
| Fringe Benefits | 33,425 | 33,425 | 18,837 | 14,588 |
| Contractual Services | 280,000 | 280,000 | 268,511 | 11,489 |
| Total Legal Department | <u>\$370,303</u> | <u>\$370,303</u> | <u>\$338,370</u> | <u>\$31,933</u> |

(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, 2020

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------------|--------------------|---|
| | Original | Final | Actual | |
| Legislative: | | | | |
| Salaries and Wages | \$187,289 | \$187,289 | \$184,748 | \$2,541 |
| Fringe Benefits | 66,679 | 66,679 | 63,492 | 3,187 |
| Contractual Services | 12,350 | 12,350 | 9,387 | 2,963 |
| Materials and Supplies | 1,000 | 1,000 | 852 | 148 |
| Purchased Services | 2,500 | 2,500 | 0 | 2,500 |
| Total Legislative | 269,818 | 269,818 | 258,479 | 11,339 |
| Civil Service: | | | | |
| Salaries and Wages | 10,000 | 10,000 | 86 | 9,914 |
| Fringe Benefits | 1,545 | 1,545 | 14 | 1,531 |
| Contractual Services | 15,000 | 15,000 | 8,797 | 6,203 |
| Materials and Supplies | 2,500 | 2,500 | 817 | 1,683 |
| Total Civil Service | 29,045 | 29,045 | 9,714 | 19,331 |
| Information Technology: | | | | |
| Salaries and Wages | 293,581 | 293,581 | 292,566 | 1,015 |
| Fringe Benefits | 117,768 | 117,768 | 109,114 | 8,654 |
| Contractual Services | 53,968 | 53,968 | 32,428 | 21,540 |
| Materials and Supplies | 42,988 | 42,988 | 27,804 | 15,184 |
| Purchased Services | 39,400 | 39,400 | 32,070 | 7,330 |
| Capital Outlay | 74,725 | 74,725 | 49,463 | 25,262 |
| Total Information Technology | 622,430 | 622,430 | 543,445 | 78,985 |
| County Fiscal Officer and Treasurer: | | | | |
| Contractual Services | 103,000 | 103,000 | 76,254 | 26,746 |
| Income Tax Administration: | | | | |
| Contractual Services | 24,000 | 24,000 | 24,000 | 0 |
| Materials and Supplies | 1,000 | 1,000 | 0 | 1,000 |
| Purchased Services | 1,000 | 1,000 | 0 | 1,000 |
| Other | 626,120 | 626,120 | 599,700 | 26,420 |
| Total Income Tax Administration | 652,120 | 652,120 | 623,700 | 28,420 |
| Administrative Support: | | | | |
| Salaries and Wages | 44,621 | 44,621 | 37,241 | 7,380 |
| Fringe Benefits | 469,737 | 511,652 | 269,097 | 242,555 |
| Contractual Services | 768,976 | 840,007 | 840,007 | 0 |
| Materials and Supplies | 616,133 | 409,948 | 409,948 | 0 |
| Purchased Services | 12,500 | 9,942 | 9,942 | 0 |
| Capital Outlay | 66,973 | 61,973 | 61,973 | 0 |
| Other | 346,522 | 568,615 | 568,615 | 0 |
| Total Administrative Support | \$2,325,462 | \$2,446,758 | \$2,196,823 | \$249,935 |

(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, 2020

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|--------------------|---|
| | Original | Final | Actual | |
| Land and Building: | | | | |
| Salaries and Wages | \$1,160,945 | \$1,099,945 | \$1,048,072 | \$51,873 |
| Fringe Benefits | 508,826 | 492,827 | 440,527 | 52,300 |
| Contractual Services | 93,743 | 93,743 | 28,703 | 65,040 |
| Materials and Supplies | 144,134 | 144,134 | 95,315 | 48,819 |
| Purchased Services | 572,717 | 614,293 | 565,882 | 48,411 |
| Capital Outlay | 106,797 | 98,197 | 86,728 | 11,469 |
| Other | 2,000 | 2,000 | 0 | 2,000 |
| Total Land and Building | 2,589,162 | 2,545,139 | 2,265,227 | 279,912 |
| Engineer: | | | | |
| Salaries and Wages | 18,000 | 17,883 | 13,768 | 4,115 |
| Fringe Benefits | 2,781 | 2,898 | 2,898 | 0 |
| Contractual Services | 114,500 | 156,500 | 138,950 | 17,550 |
| Total Engineer | 135,281 | 177,281 | 155,616 | 21,665 |
| Total Legislative and Executive | 8,125,578 | 8,239,946 | 7,373,991 | 865,955 |
| Judicial System: | | | | |
| Mayor's Court: | | | | |
| Salaries and Wages | 123,732 | 123,732 | 110,337 | 13,395 |
| Fringe Benefits | 34,565 | 34,565 | 30,308 | 4,257 |
| Contractual Services | 1,000 | 1,000 | 0 | 1,000 |
| Materials and Supplies | 5,500 | 5,500 | 2,456 | 3,044 |
| Purchased Services | 1,500 | 1,500 | 645 | 855 |
| Total Judicial System | 166,297 | 166,297 | 143,746 | 22,551 |
| Total General Government | 8,291,875 | 8,406,243 | 7,517,737 | 888,506 |
| Public Safety: | | | | |
| Police: | | | | |
| Law Enforcement: | | | | |
| Salaries and Wages | 2,969,204 | 2,969,204 | 2,856,029 | 113,175 |
| Fringe Benefits | 1,060,211 | 1,060,211 | 944,429 | 115,782 |
| Contractual Services | 527,522 | 527,521 | 495,862 | 31,659 |
| Materials and Supplies | 100,453 | 100,453 | 65,306 | 35,147 |
| Purchased Services | 200,593 | 200,593 | 120,479 | 80,114 |
| Capital Outlay | 150,000 | 160,000 | 146,346 | 13,654 |
| Total Law Enforcement | \$5,007,983 | \$5,017,982 | \$4,628,451 | \$389,531 |

(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, 2020*

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|------------------------------------|------------------|-----------|-----------|---|
| | Original | Final | Actual | |
| Prisoner Support: | | | | |
| Contractual Services | \$46,000 | \$46,000 | \$19,831 | \$26,169 |
| Materials and Supplies | 2,530 | 2,530 | 299 | 2,231 |
| Purchased Services | 700 | 700 | 0 | 700 |
| Total Prisoner Support | 49,230 | 49,230 | 20,130 | 29,100 |
| Traffic Control: | | | | |
| Materials and Supplies | 18,500 | 18,500 | 7,418 | 11,082 |
| Purchased Services | 58,638 | 58,638 | 42,904 | 15,734 |
| Total Traffic Control | 77,138 | 77,138 | 50,322 | 26,816 |
| Street Lighting: | | | | |
| Purchased Services | 110,000 | 110,000 | 101,470 | 8,530 |
| Animal Control: | | | | |
| Salaries and Wages | 56,940 | 56,940 | 56,911 | 29 |
| Fringe Benefits | 28,846 | 28,846 | 26,733 | 2,113 |
| Contractual Services | 3,600 | 3,600 | 2,910 | 690 |
| Materials and Supplies | 1,200 | 1,200 | 575 | 625 |
| Purchased Services | 1,750 | 1,750 | 376 | 1,374 |
| Total Animal Control | 92,336 | 92,336 | 87,505 | 4,831 |
| Total Police | 5,336,687 | 5,346,686 | 4,887,878 | 458,808 |
| Fire: | | | | |
| Hydrants: | | | | |
| Salaries and Wages | 16,000 | 16,000 | 8,817 | 7,183 |
| Fringe Benefits | 2,472 | 2,472 | 1,362 | 1,110 |
| Contractual Services | 1,000 | 1,000 | 0 | 1,000 |
| Materials and Supplies | 3,500 | 3,500 | 1,997 | 1,503 |
| Purchased Services | 500 | 500 | 0 | 500 |
| Total Fire | 23,472 | 23,472 | 12,176 | 11,296 |
| Total Public Safety | 5,360,159 | 5,370,158 | 4,900,054 | 470,104 |
| Public Health and Social Services: | | | | |
| Board of Health: | | | | |
| Contractual Services | \$74,425 | \$74,425 | \$74,425 | \$0 |

(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, 2020

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------------|--------------------|---|
| | Original | Final | Actual | |
| Cemetery: | | | | |
| Salaries and Wages | \$115,825 | \$115,825 | \$87,602 | \$28,223 |
| Fringe Benefits | 27,816 | 27,816 | 22,861 | 4,955 |
| Materials and Supplies | 9,294 | 9,294 | 5,762 | 3,532 |
| Capital Outlay | 0 | 20,000 | 0 | 20,000 |
| Other | 2,000 | 2,000 | 0 | 2,000 |
| Total Cemetery | 154,935 | 174,935 | 116,225 | 58,710 |
| Human Services Department: | | | | |
| Salaries and Wages | 387,952 | 348,606 | 336,639 | 11,967 |
| Fringe Benefits | 140,625 | 134,570 | 120,137 | 14,433 |
| Contractual Services | 39,646 | 36,146 | 26,020 | 10,126 |
| Materials and Supplies | 97,864 | 112,509 | 89,764 | 22,745 |
| Purchased Services | 252,448 | 248,348 | 199,013 | 49,335 |
| Capital Outlay | 40,000 | 40,000 | 0 | 40,000 |
| Other | 27,112 | 27,362 | 21,599 | 5,763 |
| Total Human Services Department | 985,647 | 947,541 | 793,172 | 154,369 |
| Total Public Health and Social Services | 1,215,007 | 1,196,901 | 983,822 | 213,079 |
| Street Construction, Maintenance, and Repair: | | | | |
| Street Repairs and Maintenance: | | | | |
| Salaries and Wages | 909,266 | 909,266 | 718,373 | 190,893 |
| Fringe Benefits | 533,021 | 533,021 | 413,552 | 119,469 |
| Materials and Supplies | 20,000 | 20,000 | 16,833 | 3,167 |
| Total Street Repairs and Maintenance | 1,462,287 | 1,462,287 | 1,148,758 | 313,529 |
| Vehicle Maintenance: | | | | |
| Salaries and Wages | 405,011 | 405,011 | 389,588 | 15,423 |
| Fringe Benefits | 171,688 | 171,688 | 157,110 | 14,578 |
| Materials and Supplies | 41,607 | 41,607 | 36,699 | 4,908 |
| Purchased Services | 151,602 | 143,117 | 133,041 | 10,076 |
| Total Vehicle Maintenance | 769,908 | 761,423 | 716,438 | 44,985 |
| Snow and Ice Removal: | | | | |
| Salaries and Wages | 166,500 | 166,500 | 98,688 | 67,812 |
| Fringe Benefits | 25,724 | 25,724 | 15,215 | 10,509 |
| Contractual Services | 51,795 | 51,795 | 22,581 | 29,214 |
| Materials and Supplies | 33,500 | 33,500 | 19,638 | 13,862 |
| Total Snow and Ice and Removal | 277,519 | 277,519 | 156,122 | 121,397 |
| Total Street Construction, Maintenance, and Repair | \$2,509,714 | \$2,501,229 | \$2,021,318 | \$479,911 |

(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, 2020

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|------------------|---|
| | Original | Final | Actual | |
| Housing and Community Development: | | | | |
| Housing and Building Inspection: | | | | |
| Salaries and Wages | \$439,075 | \$439,075 | \$349,024 | \$90,051 |
| Fringe Benefits | 182,270 | 182,270 | 136,159 | 46,111 |
| Contractual Services | 17,500 | 17,500 | 14,474 | 3,026 |
| Materials and Supplies | 13,000 | 13,000 | 1,477 | 11,523 |
| Purchased Services | 9,548 | 9,548 | 3,132 | 6,416 |
| Other | 5,000 | 5,000 | 242 | 4,758 |
| Total Housing and Building Inspection | 666,393 | 666,393 | 504,508 | 161,885 |
| Board of Zoning Appeals: | | | | |
| Contractual Services | 5,124 | 5,124 | 1,848 | 3,276 |
| Planning Commission: | | | | |
| Salaries and Wages | 2,040 | 2,040 | 1,570 | 470 |
| Fringe Benefits | 316 | 316 | 243 | 73 |
| Contractual Services | 7,213 | 7,213 | 1,975 | 5,238 |
| Total Planning Commission | 9,569 | 9,569 | 3,788 | 5,781 |
| Urban Forestry: | | | | |
| Salaries and Wages | 276,878 | 276,878 | 210,197 | 66,681 |
| Fringe Benefits | 134,607 | 134,607 | 101,728 | 32,879 |
| Contractual Services | 31,500 | 31,500 | 14,500 | 17,000 |
| Materials and Supplies | 16,016 | 16,016 | 5,605 | 10,411 |
| Purchased Services | 11,000 | 11,000 | 8,415 | 2,585 |
| Total Urban Forestry | 470,001 | 470,001 | 340,445 | 129,556 |
| Total Housing and Community Development | 1,151,087 | 1,151,087 | 850,589 | 300,498 |
| Basic Utility Services: | | | | |
| Service Department: | | | | |
| Salaries and Wages | 272,550 | 336,177 | 306,187 | 29,990 |
| Fringe Benefits | 122,337 | 135,711 | 135,711 | 0 |
| Contractual Services | 3,532 | 3,532 | 167 | 3,365 |
| Materials and Supplies | 17,975 | 17,975 | 13,612 | 4,363 |
| Purchased Services | 9,200 | 9,200 | 4,066 | 5,134 |
| Capital Outlay | 352,600 | 371,195 | 370,382 | 813 |
| Total Service Department | \$778,194 | \$873,790 | \$830,125 | \$43,665 |

(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, 2020*

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------------|---------------------|---|
| | Original | Final | Actual | |
| Solid Waste and Recycling: | | | | |
| Salaries and Wages | \$535,715 | \$535,715 | \$529,907 | \$5,808 |
| Fringe Benefits | 180,837 | 180,837 | 168,630 | 12,207 |
| Contractual Services | 439,835 | 439,835 | 361,478 | 78,357 |
| Materials and Supplies | 4,606 | 4,606 | 2,732 | 1,874 |
| Purchased Services | 56,300 | 56,300 | 54,764 | 1,536 |
| Total Solid Waste and Recycling | 1,217,293 | 1,217,293 | 1,117,511 | 99,782 |
| Storm Sewers and Drains: | | | | |
| Salaries and Wages | 63,500 | 63,500 | 62,958 | 542 |
| Fringe Benefits | 9,811 | 9,811 | 9,711 | 100 |
| Materials and Supplies | 3,280 | 3,280 | 2,992 | 288 |
| Purchased Services | 12,500 | 12,500 | 11,660 | 840 |
| Total Storm Sewers and Drains | 89,091 | 89,091 | 87,321 | 1,770 |
| Total Basic Utility Services | 2,084,578 | 2,180,174 | 2,034,957 | 145,217 |
| Total Expenditures | 20,612,420 | 20,805,792 | 18,308,477 | 2,497,315 |
| Excess of Revenues Over Expenditures | 1,048,236 | 1,415,806 | 4,271,019 | 2,855,213 |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 10,000 | 10,000 | 3,777 | (6,223) |
| Advances In | 750,000 | 750,000 | 750,000 | 0 |
| Advances Out | (115,000) | (115,000) | (115,000) | 0 |
| Transfers Out | (2,212,317) | (2,576,499) | (2,576,499) | 0 |
| Total Other Financing Sources (Uses) | (1,567,317) | (1,931,499) | (1,937,722) | (6,223) |
| Net Change in Fund Balance | (519,081) | (515,693) | 2,333,297 | 2,848,990 |
| Fund Balance Beginning of Year | 9,672,155 | 9,672,155 | 9,672,155 | 0 |
| Prior Year Encumbrances Appropriated | 523,443 | 523,443 | 523,443 | 0 |
| Fund Balance End of Year | \$9,676,517 | \$9,679,905 | \$12,528,895 | \$2,848,990 |

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, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|--------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property Taxes | \$1,991,780 | \$1,991,780 | \$2,035,176 | \$43,396 |
| Intergovernmental | 274,406 | 284,021 | 265,470 | (18,551) |
| Interest | 15,000 | 15,000 | 15,391 | 391 |
| Contributions and Donations | 50 | 50 | 0 | (50) |
| Miscellaneous | 6,846 | 132,094 | 127,195 | (4,899) |
| <i>Total Revenues</i> | <i>2,288,082</i> | <i>2,422,945</i> | <i>2,443,232</i> | <i>20,287</i> |
| Expenditures | | | | |
| Current: | | | | |
| Public Safety: | | | | |
| Fire: | | | | |
| Salaries and Wages | 1,932,216 | 1,932,216 | 1,572,056 | 360,160 |
| Fringe Benefits | 834,042 | 834,042 | 696,317 | 137,725 |
| Contractual Services | 19,500 | 19,500 | 18,523 | 977 |
| Materials and Supplies | 56,410 | 56,410 | 56,351 | 59 |
| Purchased Services | 111,520 | 111,520 | 71,089 | 40,431 |
| <i>Total Expenditures</i> | <i>2,953,688</i> | <i>2,953,688</i> | <i>2,414,336</i> | <i>539,352</i> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <i>(665,606)</i> | <i>(530,743)</i> | <i>28,896</i> | <i>559,639</i> |
| Other Financing Sources | | | | |
| Sale of Capital Assets | 500 | 500 | 0 | (500) |
| Transfers In | 550,000 | 550,000 | 550,000 | 0 |
| <i>Total Other Financing Sources</i> | <i>550,500</i> | <i>550,500</i> | <i>550,000</i> | <i>(500)</i> |
| <i>Net Change in Fund Balance</i> | <i>(115,106)</i> | <i>19,757</i> | <i>578,896</i> | <i>559,139</i> |
| <i>Fund Balance Beginning of Year</i> | <i>562,625</i> | <i>562,625</i> | <i>562,625</i> | <i>0</i> |
| Prior Year Encumbrances Appropriated | 24,312 | 24,312 | 24,312 | 0 |
| <i>Fund Balance End of Year</i> | <i>\$471,831</i> | <i>\$606,694</i> | <i>\$1,165,833</i> | <i>\$559,139</i> |

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, 2020*

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------------|-------------------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Municipal Income Taxes | \$960,000 | \$960,000 | \$960,000 | \$0 |
| Special Assessments | 6,631 | 6,631 | 6,062 | (569) |
| Interest | 20,000 | 20,000 | 35,296 | 15,296 |
| Contributions and Donations | 4,467 | 4,467 | 9,467 | 5,000 |
| Miscellaneous | 863,533 | 1,218,000 | 229,588 | (988,412) |
| <i>Total Revenues</i> | <u>1,854,631</u> | <u>2,209,098</u> | <u>1,240,413</u> | <u>(968,685)</u> |
| Expenditures | | | | |
| Capital Outlay: | | | | |
| Purchased Services | 0 | 400 | 60 | 340 |
| Capital Outlay | 12,119,083 | 12,373,550 | 3,180,414 | 9,193,136 |
| Total Capital Outlay | <u>12,119,083</u> | <u>12,373,950</u> | <u>3,180,474</u> | <u>9,193,476</u> |
| Debt Service: | | | | |
| Principal Retirement | 2,550,000 | 2,550,000 | 2,550,000 | 0 |
| Interest and Fiscal Charges | 70,125 | 70,125 | 69,930 | 195 |
| Total Debt Service | <u>2,620,125</u> | <u>2,620,125</u> | <u>2,619,930</u> | <u>195</u> |
| <i>Total Expenditures</i> | <u>14,739,208</u> | <u>14,994,075</u> | <u>5,800,404</u> | <u>9,193,671</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(12,884,577)</u> | <u>(12,784,977)</u> | <u>(4,559,991)</u> | <u>8,224,986</u> |
| Other Financing Sources (Uses) | | | | |
| Bond Anticipation Notes Issued | 11,840,000 | 11,840,000 | 3,500,000 | (8,340,000) |
| Advances In | 100,000 | 100,000 | 100,000 | 0 |
| Transfers Out | (313,129) | (313,129) | (313,129) | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>11,626,871</u> | <u>11,626,871</u> | <u>3,286,871</u> | <u>(8,340,000)</u> |
| <i>Net Change in Fund Balance</i> | <u>(1,257,706)</u> | <u>(1,158,106)</u> | <u>(1,273,120)</u> | <u>(115,014)</u> |
| <i>Fund Balance Beginning of Year</i> | 798,249 | 798,249 | 798,249 | 0 |
| Prior Year Encumbrances Appropriated | <u>1,337,083</u> | <u>1,337,083</u> | <u>1,337,083</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$877,626</u></u> | <u><u>\$977,226</u></u> | <u><u>\$862,212</u></u> | <u><u>(\$115,014)</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, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Municipal Income Taxes | \$1,700,000 | \$1,700,000 | \$1,700,004 | \$4 |
| Intergovernmental | 62,376 | 122,832 | 122,832 | 0 |
| Interest | 8,000 | 8,000 | 18,598 | 10,598 |
| Miscellaneous | 1,000 | 1,000 | 8,965 | 7,965 |
| <i>Total Revenues</i> | <u>1,771,376</u> | <u>1,831,832</u> | <u>1,850,399</u> | <u>18,567</u> |
| Expenditures | | | | |
| Capital Outlay: | | | | |
| Capital Outlay | 1,263,703 | 1,324,159 | 1,156,801 | 167,358 |
| <i>Excess of Revenues Over Expenditures</i> | <u>507,673</u> | <u>507,673</u> | <u>693,598</u> | <u>185,925</u> |
| Other Financing Sources (Uses) | | | | |
| Advances In | 318,000 | 318,000 | 318,000 | 0 |
| Transfers Out | (989,083) | (989,083) | (989,083) | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>(671,083)</u> | <u>(671,083)</u> | <u>(671,083)</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | (163,410) | (163,410) | 22,515 | 185,925 |
| <i>Fund Balance Beginning of Year</i> | 912,189 | 912,189 | 912,189 | 0 |
| Prior Year Encumbrances Appropriated | 18,086 | 18,086 | 18,086 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$766,865</u> | <u>\$766,865</u> | <u>\$952,790</u> | <u>\$185,925</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, 2020*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Municipal Income Taxes | \$360,000 | \$360,000 | \$360,000 | \$0 |
| Interest | 5,000 | 5,000 | 5,348 | 348 |
| Miscellaneous | 12,143 | 12,143 | 12,143 | 0 |
| <i>Total Revenues</i> | 377,143 | 377,143 | 377,491 | 348 |
| Expenditures | | | | |
| Capital Outlay: | | | | |
| Purchased Services | 375,000 | 452,000 | 367,999 | 84,001 |
| <i>Net Change in Fund Balance</i> | 2,143 | (74,857) | 9,492 | 84,349 |
| <i>Fund Balance Beginning of Year</i> | 257,648 | 257,648 | 257,648 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$259,791</u> | <u>\$182,791</u> | <u>\$267,140</u> | <u>\$84,349</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, 2020*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|--------------|--------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Interest | \$20,000 | \$20,000 | \$88,850 | \$68,850 |
| Miscellaneous | 0 | 0 | 5,670 | 5,670 |
| <i>Total Revenues</i> | 20,000 | 20,000 | 94,520 | 74,520 |
| Expenditures | | | | |
| Capital Outlay: | | | | |
| Capital Outlay | 13,941,029 | 13,991,029 | 13,912,226 | 78,803 |
| <i>Excess of Revenues Under Expenditures</i> | (13,921,029) | (13,971,029) | (13,817,706) | 153,323 |
| Other Financing Sources (Uses) | | | | |
| Bond Anticipation Notes Issued | 8,600,000 | 8,600,000 | 8,600,000 | 0 |
| Advances Out | (1,068,000) | (1,068,000) | (1,068,000) | 0 |
| Transfers In | 767,364 | 748,926 | 748,926 | 0 |
| Transfers Out | (714,308) | (340,005) | (340,005) | 0 |
| <i>Total Other Financing Sources (Uses)</i> | 7,585,056 | 7,940,921 | 7,940,921 | 0 |
| <i>Net Change in Fund Balance</i> | (6,335,973) | (6,030,108) | (5,876,785) | 153,323 |
| <i>Fund Balance Beginning of Year</i> | 647,410 | 647,410 | 647,410 | 0 |
| Prior Year Encumbrances Appropriated | 5,913,029 | 5,913,029 | 5,913,029 | 0 |
| <i>Fund Balance End of Year</i> | \$224,466 | \$530,331 | \$683,654 | \$153,323 |

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, 2020*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$36,000 | \$25,600 | \$35,745 | \$10,145 |
| Interest | 400 | 400 | 722 | 322 |
| <i>Total Revenues</i> | 36,400 | 26,000 | 36,467 | 10,467 |
| Expenditures | | | | |
| Current: | | | | |
| Street Construction, Maintenance, and Repair: | | | | |
| Street Repair and Maintenance: | | | | |
| Capital Outlay | 36,000 | 36,000 | 12,717 | 23,283 |
| <i>Net Change in Fund Balance</i> | 400 | (10,000) | 23,750 | 33,750 |
| <i>Fund Balance Beginning of Year</i> | 28,566 | 28,566 | 28,566 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$28,966</u> | <u>\$18,566</u> | <u>\$52,316</u> | <u>\$33,750</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, 2020*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------|-----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$885,000 | \$771,600 | \$813,736 | \$42,136 |
| Interest | 2,500 | 2,500 | 8,644 | 6,144 |
| <i>Total Revenues</i> | 887,500 | 774,100 | 822,380 | 48,280 |
| Expenditures | | | | |
| Current: | | | | |
| Street Construction, Maintenance, and Repair: | | | | |
| Snow and Ice Removal: | | | | |
| Purchased Services | 769,238 | 862,665 | 790,653 | 72,012 |
| Capital Outlay | 150,000 | 150,000 | 149,032 | 968 |
| <i>Total Expenditures</i> | 919,238 | 1,012,665 | 939,685 | 72,980 |
| <i>Net Change in Fund Balance</i> | (31,738) | (238,565) | (117,305) | 121,260 |
| <i>Fund Balance Beginning of Year</i> | 503,523 | 503,523 | 503,523 | 0 |
| Prior Year Encumbrances Appropriated | 19,238 | 19,238 | 19,238 | 0 |
| <i>Fund Balance End of Year</i> | \$491,023 | \$284,196 | \$405,456 | \$121,260 |

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, 2020*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------|-----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$71,000 | \$61,197 | \$65,979 | \$4,782 |
| Interest | 1,000 | 1,000 | 2,530 | 1,530 |
| <i>Total Revenues</i> | 72,000 | 62,197 | 68,509 | 6,312 |
| Expenditures | | | | |
| Current: | | | | |
| Street Construction, Maintenance, and Repair: | | | | |
| Route 21 Center Strip: | | | | |
| Purchased Services | 75,000 | 75,000 | 75,000 | 0 |
| <i>Net Change in Fund Balance</i> | (3,000) | (12,803) | (6,491) | 6,312 |
| <i>Fund Balance Beginning of Year</i> | 121,664 | 121,664 | 121,664 | 0 |
| <i>Fund Balance End of Year</i> | \$118,664 | \$108,861 | \$115,173 | \$6,312 |

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, 2020

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|------------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Charges for Services | \$1,234,150 | \$495,613 | \$558,210 | \$62,597 |
| Licenses and Permits | 0 | 0 | 4,549 | 4,549 |
| Interest | 9,000 | 7,000 | 8,006 | 1,006 |
| Contributions and Donations | 8,000 | 5,273 | 7,127 | 1,854 |
| Rentals | 67,000 | 27,066 | 25,995 | (1,071) |
| Miscellaneous | 20,175 | 94,277 | 87,746 | (6,531) |
| <i>Total Revenues</i> | <u>1,338,325</u> | <u>629,229</u> | <u>691,633</u> | <u>62,404</u> |
| Expenditures | | | | |
| Current: | | | | |
| Recreational Activities: | | | | |
| Community Center: | | | | |
| Salaries and Wages | 1,167,483 | 968,446 | 786,677 | 181,769 |
| Fringe Benefits | 421,330 | 390,579 | 315,254 | 75,325 |
| Contractual Services | 232,980 | 148,691 | 138,238 | 10,453 |
| Materials and Supplies | 154,976 | 91,315 | 56,277 | 35,038 |
| Purchased Services | 393,998 | 320,298 | 237,519 | 82,779 |
| Capital Outlay | 41,048 | 41,048 | 39,416 | 1,632 |
| Other | 33,875 | 58,528 | 51,921 | 6,607 |
| <i>Total Expenditures</i> | <u>2,445,690</u> | <u>2,018,905</u> | <u>1,625,302</u> | <u>393,603</u> |
| <i>Excess of Revenues Under Expenditures</i> | (1,107,365) | (1,389,676) | (933,669) | 456,007 |
| Other Financing Sources | | | | |
| Transfers In | 900,000 | 1,120,000 | 1,120,000 | 0 |
| <i>Net Change in Fund Balance</i> | (207,365) | (269,676) | 186,331 | 456,007 |
| <i>Fund Balance Beginning of Year</i> | 396,699 | 396,699 | 396,699 | 0 |
| Prior Year Encumbrances Appropriated | 42,591 | 42,591 | 42,591 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$231,925</u> | <u>\$169,614</u> | <u>\$625,621</u> | <u>\$456,007</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, 2020*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------|-----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property Taxes | \$585,818 | \$585,818 | \$598,568 | \$12,750 |
| Intergovernmental | 79,884 | 79,884 | 74,116 | (5,768) |
| Interest | 5,000 | 5,000 | 6,446 | 1,446 |
| Miscellaneous | 81,284 | 81,284 | 81,285 | 1 |
| <i>Total Revenues</i> | 751,986 | 751,986 | 760,415 | 8,429 |
| Expenditures | | | | |
| Current: | | | | |
| Street Construction, Maintenance, and Repair: | | | | |
| Street Repair and Maintenance: | | | | |
| Contractual Services | 500 | 500 | 0 | 500 |
| Capital Outlay | 793,140 | 866,140 | 760,283 | 105,857 |
| <i>Total Expenditures</i> | 793,640 | 866,640 | 760,283 | 106,357 |
| <i>Net Change in Fund Balance</i> | (41,654) | (114,654) | 132 | 114,786 |
| <i>Fund Balance Beginning of Year</i> | 272,793 | 272,793 | 272,793 | 0 |
| Prior Year Encumbrances Appropriated | 67,308 | 67,308 | 67,308 | 0 |
| <i>Fund Balance End of Year</i> | \$298,447 | \$225,447 | \$340,233 | \$114,786 |

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, 2020*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|----------------|-----------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Interest | \$300 | \$300 | \$315 | \$15 |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Legislative and Executive: | | | | |
| Materials and Supplies | 10,000 | 10,000 | 0 | 10,000 |
| <i>Net Change in Fund Balance</i> | (9,700) | (9,700) | 315 | 10,015 |
| <i>Fund Balance Beginning of Year</i> | 18,232 | 18,232 | 18,232 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$8,532</u> | <u>\$8,532</u> | <u>\$18,547</u> | <u>\$10,015</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, 2020*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Fines and Forfeitures | \$1,000 | \$1,000 | \$225 | (\$775) |
| Intergovernmental | 2,400 | 2,400 | 400 | (2,000) |
| Interest | 430 | 430 | 531 | 101 |
| <i>Total Revenues</i> | <u>3,830</u> | <u>3,830</u> | <u>1,156</u> | <u>(2,674)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public Safety: | | | | |
| Police: | | | | |
| Salaries and Wages | 1,600 | 1,600 | 748 | 852 |
| Fringe Benefits | 337 | 337 | 157 | 180 |
| Materials and Supplies | 18,500 | 18,500 | 0 | 18,500 |
| Purchased Services | 2,138 | 2,138 | 848 | 1,290 |
| <i>Total Expenditures</i> | <u>22,575</u> | <u>22,575</u> | <u>1,753</u> | <u>20,822</u> |
| <i>Net Change in Fund Balance</i> | (18,745) | (18,745) | (597) | 18,148 |
| <i>Fund Balance Beginning of Year</i> | 30,528 | 30,528 | 30,528 | 0 |
| Prior Year Encumbrances Appropriated | 263 | 263 | 263 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$12,046</u> | <u>\$12,046</u> | <u>\$30,194</u> | <u>\$18,148</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, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|-----------|-----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Fines and Forfeitures | \$12,000 | \$12,000 | \$5,562 | (\$6,438) |
| Interest | 2,000 | 2,000 | 2,482 | 482 |
| <i>Total Revenues</i> | 14,000 | 14,000 | 8,044 | (5,956) |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Judicial System: | | | | |
| Materials and Supplies | 9,000 | 9,000 | 4,576 | 4,424 |
| Purchased Services | 5,000 | 5,000 | 300 | 4,700 |
| <i>Total Expenditures</i> | 14,000 | 14,000 | 4,876 | 9,124 |
| <i>Net Change in Fund Balance</i> | 0 | 0 | 3,168 | 3,168 |
| <i>Fund Balance Beginning of Year</i> | 143,663 | 143,663 | 143,663 | 0 |
| <i>Fund Balance End of Year</i> | \$143,663 | \$143,663 | \$146,831 | \$3,168 |

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, 2020*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|-------|--------|---|
| | Original | Final | | |
| 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> | \$950 | \$950 | \$950 | \$0 |

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, 2020*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|----------------|----------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$5,000 | \$5,528 | \$4,491 | (\$1,037) |
| Interest | 50 | 50 | 68 | 18 |
| <i>Total Revenues</i> | 5,050 | 5,578 | 4,559 | (1,019) |
| Expenditures | | | | |
| Current: | | | | |
| Basic Utility Services: | | | | |
| Rubbish Recycling: | | | | |
| Materials and Supplies | 5,000 | 6,500 | 4,491 | 2,009 |
| <i>Net Change in Fund Balance</i> | 50 | (922) | 68 | 990 |
| <i>Fund Balance Beginning of Year</i> | 6,047 | 6,047 | 6,047 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$6,097</u> | <u>\$5,125</u> | <u>\$6,115</u> | <u>\$990</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, 2020*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------------|------------------------|-------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Licenses and Permits | \$15,000 | \$15,000 | \$17,050 | \$2,050 |
| Expenditures | | | | |
| Current: | | | | |
| Housing and Community Development: | | | | |
| Tree Planning: | | | | |
| Contractual Services | 15,000 | 15,000 | 0 | 15,000 |
| Materials and Supplies | 20,000 | 20,000 | 12,599 | 7,401 |
| <i>Total Expenditures</i> | <u>35,000</u> | <u>35,000</u> | <u>12,599</u> | <u>22,401</u> |
| <i>Net Change in Fund Balance</i> | (20,000) | (20,000) | 4,451 | (24,451) |
| <i>Fund Balance Beginning of Year</i> | <u>101,221</u> | <u>101,221</u> | <u>101,221</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$81,221</u></u> | <u><u>\$81,221</u></u> | <u><u>\$105,672</u></u> | <u><u>(\$24,451)</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, 2020*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Fines and Forfeitures | \$5,000 | \$5,000 | \$671 | (\$4,329) |
| Interest | 1,500 | 1,500 | 1,404 | (96) |
| <i>Total Revenues</i> | 6,500 | 6,500 | 2,075 | (4,425) |
| Expenditures | | | | |
| Current: | | | | |
| Public Safety: | | | | |
| Police: | | | | |
| Purchased Services | 5,000 | 5,000 | 83 | 4,917 |
| <i>Net Change in Fund Balance</i> | 1,500 | 1,500 | 1,992 | 492 |
| <i>Fund Balance Beginning of Year</i> | 80,950 | 80,950 | 80,950 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$82,450</u> | <u>\$82,450</u> | <u>\$82,942</u> | <u>\$492</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, 2020*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Interest | \$500 | \$500 | \$718 | \$218 |
| Expenditures | | | | |
| Current: | | | | |
| Public Safety: | | | | |
| Police: | | | | |
| Materials and Supplies | 30,000 | 30,000 | 0 | 30,000 |
| <i>Net Change in Fund Balance</i> | (29,500) | (29,500) | 718 | 30,218 |
| <i>Fund Balance Beginning of Year</i> | 41,562 | 41,562 | 41,562 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$12,062</u> | <u>\$12,062</u> | <u>\$42,280</u> | <u>\$30,218</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, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|-----------|-----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property Taxes | \$175,746 | \$175,746 | \$179,580 | \$3,834 |
| Intergovernmental | 23,965 | 23,965 | 22,237 | (1,728) |
| <i>Total Revenues</i> | 199,711 | 199,711 | 201,817 | 2,106 |
| Expenditures | | | | |
| Current: | | | | |
| Public Safety: | | | | |
| Police: | | | | |
| Fringe Benefits | 165,000 | 165,000 | 165,000 | 0 |
| Contractual Services | 300 | 300 | 0 | 300 |
| <i>Total Expenditures</i> | 165,300 | 165,300 | 165,000 | 300 |
| <i>Net Change in Fund Balance</i> | 34,411 | 34,411 | 36,817 | 2,406 |
| <i>Fund Balance Beginning of Year</i> | 387,217 | 387,217 | 387,217 | 0 |
| <i>Fund Balance End of Year</i> | \$421,628 | \$421,628 | \$424,034 | \$2,406 |

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, 2020*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|----------------|-----------------|---|
| | Original | Final | | |
| Revenues | \$0 | \$0 | \$0 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Public Safety: | | | | |
| Police: | | | | |
| Purchased Services | 4,000 | 4,000 | 550 | 3,450 |
| <i>Net Change in Fund Balance</i> | (4,000) | (4,000) | (550) | 3,450 |
| <i>Fund Balance Beginning of Year</i> | 11,063 | 11,063 | 11,063 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$7,063</u> | <u>\$7,063</u> | <u>\$10,513</u> | <u>\$3,450</u> |

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Coronavirus Relief Fund
For the Year Ended December 31, 2020

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------|-----------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Intergovernmental | \$679,221 | \$679,221 | \$679,221 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Legislative and Executive: | | | | |
| Salaries and Wages | 44,739 | 54,185 | 54,185 | 0 |
| Fringe Benefits | 17,817 | 8,372 | 8,372 | 0 |
| Materials and Supplies | 118,062 | 118,061 | 118,061 | 0 |
| Capital Outlay | 39,999 | 39,999 | 39,999 | 0 |
| Total Legislative and Executive | 220,617 | 220,617 | 220,617 | 0 |
| Judicial System: | | | | |
| Salaries and Wages | 1,810 | 1,810 | 1,810 | 0 |
| Fringe Benefits | 280 | 280 | 280 | 0 |
| Total Judicial System | 2,090 | 2,090 | 2,090 | 0 |
| Total General Government | 222,707 | 222,707 | 222,707 | 0 |
| Public Safety: | | | | |
| Police: | | | | |
| Materials and Supplies | 792 | 792 | 792 | 0 |
| Capital Outlay | 14,900 | 14,900 | 14,900 | 0 |
| Total Police | 15,692 | 15,692 | 15,692 | 0 |
| Fire: | | | | |
| Salaries and Wages | 202,305 | 202,305 | 202,305 | 0 |
| Fringe Benefits | 43,395 | 43,395 | 43,395 | 0 |
| Materials and Supplies | 1,891 | 1,891 | 1,891 | 0 |
| Total Fire | 247,591 | 247,591 | 247,591 | 0 |
| Total Public Safety | 263,283 | 263,283 | 263,283 | 0 |
| Public Health and Social Services: | | | | |
| Salaries and Wages | 5,395 | 5,395 | 5,395 | 0 |
| Fringe Benefits | 833 | 833 | 833 | 0 |
| Materials and Supplies | 1,930 | 1,930 | 1,930 | 0 |
| Total Public Health and Social Services | \$8,158 | \$8,158 | \$8,158 | \$0 |

(continued)

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Coronavirus Relief Fund (continued)
For the Year Ended December 31, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|----------------|----------------|---|
| | Original | Final | | |
| Street Construction, Maintenance, and Repair: | | | | |
| Salaries and Wages | \$95,188 | \$95,188 | \$95,188 | \$0 |
| Fringe Benefits | 14,707 | 14,707 | 14,707 | 0 |
| Total Street Construction, Maintenance, and Repair | 109,895 | 109,895 | 109,895 | 0 |
| Housing and Community Development: | | | | |
| Salaries and Wages | 11,669 | 11,669 | 11,669 | 0 |
| Fringe Benefits | 1,803 | 1,803 | 1,803 | 0 |
| Materials and Supplies | 959 | 959 | 959 | 0 |
| Total Housing and Community Development | 14,431 | 14,431 | 14,431 | 0 |
| Basic Utility Services: | | | | |
| Salaries and Wages | 24,993 | 24,993 | 24,993 | 0 |
| Fringe Benefits | 3,861 | 3,861 | 3,861 | 0 |
| Materials and Supplies | 4,028 | 4,028 | 4,028 | 0 |
| Total Basic Utility Services | 32,882 | 32,882 | 32,882 | 0 |
| Recreational Activities: | | | | |
| Salaries and Wages | 18,938 | 18,938 | 18,938 | 0 |
| Fringe Benefits | 2,926 | 2,926 | 2,926 | 0 |
| Materials and Supplies | 6,001 | 6,001 | 6,001 | 0 |
| Total Recreational Activities | 27,865 | 27,865 | 27,865 | 0 |
| Total Expenditures | 679,221 | 679,221 | 679,221 | 0 |
| <i>Net Change in Fund Balance</i> | 0 | 0 | 0 | 0 |
| <i>Fund Balance Beginning of Year</i> | 0 | 0 | 0 | 0 |
| <i>Fund Balance End of Year</i> | \$0 | \$0 | \$0 | \$0 |

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, 2020*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-------------|-------------|---|
| | Original | Final | | |
| Revenues | \$0 | \$0 | \$0 | \$0 |
| Expenditures | | | | |
| Debt Service: | | | | |
| Principal Retirement | 1,459,303 | 1,085,000 | 1,085,000 | 0 |
| Interest and Fiscal Charges | 641,050 | 641,050 | 641,050 | 0 |
| Bond Anticipation Notes Issuance Costs | 220,000 | 220,000 | 56,977 | 163,023 |
| <i>Total Expenditures</i> | 2,320,353 | 1,946,050 | 1,783,027 | 163,023 |
| <i>Excess of Revenues Under Expenditures</i> | (2,320,353) | (1,946,050) | (1,783,027) | 163,023 |
| Other Financing Sources | | | | |
| Premium on Bond Anticipation Notes Issued | 220,000 | 220,000 | 109,822 | (110,178) |
| Transfers In | 1,985,364 | 1,611,061 | 1,611,061 | 0 |
| <i>Total Other Financing Sources</i> | 2,205,364 | 1,831,061 | 1,720,883 | (110,178) |
| <i>Net Change in Fund Balance</i> | (114,989) | (114,989) | (62,144) | 52,845 |
| <i>Fund Balance Beginning of Year</i> | 839,632 | 839,632 | 839,632 | 0 |
| <i>Fund Balance End of Year</i> | \$724,643 | \$724,643 | \$777,488 | \$52,845 |

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, 2020*

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|-----------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Special Assessments | \$417,683 | \$417,683 | \$417,521 | (\$162) |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Legislative and Executive: | | | | |
| Purchased Services | 7,000 | 7,000 | 4,138 | 2,862 |
| Debt Service: | | | | |
| Principal Retirement | 420,000 | 420,000 | 420,000 | 0 |
| Interest and Fiscal Charges | 64,015 | 64,015 | 64,015 | 0 |
| Total Debt Service | 484,015 | 484,015 | 484,015 | 0 |
| <i>Total Expenditures</i> | 491,015 | 491,015 | 488,153 | 2,862 |
| <i>Excess of Revenues Under Expenditures</i> | (73,332) | (73,332) | (70,632) | 2,700 |
| Other Financing Sources | | | | |
| Advances In | 15,000 | 15,000 | 15,000 | 0 |
| <i>Net Change in Fund Balance</i> | (58,332) | (58,332) | (55,632) | 2,700 |
| <i>Fund Balance Beginning of Year</i> | 60,663 | 60,663 | 60,663 | 0 |
| <i>Fund Balance End of Year</i> | \$2,331 | \$2,331 | \$5,031 | \$2,700 |

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, 2020

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|-----------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Interest | \$4,000 | \$4,000 | \$4,432 | \$432 |
| Expenditures | | | | |
| Capital Outlay: | | | | |
| Contractual Services | 4,000 | 4,000 | 0 | 4,000 |
| Debt Service: | | | | |
| Principal Retirement | 31,157 | 15,680 | 15,578 | 102 |
| <i>Total Expenditures</i> | 35,157 | 19,680 | 15,578 | 4,102 |
| <i>Excess of Revenues Under Expenditures</i> | (31,157) | (15,680) | (11,146) | 4,534 |
| Other Financing Sources | | | | |
| Transfers In | 31,156 | 31,156 | 31,156 | 0 |
| <i>Net Change in Fund Balance</i> | (1) | 15,476 | 20,010 | 4,534 |
| <i>Fund Balance Beginning of Year</i> | 231,764 | 231,764 | 231,764 | 0 |
| <i>Fund Balance End of Year</i> | \$231,763 | \$247,240 | \$251,774 | \$4,534 |

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, 2020*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|----------|----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Licenses and Permits | \$65,000 | \$65,000 | \$58,606 | (\$6,394) |
| Interest | 1,000 | 1,000 | 1,072 | 72 |
| <i>Total Revenues</i> | 66,000 | 66,000 | 59,678 | (6,322) |
| Expenditures | | | | |
| Capital Outlay: | | | | |
| Materials and Supplies | 10,000 | 10,000 | 0 | 10,000 |
| Capital Outlay | 37,000 | 37,000 | 7,570 | 29,430 |
| Other | 800 | 800 | 23 | 777 |
| <i>Total Expenditures</i> | 47,800 | 47,800 | 7,593 | 40,207 |
| <i>Net Change in Fund Balance</i> | 18,200 | 18,200 | 52,085 | 33,885 |
| <i>Fund Balance Beginning of Year</i> | 33,810 | 33,810 | 33,810 | 0 |
| <i>Fund Balance End of Year</i> | \$52,010 | \$52,010 | \$85,895 | \$33,885 |

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, 2020*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|-----------|-----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Licenses and Permits | \$143,500 | \$143,500 | \$180,890 | \$37,390 |
| Interest | 1,500 | 1,500 | 3,423 | 1,923 |
| Miscellaneous | 5,500 | 5,500 | 5,500 | 0 |
| <i>Total Revenues</i> | 150,500 | 150,500 | 189,813 | 39,313 |
| Expenditures | | | | |
| Capital Outlay: | | | | |
| Contractual Services | 42,000 | 44,000 | 12,775 | 31,225 |
| Other | 4,000 | 13,000 | 10,710 | 2,290 |
| <i>Total Expenditures</i> | 46,000 | 57,000 | 23,485 | 33,515 |
| <i>Net Change in Fund Balance</i> | 104,500 | 93,500 | 166,328 | 72,828 |
| <i>Fund Balance Beginning of Year</i> | 661,517 | 661,517 | 661,517 | 0 |
| <i>Fund Balance End of Year</i> | \$766,017 | \$755,017 | \$827,845 | \$72,828 |

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, 2020*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Charges for Services | \$280,000 | \$245,000 | \$254,619 | \$9,619 |
| Interest | 10,000 | 10,000 | 15,261 | 5,261 |
| Miscellaneous | 0 | 0 | 160 | 160 |
| <i>Total Revenues</i> | <u>290,000</u> | <u>255,000</u> | <u>270,040</u> | <u>15,040</u> |
| Expenditures | | | | |
| Capital Outlay: | | | | |
| Contractual Services | 30,000 | 30,000 | 19,023 | 10,977 |
| Capital Outlay | 412,584 | 412,584 | 326,569 | 86,015 |
| <i>Total Expenditures</i> | <u>442,584</u> | <u>442,584</u> | <u>345,592</u> | <u>96,992</u> |
| <i>Net Change in Fund Balance</i> | (152,584) | (187,584) | (75,552) | 112,032 |
| <i>Fund Balance Beginning of Year</i> | 776,870 | 776,870 | 776,870 | 0 |
| Prior Year Encumbrances Appropriated | 2,084 | 2,084 | 2,084 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$626,370</u> | <u>\$591,370</u> | <u>\$703,402</u> | <u>\$112,032</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, 2020

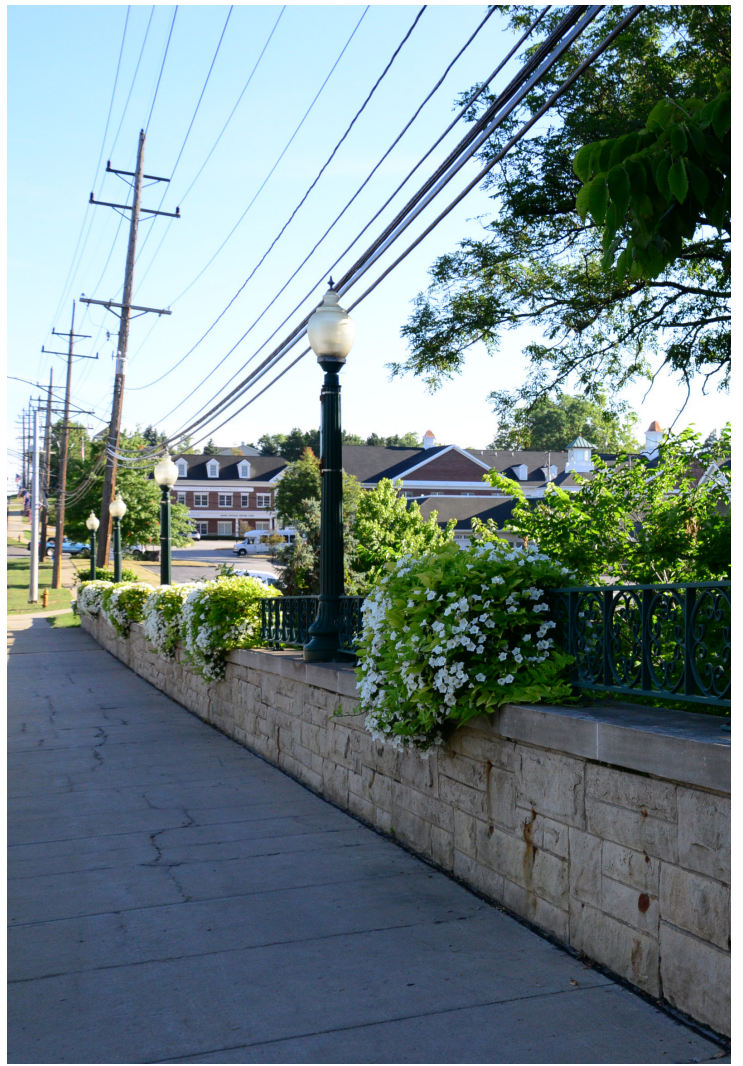
| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|----------------|----------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Interest | \$0 | \$7,222 | \$8,849 | \$1,627 |
| Expenditures | | | | |
| Capital Outlay: | | | | |
| Capital Outlay | 497,904 | 574,539 | 574,539 | 0 |
| Debt Service: | | | | |
| Principal Retirement | 250,000 | 250,000 | 250,000 | 0 |
| Interest and Fiscal Charges | 6,875 | 6,856 | 6,856 | 0 |
| <i>Total Expenditures</i> | <u>754,779</u> | <u>831,395</u> | <u>831,395</u> | <u>0</u> |
| <i>Excess of Revenues Under Expenditures</i> | (754,779) | (824,173) | (822,546) | 1,627 |
| Other Financing Sources | | | | |
| Transfers In | 94,953 | 157,573 | 157,573 | 0 |
| <i>Net Change in Fund Balance</i> | (659,826) | (666,600) | (664,973) | 1,627 |
| <i>Fund Balance Beginning of Year</i> | 168,696 | 168,696 | 168,696 | 0 |
| Prior Year Encumbrances Appropriated | 497,904 | 497,904 | 497,904 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$6,774</u> | <u>\$0</u> | <u>\$1,627</u> | <u>\$1,627</u> |

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Self Insurance Fund
For the Year Ended December 31, 2020*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|------------------|-------------|-------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Interest | \$20,000 | \$20,000 | \$28,037 | \$8,037 |
| Miscellaneous | 203,680 | 203,680 | 163,227 | (40,453) |
| <i>Total Revenues</i> | 223,680 | 223,680 | 191,264 | (32,416) |
| Expenses | | | | |
| Purchased Services | 12,000 | 12,000 | 3,623 | 8,377 |
| Claims | 330,000 | 330,000 | 2,104 | 327,896 |
| <i>Total Expenses</i> | 342,000 | 342,000 | 5,727 | 336,273 |
| <i>Net Change in Fund Equity</i> | (118,320) | (118,320) | 185,537 | 303,857 |
| <i>Fund Equity Beginning of Year</i> | 1,551,775 | 1,551,775 | 1,551,775 | 0 |
| <i>Fund Equity End of Year</i> | \$1,433,455 | \$1,433,455 | \$1,737,312 | \$303,857 |

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Endowment Fund
For the Year Ended December 31, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|------------------|----------------|----------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Interest | \$50 | \$50 | \$58 | \$8 |
| Expenses | | | | |
| Other | 100 | 100 | 0 | 100 |
| <i>Net Change in Fund Equity</i> | (50) | (50) | 58 | 108 |
| <i>Fund Equity Beginning of Year</i> | 3,321 | 3,321 | 3,321 | 0 |
| <i>Fund Equity End of Year</i> | <u>\$3,271</u> | <u>\$3,271</u> | <u>\$3,379</u> | <u>\$108</u> |



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)

| | 2020 | 2019 | 2018 | 2017 (2) |
|---|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities | | | | |
| Net Investment in Capital Assets | \$83,200,864 | \$79,168,430 | \$78,737,049 | \$65,981,738 |
| Restricted: | | | | |
| Capital Projects | 129,740 | 231,764 | 1,110,602 | 7,843,753 |
| Debt Service | 1,175,556 | 2,023,439 | 2,479,039 | 2,771,399 |
| Community Center | N/A | N/A | N/A | N/A |
| Court Computerization | 146,591 | 143,943 | 137,454 | 174,606 |
| Fire Department | 1,052,048 | 466,590 | 209,281 | 254,211 |
| Police Department | 618,936 | 579,771 | 521,130 | 509,726 |
| Road Maintenance | 441,926 | 393,517 | 220,836 | 174,144 |
| Street Construction, Maintenance, and Repair | 1,035,380 | 1,147,848 | 806,269 | 700,642 |
| Other Purposes | 127,615 | 120,909 | 124,487 | 122,269 |
| Unrestricted (Deficit) | 2,933,760 | (3,311,888) | (13,354,556) | (7,158,140) |
| <i>Total Governmental Activities Net Position</i> | <u>\$90,862,416</u> | <u>\$80,964,323</u> | <u>\$70,991,591</u> | <u>\$71,374,348</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.

| 2016 | 2015 | 2014 (1) | 2013 | 2012 | 2011 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$73,353,987 | \$69,946,323 | \$74,133,853 | \$72,417,114 | \$70,119,261 | \$66,408,438 |
| 590,944 | 900,027 | 1,420,845 | 329,701 | 232,792 | 3,045,641 |
| 3,474,178 | 3,973,179 | 4,415,231 | 4,805,954 | 4,901,981 | 5,840,447 |
| N/A | N/A | N/A | 146,894 | N/A | N/A |
| 163,287 | 150,372 | 242,043 | 235,719 | N/A | N/A |
| 226,751 | 148,663 | 177,816 | 238,486 | 99,629 | 311,661 |
| 549,496 | 524,703 | 480,237 | 410,660 | N/A | N/A |
| 234,283 | 218,201 | 245,463 | 215,326 | 345,691 | 137,076 |
| 639,465 | 731,322 | 872,497 | 1,015,590 | 853,116 | 725,291 |
| 172,873 | 176,243 | 159,198 | 37,646 | 860,505 | 1,309,947 |
| 3,808,154 | 2,295,237 | 654,223 | 16,694,528 | 15,190,625 | 9,915,091 |
| <u>\$83,213,418</u> | <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> |

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

| | 2020 | 2019 | 2018 | 2017 |
|---|---------------------|--------------------|--------------------|--------------------|
| Program Revenues | | | | |
| Governmental Activities: | | | | |
| Charges for Services: | | | | |
| General Government: | | | | |
| Legislative and Executive | \$319,617 | \$551,325 | \$354,788 | \$276,352 |
| Judicial System | 131,371 | 240,670 | 19,135 | 16,699 |
| Public Safety: | | | | |
| Police | 3,837 | 7,885 | 266,786 | 227,076 |
| Fire | 251,482 | 310,041 | 285,673 | 291,958 |
| Public Health and Social Services | 65,481 | 80,350 | 52,722 | 46,885 |
| Street Construction, Maintenance, and Repair | 6,162 | 6,391 | 106,521 | 91,515 |
| Housing and Community Development | 208,004 | 202,895 | 71,849 | 52,589 |
| Basic Utility Services | 201,093 | 136,565 | 255,642 | 174,702 |
| Recreational Activities | 655,860 | 1,079,178 | 1,064,322 | 1,079,413 |
| Subtotal - Charges for Services | <u>1,842,907</u> | <u>2,615,300</u> | <u>2,477,438</u> | <u>2,257,189</u> |
| Operating Grants and Contributions: | | | | |
| General Government: | | | | |
| Legislative and Executive | 220,492 | 650 | 4,171 | 5,030 |
| Judicial System | 2,090 | 0 | 94 | 105 |
| Public Safety: | | | | |
| Police | 71,942 | 38,606 | 26,125 | 44,717 |
| Fire | 516,173 | 276,465 | 228,981 | 228,960 |
| Public Health and Social Services | 98,643 | 18,694 | 726 | 826 |
| Street Construction, Maintenance, and Repair | 911,220 | 985,832 | 726,372 | 745,911 |
| Housing and Community Development | 14,431 | 0 | 641 | 25,643 |
| Basic Utility Services | 32,882 | 2,667 | 6,158 | 4,737 |
| Recreational Activities | 39,483 | 12,323 | 9,474 | 10,402 |
| Subtotal - Operating Grants and Contributions | <u>1,907,356</u> | <u>1,335,237</u> | <u>1,002,742</u> | <u>1,066,331</u> |
| Capital Grants and Contributions: | | | | |
| General Government | | | | |
| Legislative and Executive | 5,472,832 | 0 | 4,450,772 | 0 |
| Public Safety: | | | | |
| Fire | 0 | 0 | 114,636 | 224,133 |
| Public Health and Social Services | 0 | 0 | 1,079 | 0 |
| Street Construction, Maintenance, and Repair | 930,000 | 0 | 229,787 | 1,259,818 |
| Basic Utility Services | 9,467 | 1,287,054 | 96,438 | 110,805 |
| Recreational Activities | 0 | 0 | 0 | 0 |
| Subtotal - Capital Grants and Contributions | <u>6,412,299</u> | <u>1,287,054</u> | <u>4,892,712</u> | <u>1,594,756</u> |
| <i>Total Governmental Program Revenues</i> | <u>\$10,162,562</u> | <u>\$5,237,591</u> | <u>\$8,372,892</u> | <u>\$4,918,276</u> |

| 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$344,701 | \$359,173 | \$354,858 | \$840,125 | \$2,299,783 | \$279,495 |
| 19,564 | 17,080 | 18,808 | 20,172 | 20,671 | 20,697 |
| 227,804 | 206,834 | 333,532 | 211,069 | 226,459 | 203,272 |
| 291,535 | 284,088 | 234,018 | 250,218 | 279,871 | 242,973 |
| 49,812 | 46,217 | 44,774 | 39,658 | 43,699 | 28,694 |
| 100,066 | 93,240 | 95,899 | 94,951 | 91,811 | 95,030 |
| 63,540 | 55,154 | 43,901 | 37,370 | 46,690 | 42,223 |
| 171,080 | 130,548 | 117,458 | 106,846 | 237,193 | 98,226 |
| 1,150,592 | 995,080 | 994,881 | 945,844 | 1,111,284 | 990,728 |
| 2,418,694 | 2,187,414 | 2,238,129 | 2,546,253 | 4,357,461 | 2,001,338 |
| 3,834 | 5,988 | 200,435 | 10,319 | 1,536 | 840 |
| 81 | 115 | 1,737 | 1,327 | 1,911 | 20 |
| 27,355 | 32,454 | 29,374 | 32,227 | 24,616 | 27,905 |
| 230,305 | 228,841 | 244,241 | 231,789 | 248,914 | 275,546 |
| 606 | 941 | 727 | 1,604 | 239 | 91 |
| 749,205 | 763,645 | 805,157 | 1,067,022 | 735,099 | 750,313 |
| 525 | 791 | 25,154 | 8,917 | 6,474 | 18,878 |
| 30,886 | 5,771 | 6,571 | 8,198 | 4,521 | 678 |
| 10,844 | 4,940 | 14,615 | 6,557 | 6,782 | 3,985 |
| 1,053,641 | 1,043,486 | 1,328,011 | 1,367,960 | 1,030,092 | 1,078,256 |
| 0 | 0 | 4,740 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 1,271,409 | 2,194,237 | 1,682,114 | 735,758 | 1,302,454 | 279,119 |
| 0 | 13,500 | 0 | 0 | 0 | 0 |
| 1,271,409 | 2,207,737 | 1,686,854 | 735,758 | 1,302,454 | 279,119 |
| \$4,743,744 | \$5,438,637 | \$5,252,994 | \$4,649,971 | \$6,690,007 | \$3,358,713 |

(continued)

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

| | 2020 | 2019 | 2018 | 2017 |
|---|---------------------|---------------------|---------------------|---------------------|
| Expenses | | | | |
| Governmental Activities: | | | | |
| General Government: | | | | |
| Legislative and Executive | \$8,989,300 | \$8,736,365 | \$11,336,784 | \$6,962,354 |
| Judicial System | 168,915 | 206,352 | 212,850 | 160,528 |
| Public Safety: | | | | |
| Police | 5,232,665 | 1,543,413 | 6,725,624 | 5,487,502 |
| Fire | 3,296,619 | 376,008 | 3,400,741 | 2,842,061 |
| Public Health and Social Services | 1,192,513 | 1,435,281 | 1,350,715 | 1,345,241 |
| Street Construction, Maintenance, and Repair | 4,421,862 | 4,871,513 | 4,615,122 | 4,212,835 |
| Housing and Community Development | 938,557 | 1,334,087 | 1,121,780 | 1,139,785 |
| Basic Utility Services | 2,826,513 | 2,669,147 | 2,620,164 | 2,799,212 |
| Recreational Activities | 1,600,150 | 2,485,063 | 2,521,106 | 2,362,129 |
| Interest and Fiscal Charges | 917,419 | 629,735 | 535,387 | 388,089 |
| <i>Total Governmental Activities Expenses</i> | <u>29,584,513</u> | <u>24,286,964</u> | <u>34,440,273</u> | <u>27,699,736</u> |
| Net (Expense)/Revenue | | | | |
| Governmental Activities | <u>(19,421,951)</u> | <u>(19,049,373)</u> | <u>(26,067,381)</u> | <u>(22,781,460)</u> |
| General Revenues and Other Changes in Net Position | | | | |
| Governmental Activities | | | | |
| Taxes: | | | | |
| Property Taxes Levied For: | | | | |
| General Purposes | 2,096,864 | 2,123,999 | 1,853,125 | 1,880,670 |
| Fire Department | 2,031,160 | 2,034,107 | 1,795,019 | 1,821,727 |
| Road Maintenance | 597,386 | 598,266 | 527,936 | 535,794 |
| Police Department | 179,226 | 179,466 | 158,398 | 160,760 |
| Debt Service | 0 | 0 | 0 | 0 |
| Municipal Income Taxes levied for: | | | | |
| General Purposes | 17,220,272 | 18,419,954 | 15,447,729 | 15,017,616 |
| Capital Outlay | 3,020,004 | 2,220,004 | 2,860,004 | 2,603,334 |
| Grants and Entitlements not Restricted to | | | | |
| Specific Programs | 1,615,802 | 1,224,575 | 411,203 | 519,469 |
| Investment Earnings | 607,016 | 684,761 | 430,972 | 286,340 |
| Gain on Sale of Capital Assets | 0 | 0 | 0 | 4,383 |
| Miscellaneous | 1,952,314 | 1,412,508 | 2,171,702 | 653,726 |
| <i>Total Governmental Activities General Revenues</i> | <u>29,320,044</u> | <u>28,897,640</u> | <u>25,656,088</u> | <u>23,483,819</u> |
| Special Item | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Change in Net Position | | | | |
| Governmental Activities | <u>\$9,898,093</u> | <u>\$9,848,267</u> | <u>(\$411,293)</u> | <u>\$702,359</u> |

| 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--------------|---------------|--------------|--------------|--------------|--------------|
| \$6,569,538 | \$6,025,851 | \$5,586,065 | \$5,483,124 | \$5,786,026 | \$5,499,027 |
| 139,516 | 222,456 | 129,098 | 97,176 | 108,293 | 198,239 |
| 5,028,825 | 4,511,969 | 4,372,780 | 4,630,560 | 4,537,860 | 3,992,061 |
| 2,761,668 | 2,646,098 | 2,557,376 | 2,305,771 | 2,318,180 | 2,314,537 |
| 1,206,467 | 1,608,683 | 992,430 | 1,088,378 | 1,092,369 | 1,048,646 |
| 3,860,763 | 3,642,128 | 4,323,479 | 4,652,589 | 3,654,599 | 4,059,126 |
| 852,380 | 796,624 | 848,261 | 795,200 | 962,912 | 852,056 |
| 2,260,630 | 2,242,264 | 2,402,003 | 2,044,860 | 2,133,946 | 1,726,275 |
| 2,173,693 | 2,430,087 | 2,137,156 | 2,129,059 | 2,074,033 | 2,078,502 |
| 297,563 | 297,843 | 419,654 | 400,314 | 493,021 | 557,354 |
| 25,151,043 | 24,424,003 | 23,768,302 | 23,627,031 | 23,161,239 | 22,325,823 |
| (20,407,299) | (18,985,366) | (18,515,308) | (18,977,060) | (16,471,232) | (18,967,110) |
| 1,791,350 | 1,687,653 | 1,811,854 | 1,806,589 | 1,827,272 | 1,814,714 |
| 1,735,188 | 1,634,162 | 1,755,072 | 1,749,910 | 1,770,008 | 1,757,630 |
| 510,360 | 480,721 | 516,198 | 514,678 | 520,591 | 517,013 |
| 153,115 | 144,202 | 154,859 | 154,253 | 156,178 | 155,104 |
| 0 | 0 | 0 | 0 | 0 | 211 |
| 16,717,227 | 13,887,608 | 12,129,661 | 13,729,250 | 12,853,245 | 13,246,409 |
| 2,540,000 | 2,400,000 | 2,600,000 | 2,400,000 | 2,410,000 | 2,280,000 |
| 434,179 | 592,098 | 462,912 | 1,364,858 | 1,217,585 | 1,130,958 |
| 159,788 | 144,903 | 74,550 | 81,848 | 130,456 | 306,830 |
| 65,078 | 0 | 0 | 58,756 | 27,112 | 14,939 |
| 450,162 | 476,450 | 418,473 | 1,060,936 | 468,793 | 648,973 |
| 24,556,447 | 21,447,797 | 19,923,579 | 22,921,078 | 21,381,240 | 21,872,781 |
| 0 | (6,199,567) | (2,250,000) | 0 | 0 | 0 |
| \$4,149,148 | (\$3,737,136) | (\$841,729) | \$3,944,018 | \$4,910,008 | \$2,905,671 |

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

| | 2020 | 2019 | 2018 | 2017 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| General Fund | | | | |
| Nonspendable | \$573,045 | \$608,036 | \$684,633 | \$653,650 |
| Committed | 600,337 | 368,230 | 1,610,988 | 190,043 |
| Assigned | 2,549,000 | 6,253 | 13,472 | 3,406,744 |
| Unassigned | 11,929,523 | 11,493,016 | 7,516,683 | 5,563,611 |
| Total General Fund | <u>15,651,905</u> | <u>12,475,535</u> | <u>9,825,776</u> | <u>9,814,048</u> |
| All Other Governmental Funds | | | | |
| Nonspendable | 129,237 | 110,953 | 146,737 | 134,448 |
| Restricted | 3,985,952 | 3,519,624 | 2,217,153 | 8,594,221 |
| Committed | 3,466,912 | 2,484,101 | 2,119,784 | 3,517,135 |
| Assigned | 5,928,252 | 5,273,600 | 2,014,987 | 1,546,073 |
| Unassigned (Deficit) | (1,344,793) | (263,256) | (1,277,509) | 0 |
| Total All Other Governmental Funds | <u>12,165,560</u> | <u>11,125,022</u> | <u>5,221,152</u> | <u>13,791,877</u> |
| Total Governmental Funds | <u><u>\$27,817,465</u></u> | <u><u>\$23,600,557</u></u> | <u><u>\$15,046,928</u></u> | <u><u>\$23,605,925</u></u> |

| 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$683,505 | \$589,306 | \$308,324 | \$258,918 | \$307,263 | \$297,402 |
| 169,400 | 142,318 | 793,372 | 145,272 | 114,187 | 776,399 |
| 2,460,460 | 2,704,811 | 2,067,087 | 559,154 | 544,608 | 312,269 |
| 6,516,688 | 5,069,907 | 5,491,224 | 8,722,841 | 8,383,941 | 7,210,298 |
| 9,830,053 | 8,506,342 | 8,660,007 | 9,686,185 | 9,349,999 | 8,596,368 |
| 105,103 | 107,137 | 133,664 | 129,133 | 136,440 | 125,942 |
| 2,193,631 | 2,147,017 | 2,201,974 | 2,618,061 | 2,202,655 | 2,402,674 |
| 3,636,653 | 3,573,849 | 2,561,420 | 2,877,955 | 2,070,730 | 2,188,145 |
| 713,255 | 713,353 | 556,085 | 729,938 | 742,995 | 769,587 |
| (1,087,163) | (1,455,542) | 0 | 0 | 0 | (836,211) |
| 5,561,479 | 5,085,814 | 5,453,143 | 6,355,087 | 5,152,820 | 4,650,137 |
| \$15,391,532 | \$13,592,156 | \$14,113,150 | \$16,041,272 | \$14,502,819 | \$13,246,505 |

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

| | 2020 | 2019 | 2018 | 2017 |
|---|--------------------|--------------------|----------------------|--------------------|
| Revenues | | | | |
| Taxes (1) | \$25,248,802 | \$25,037,902 | \$22,713,757 | \$22,875,042 |
| Charges for Services | 877,611 | 1,367,465 | 1,335,769 | 1,316,865 |
| Licenses and Permits | 819,752 | 768,888 | 574,510 | 497,995 |
| Fines and Forfeitures | 130,210 | 246,540 | 285,373 | 227,119 |
| Intergovernmental | 3,699,199 | 2,569,884 | 1,831,409 | 2,763,597 |
| Special Assessments | 423,583 | 433,965 | 440,629 | 477,980 |
| Interest | 578,979 | 647,535 | 394,589 | 264,667 |
| Contributions and Donations | 5,416,587 | 54,825 | 21,287 | 23,989 |
| Rentals | 187,333 | 192,506 | 195,911 | 164,758 |
| Miscellaneous | 1,484,915 | 1,285,355 | 2,065,459 | 524,561 |
| <i>Total Revenues</i> | <u>38,866,971</u> | <u>32,604,865</u> | <u>29,858,693</u> | <u>29,136,573</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Legislative and Executive | 7,050,415 | 7,295,921 | 6,187,449 | 5,909,340 |
| Judicial System | 152,815 | 158,801 | 194,178 | 139,126 |
| Public Safety: | | | | |
| Police | 5,020,631 | 5,245,953 | 5,438,717 | 5,045,643 |
| Fire | 2,658,453 | 2,666,529 | 2,594,276 | 2,531,150 |
| Public Health and Social Services | 935,186 | 1,063,834 | 1,071,758 | 1,076,825 |
| Street Construction, Maintenance, and Repair | 3,878,055 | 3,410,558 | 3,334,437 | 3,218,196 |
| Housing and Community Development | 839,243 | 1,054,064 | 968,608 | 963,735 |
| Basic Utility Services | 1,987,223 | 1,564,067 | 1,692,068 | 1,906,348 |
| Recreational Activities | 1,612,350 | 1,934,197 | 1,926,370 | 1,892,774 |
| Capital Outlay | 17,849,317 | 6,740,199 | 13,331,304 | 6,503,427 |
| Debt Service: | | | | |
| Principal Retirement | 1,505,578 | 1,251,767 | 1,228,603 | 1,368,604 |
| Interest and Fiscal Charges | 778,235 | 621,519 | 528,801 | 359,136 |
| Bond Issuance Costs | 56,977 | 169,490 | 0 | 186,766 |
| <i>Total Expenditures</i> | <u>44,324,478</u> | <u>33,176,899</u> | <u>38,496,569</u> | <u>31,101,070</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(5,457,507)</u> | <u>(572,034)</u> | <u>(8,637,876)</u> | <u>(1,964,497)</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 4,593 | 10,027 | 50,343 | 18,113 |
| Gain on Sale of Capital Assets | 0 | 0 | 0 | 0 |
| Refunding Bonds Issued | 0 | 0 | 0 | 0 |
| General Obligation Bonds Issued | 0 | 8,500,000 | 0 | 9,980,000 |
| Special Assessment Bonds Issued | 0 | 0 | 0 | 0 |
| Bond Anticipation Notes Issued | 9,560,000 | 0 | 0 | 0 |
| Premium on Issuance of Debt | 109,822 | 615,636 | 0 | 180,777 |
| OPWC Loan Issued | 0 | 0 | 0 | 0 |
| Payment to Refunded Bond Escrow Agent | 0 | 0 | 0 | 0 |
| Transfers In | 4,218,716 | 3,854,418 | 3,499,115 | 4,153,161 |
| Transfers Out | (4,218,716) | (3,854,418) | (3,499,115) | (4,153,161) |
| <i>Total Other Financing Sources (Uses)</i> | <u>9,674,415</u> | <u>9,125,663</u> | <u>50,343</u> | <u>10,178,890</u> |
| Special Item | 0 | 0 | 0 | 0 |
| <i>Net Change in Fund Balances</i> | <u>\$4,216,908</u> | <u>\$8,553,629</u> | <u>(\$8,587,533)</u> | <u>\$8,214,393</u> |
| Debt Service as a Percentage of Noncapital Expenditures | 11.7% | 7.2% | 6.9% | 7.2% |

(1) Includes All Taxes

| 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--------------|--------------|---------------|--------------|--------------|--------------|
| \$22,820,621 | \$19,698,588 | \$20,648,817 | \$19,389,630 | \$19,442,490 | \$19,254,109 |
| 1,439,170 | 1,279,220 | 1,272,274 | 1,278,936 | 1,317,669 | 1,210,862 |
| 479,977 | 441,223 | 342,268 | 309,326 | 564,218 | 430,730 |
| 261,776 | 253,729 | 368,109 | 299,141 | 266,067 | 254,848 |
| 2,737,344 | 4,106,032 | 3,138,374 | 4,035,155 | 3,183,232 | 2,516,919 |
| 499,052 | 459,522 | 510,313 | 949,306 | 488,399 | 324,876 |
| 141,358 | 130,922 | 64,798 | 75,100 | 120,244 | 295,858 |
| 21,036 | 20,482 | 208,943 | 6,759 | 7,895 | 6,218 |
| 172,849 | 137,112 | 190,031 | 67,596 | 66,677 | 84,040 |
| 332,601 | 357,138 | 321,424 | 958,110 | 450,563 | 632,139 |
| 28,905,784 | 26,883,968 | 27,065,351 | 27,369,059 | 25,907,454 | 25,010,599 |
| 6,253,951 | 5,941,020 | 5,658,375 | 5,704,562 | 5,646,837 | 5,515,740 |
| 131,893 | 220,781 | 123,991 | 93,327 | 109,800 | 203,415 |
| 4,544,489 | 4,210,229 | 4,285,136 | 4,638,749 | 4,570,485 | 4,046,058 |
| 2,405,316 | 2,375,886 | 2,379,842 | 2,195,067 | 2,267,257 | 2,244,514 |
| 987,931 | 949,909 | 857,569 | 886,624 | 880,908 | 861,325 |
| 3,192,590 | 3,214,009 | 3,225,278 | 3,670,149 | 2,872,254 | 3,125,788 |
| 894,594 | 812,040 | 808,555 | 795,612 | 863,860 | 887,874 |
| 2,048,023 | 1,911,114 | 1,809,942 | 1,759,741 | 1,949,493 | 1,593,784 |
| 1,786,943 | 1,756,475 | 1,869,032 | 1,848,435 | 1,803,188 | 1,772,171 |
| 3,588,452 | 4,634,472 | 4,297,901 | 3,124,437 | 3,981,464 | 2,007,069 |
| 1,069,465 | 1,035,335 | 1,005,335 | 963,884 | 1,278,884 | 1,178,884 |
| 282,739 | 286,576 | 422,517 | 394,976 | 463,528 | 560,548 |
| 0 | 35,000 | 0 | 0 | 118,151 | 0 |
| 27,186,386 | 27,382,846 | 26,743,473 | 26,075,563 | 26,806,109 | 23,997,170 |
| 1,719,398 | (498,878) | 321,878 | 1,293,496 | (898,655) | 1,013,429 |
| 14,900 | 0 | 0 | 18,236 | 30,406 | 32,985 |
| 65,078 | 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 | 0 | 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 |
| 2,468,989 | 2,272,467 | 2,232,116 | 3,189,271 | 2,277,477 | 2,042,634 |
| (2,468,989) | (2,272,467) | (2,232,116) | (3,189,271) | (2,277,477) | (2,042,634) |
| 79,978 | (22,116) | 0 | 244,957 | 2,154,969 | 32,985 |
| 0 | 0 | (2,250,000) | 0 | 0 | 0 |
| \$1,799,376 | (\$520,994) | (\$1,928,122) | \$1,538,453 | \$1,256,314 | \$1,046,414 |
| 6.1% | 6.2% | 6.7% | 6.4% | 7.9% | 8.4% |

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 |
| 2020 | \$550,691,840 | \$109,682,240 | \$1,886,783,086 | \$21,683,560 | \$24,640,409 |
| 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 |

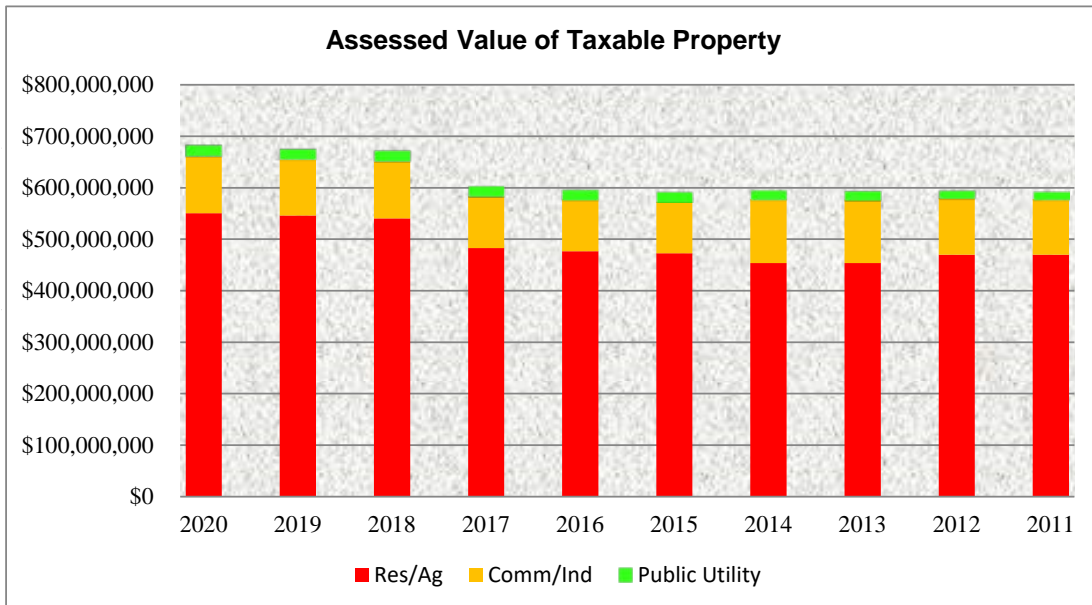
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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

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

Source: Cuyahoga County, Ohio; County Fiscal Officer

| Assessed Value | Total | | Tax Rate |
|----------------|------------------------|--------|----------|
| | Estimated Actual Value | Ratio | |
| \$682,057,640 | \$1,911,423,495 | 35.68% | \$8.21 |
| 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 |



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

| | 2020 | 2019 | 2018 | 2017 |
|--|------------------------|------------------------|------------------------|------------------------|
| 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 | \$41.4252 | \$41.4324 | \$42.3783 | \$44.8382 |
| Commercial/Industrial and Public Utility Real | 48.9522 | 49.3920 | 49.7683 | 52.2282 |
| General Business and Public Utility Personal | 82.7900 | 82.7900 | 82.8900 | 82.8900 |
| 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 | 14.0063 | 12.7973 | 13.9140 | 13.9141 |
| Commercial/Industrial and Public Utility Real | 14.3037 | 13.0770 | 14.0061 | 14.0060 |
| General Business and Public Utility Personal | 14.8500 | 14.0500 | 14.0500 | 14.0500 |
| Special Taxing Districts (1) | | | | |
| Residential/Agricultural Real | 10.3137 | 8.9475 | 9.7638 | 9.7637 |
| Commercial/Industrial and Public Utility Real | 10.6800 | 9.2104 | 9.8423 | 9.8422 |
| General Business and Public Utility Personal | 11.2800 | 9.8800 | 9.8800 | 9.8800 |

Source: Cuyahoga County Fiscal Officer

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

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

| 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|----------|----------|----------|----------|----------|----------|
| \$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 |

| | | | | | |
|-----------|-----------|-----------|-----------|-----------|-----------|
| \$38.9210 | \$38.9563 | \$39.9725 | \$40.1206 | \$40.0657 | \$39.1912 |
| 46.2177 | 46.9105 | 43.8622 | 43.2930 | 43.4617 | 42.8357 |
| 77.0000 | 77.0000 | 77.0000 | 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 |

| | | | | | |
|---------|---------|---------|---------|---------|---------|
| 13.8800 | 14.0500 | 14.0500 | 14.0500 | 13.2200 | 13.1182 |
| 14.0124 | 13.8698 | 14.0195 | 13.9495 | 12.9968 | 12.7845 |
| 14.0500 | 14.0500 | 14.0500 | 14.0500 | 13.2200 | 13.2200 |

| | | | | | |
|--------|--------|--------|--------|--------|--------|
| 9.2408 | 9.2368 | 9.3643 | 8.4639 | 7.5635 | 7.5041 |
| 9.3438 | 9.3676 | 9.3401 | 8.3843 | 7.4621 | 7.3648 |
| 9.3800 | 9.3800 | 9.3800 | 8.4800 | 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) |
|------|----------------------|-------------------------------|---|----------------------------------|---------------------------------|
| 2020 | \$5,535,886 | \$5,421,509 | 97.93% | \$100,759 | \$5,522,268 |
| 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 |

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> |
|---|---|---|
| 99.75% | \$124,912 | 2.26% |
| 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 |

City of Brecksville, Ohio
Principal Real Property Taxpayers
2020 and 2011

| Taxpayer | <i>2020</i> | |
|---|--|---|
| | Real Property Assessed Valuation | Percentage of Real Property Assessed Valuation |
| Cleveland Electric Illuminating Company | \$18,903,950 | 2.86 % |
| Holar Properties, LLC | 6,197,530 | 0.94 |
| Grand Bay of Brecksville | 5,927,390 | 0.90 |
| Ohio Bell Telephone Company | 5,485,550 | 0.83 |
| Creekview Commons, LLC | 5,254,270 | 0.80 |
| PDM Group, Incorporated | 4,984,000 | 0.76 |
| DP LXI, LLC | 3,634,130 | 0.55 |
| Brecksville Shopping Center | 3,630,580 | 0.55 |
| Gateway Association | 3,385,560 | 0.51 |
| Treeline, Incorporated | 3,131,380 | 0.47 |
| Total | \$60,534,340 | 9.17 % |

Total Real Property Assessed Valuation \$660,374,080

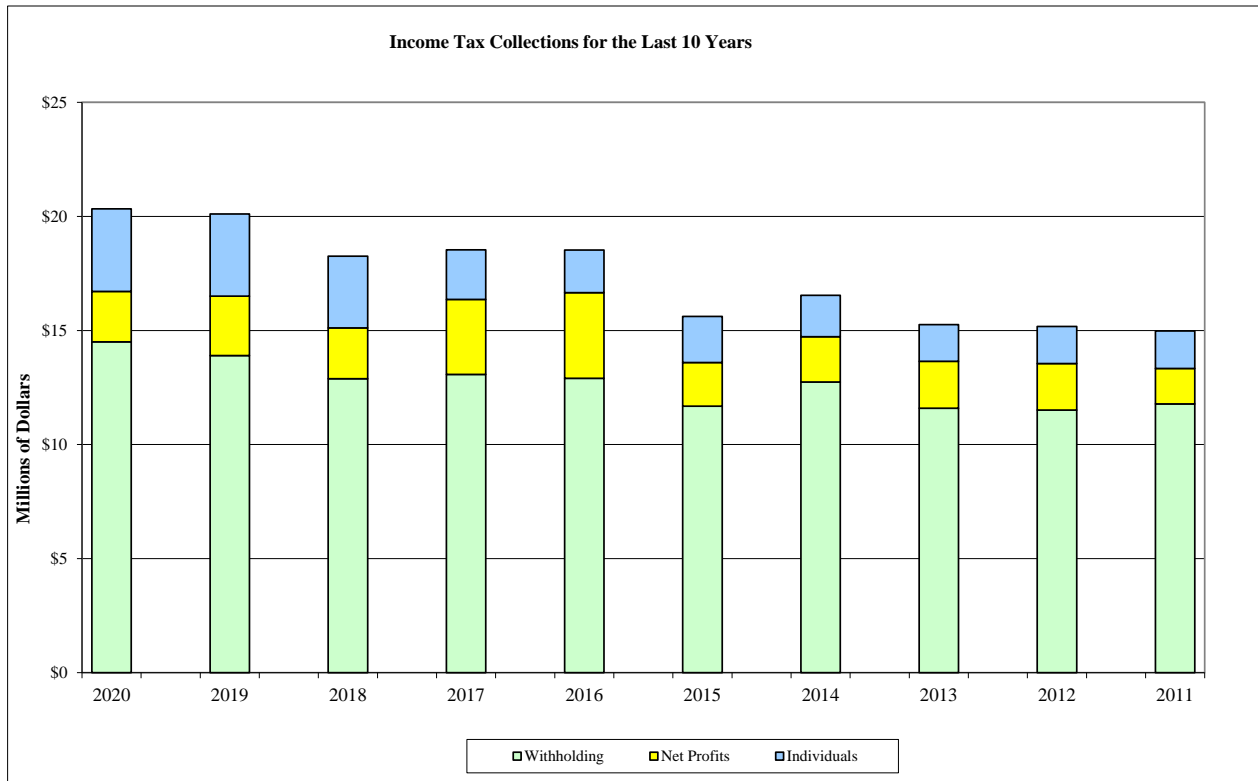
| Taxpayer | <i>2011</i> | |
|---|--|---|
| | Real Property Assessed Valuation | Percentage of Real Property Assessed Valuation |
| Cleveland Electric Illuminating Company | \$14,569,940 | 2.52 % |
| Ohio Bell Telephone Company | 6,358,770 | 1.10 |
| Cleveland Cuyahoga | 5,829,320 | 1.01 |
| Grand Bay of Brecksville | 5,677,740 | 0.98 |
| PDM Group, Incorporated | 5,490,170 | 0.95 |
| Gateway Association | 4,129,510 | 0.71 |
| CEI | 2,926,700 | 0.52 |
| Treeline, Incorporated | 2,788,980 | 0.48 |
| Cintas Document Management | 2,743,970 | 0.48 |
| Creekview Commons, LLC | 2,559,870 | 0.44 |
| Total | \$53,074,970 | 9.19 % |

Total Real Property Assessed Valuation \$577,723,480

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 (1) | 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 |
|----------|----------|-------------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|
| 2020 | 2.00% | \$20,334,466 | \$14,500,508 | 71.31% | \$2,208,323 | 10.86% | \$3,625,635 | 17.83% |
| 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 |



City of Brecksville, Ohio
Income Tax Filers by Income Level
Tax Years 2019 and 2011

| Tax Year 2019 (1)(2) | | | | |
|----------------------|------------------|-------------------|----------------------|---------------------------|
| Income Range | Number of Filers | Percent of Filers | Taxable Income (2) | Percent of Taxable Income |
| Over \$100,000 | 2,132 | 42.50 % | \$622,452,563 | 85.18 % |
| 75,001-100,000 | 452 | 9.01 | 39,405,803 | 5.39 |
| 50,001-75,000 | 529 | 10.55 | 32,884,724 | 4.50 |
| 25,001-50,000 | 649 | 12.94 | 24,233,602 | 3.32 |
| Under 25,000 | 1,254 | 25.00 | 11,745,990 | 1.61 |
| Total | <u>5,016</u> | <u>100.00 %</u> | <u>\$730,722,682</u> | <u>100.00 %</u> |

| Tax Year 2011 (2) | | | | |
|-------------------|------------------|-------------------|----------------------|---------------------------|
| Income Range | Number of Filers | Percent of Filers | Taxable Income | Percent of Taxable Income |
| Over \$100,000 | 1,787 | 33.28 % | \$406,296,986 | 75.52 % |
| 75,001-100,000 | 581 | 10.82 | 50,659,190 | 9.42 |
| 50,001-75,000 | 630 | 11.73 | 38,868,443 | 7.23 |
| 25,001-50,000 | 738 | 13.74 | 27,441,911 | 5.10 |
| Under 25,000 | 1,634 | 30.43 | 14,664,071 | 2.73 |
| Total | <u>5,370</u> | <u>100.00 %</u> | <u>\$537,930,601</u> | <u>99.99 %</u> |

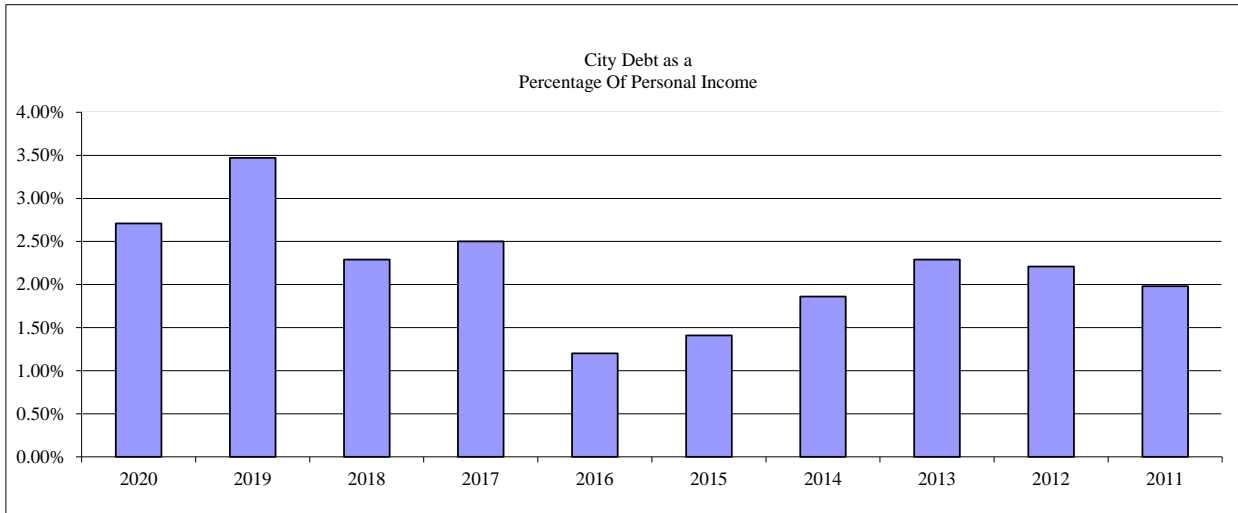
Source: Regional Income Tax Agency Data

(1) Information for 2020 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 | Bond Anticipation Notes | OPWC Loans | Total | Total Personal Income (1) | Percentage Of Personal Income | Population (2) | Total Debt Per Capita |
|------|--------------------------------|--------------------------------|-------------------------------|---------------|--------------|---------------------------------|-------------------------------------|----------------|-----------------------------|
| 2020 | \$20,645,740 | \$1,277,612 | \$9,669,822 | \$265,333 | \$31,858,507 | \$819,149,114 | 3.89 % | 14,518 | \$2,194 |
| 2019 | 21,772,644 | 1,686,418 | 0 | 280,911 | 23,739,973 | 684,102,216 | 3.47 | 13,538 | 1,754 |
| 2018 | 13,528,900 | 2,075,224 | 0 | 317,678 | 15,921,802 | 695,057,844 | 2.29 | 13,522 | 1,177 |
| 2017 | 14,346,178 | 2,454,031 | 0 | 371,281 | 17,171,490 | 686,808,360 | 2.50 | 13,470 | 1,275 |
| 2016 | 5,067,679 | 2,907,837 | 0 | 424,885 | 8,400,401 | 702,293,760 | 1.20 | 13,440 | 625 |
| 2015 | 5,660,919 | 3,336,643 | 0 | 484,350 | 9,481,912 | 670,513,930 | 1.41 | 13,543 | 700 |
| 2014 | 6,235,960 | 3,751,884 | 0 | 549,685 | 10,537,529 | 566,818,000 | 1.86 | 13,568 | 777 |
| 2013 | 6,788,673 | 4,160,821 | 0 | 615,020 | 11,564,514 | 504,512,000 | 2.29 | 13,554 | 853 |
| 2012 | 7,321,387 | 4,559,758 | 0 | 442,183 | 12,323,328 | 557,914,651 | 2.21 | 13,656 | 902 |
| 2011 | 7,856,490 | 2,851,828 | 0 | 493,759 | 11,202,077 | 565,836,360 | 1.98 | 13,656 | 820 |



(1) Brecksville Finance Department estimates 2011-2020;
 U.S. Census Bureau
 (2) Estimates 2011-2020; 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 |
|------|------------------------------------|---|--|------------------------------|
| 2020 | \$20,645,740 | \$1,911,423,495 | 1.08% | \$1,422 |
| 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 |

(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, 2020*

| | Debt Attributable to Governmental Activities | Percentage Applicable to City (1) | Amount of Direct and Overlapping Debt |
|--|---|---|--|
| Direct Debt: | | | |
| City of Brecksville | | | |
| General Obligation Bonds | \$20,645,740 | 100.00% | \$20,645,740 |
| Special Assessment Bonds | 1,277,612 | 100.00 | 1,277,612 |
| Bond Anticipation Notes | 9,669,822 | 100.00 | 9,669,822 |
| OPWC Loans | 265,333 | 100.00 | 265,333 |
| Total Direct Debt | <u>31,858,507</u> | | <u>31,858,507</u> |
| Overlapping Debt: | | | |
| Payable from Property Taxes: | | | |
| Cuyahoga County Bonds | 279,060,534 | 2.15 | 5,999,801 |
| Regional Transit Authority Bonds | 106,699,434 | 2.15 | 2,294,038 |
| Brecksville-Broadview Heights City School District Bonds | 53,118,888 | 59.18 | 31,435,758 |
| Payable from Other Sources: | | | |
| Cuyahoga County Revenue Bonds | 496,276,119 | 2.15 | 10,669,937 |
| Cuyahoga County Loans | 212,035,501 | 2.15 | 4,558,763 |
| Cuyahoga County Capital Leases | 279,007,697 | 2.15 | 5,998,665 |
| Brecksville-Broadview Heights City School District Capital Leases | 152,364 | 59.18 | 90,169 |
| Total Overlapping Debt | <u>1,426,350,537</u> | | <u>61,047,132</u> |
| Total Direct and Overlapping Debt | <u>\$1,458,209,044</u> | | <u>\$92,905,639</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 2020 collection year.

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

| | 2020 | 2019 | 2018 | 2017 |
|--|-----------------|-----------------|-----------------|-----------------|
| Overall Debt Limitation (10.5% of Assessed Valuation) | \$71,616 | \$70,934 | \$70,480 | \$63,441 |
| Net Debt Within 10.5% Limitations | 31,342 | 22,983 | 16,040 | 18,421 |
| Overall Legal Debt Margin Within 10.5% Limitations | <u>\$40,274</u> | <u>\$47,951</u> | <u>\$54,440</u> | <u>\$45,020</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 43.76% | 32.40% | 22.76% | 29.04% |
| Unvoted Debt Limitation (5.5% of Assessed Valuation) | \$37,513 | \$37,156 | \$36,918 | \$33,231 |
| Net Debt Within 5.5% Limitations | 31,342 | 22,983 | 16,040 | 18,421 |
| Unvoted Legal Debt Margin Within 5.5% Limitations | <u>\$6,171</u> | <u>\$14,173</u> | <u>\$20,878</u> | <u>\$14,810</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 83.55% | 61.86% | 43.45% | 55.43% |

Legal Debt Margin Calculation for 2018

| | Overall Margin Within 10.5% | Unvoted Margin Within 5.5% |
|--|--------------------------------|-------------------------------|
| Assessed property value | \$682,057,640 | \$682,057,640 |
| Overall Debt Limitation (percentage of assessed valuation) | \$71,616,052 | \$37,513,170 |
| Gross Indebtedness | 33,545,333 | 33,545,333 |
| Less: Special Assessment Bonds | (1,270,000) | (1,270,000) |
| OPWC Loans | (265,333) | (265,333) |
| General Obligation Bond Retirement Fund Balance | (667,666) | (667,666) |
| Net Debt Within Limitations | <u>\$31,342,334</u> | <u>\$31,342,334</u> |
| Legal Debt Margin Within Limitations | <u>\$40,273,718</u> | <u>\$6,170,836</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.

| 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$62,805 | \$62,253 | \$62,761 | \$62,527 | \$62,698 | \$62,348 |
| 7,185 | 7,433 | 7,977 | 6,537 | 7,050 | 7,637 |
| <u>\$55,620</u> | <u>\$54,820</u> | <u>\$54,784</u> | <u>\$55,990</u> | <u>\$55,648</u> | <u>\$54,711</u> |
| 11.44% | 11.94% | 12.71% | 10.45% | 11.24% | 12.25% |
| \$32,898 | \$32,609 | \$32,875 | \$32,752 | \$32,842 | \$32,658 |
| 7,185 | 7,433 | 7,977 | 6,537 | 7,050 | 7,637 |
| <u>\$25,713</u> | <u>\$25,176</u> | <u>\$24,898</u> | <u>\$26,215</u> | <u>\$25,792</u> | <u>\$25,021</u> |
| 21.84% | 22.79% | 24.26% | 19.96% | 21.47% | 23.38% |

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

| Year | Population (1) | Total Personal Income (1) | Median Family Income (1) | Per Capita Income (1) | Unemployment Rate (2) | | City Square Miles (3) |
|------|----------------|------------------------------|--------------------------------|-----------------------------|-----------------------|------------------|-----------------------------|
| | | | | | Cuyahoga County | State of Ohio | |
| 2020 | 14,518 | \$819,149,114 | \$108,606 | \$56,423 | 6.8% | 5.5% | 19.57 |
| 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 |

(1) U.S. Census Bureau

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

(3) City Records

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

| 2020 | | | |
|--|------------------------|---------------|---|
| Employer | Nature of Activity | Employees | Percentage of Total City Employment |
| PNC Bank NA | Banking Services | 1,071 | 7.59 % |
| Crosscounty Mortgage, Incorporated | Financial Services | 728 | 5.16 |
| Lubrizol Advanced Materials/ Lubrizol Corporation | Chemical Technology | 557 | 3.95 |
| American Medical Technology | Medical Equipment | 501 | 3.55 |
| House of LaRose/ LRMG | Beverage Distribution | 416 | 2.95 |
| Brecksville-Broadview Heights City School District | Public Education | 312 | 2.21 |
| Curtis-Wright Flow Control | Manufacturing | 222 | 1.57 |
| First Energy/Illuminating Company | Electric Utility | 218 | 1.55 |
| NVR/ Ryan Homes, Incorporated | Construction | 148 | 1.05 |
| AT&T/Ohio Bell | Communication Services | 140 | 0.99 |
| Total | | <u>4,313</u> | <u>30.57 %</u> |
| Total Employment within the City | | <u>14,108</u> | |

| 2011 | | | |
|--|------------------------|---------------|---|
| Employer | Nature of Activity | Employees | Percentage of Total City Employment |
| AT&T/Ohio Bell | Communication Services | 1,195 | 6.42 % |
| Defense Finance | Financial Services | 1,111 | 5.96 |
| PNC Bank NA | Banking Services | 952 | 5.11 |
| Lubrizol Advanced Materials/ Lubrizol Corporation | Chemical Technology | 834 | 4.48 |
| First Energy/Illuminating Company | Electric Utility | 444 | 2.39 |
| Brecksville-Broadview Heights City School District | Public Education | 420 | 2.26 |
| House of LaRose | Beverage Distribution | 328 | 1.76 |
| Ryan Homes Incorporated | Construction | 212 | 1.14 |
| Curtis-Wright Flow Control | Manufacturing | 189 | 1.02 |
| Cuyahoga Valley Joint Vocational School District | Vocational Education | 187 | 1.01 |
| Total | | <u>5,872</u> | <u>31.55 %</u> |
| Total Employment within the City | | <u>18,612</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 | 2020 | 2019 | 2018 | 2017 |
|--|--------------|--------------|--------------|--------------|
| 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 | 3.0 | 2.0 | 2.0 | 2.0 |
| Legal | 1.0 | 1.0 | 1.0 | 1.0 |
| Mayor's Court | 1.5 | 1.5 | 1.5 | 1.5 |
| Technology | 4.0 | 3.5 | 3.5 | 3.0 |
| Engineering | 0.0 | 0.5 | 0.5 | 0.0 |
| Administrative Support | 1.0 | 1.0 | 1.0 | 3.0 |
| Public Safety | | | | |
| Police | 34.5 | 34.0 | 40.0 | 41.0 |
| Fire | 20.0 | 24.5 | 23.0 | 26.0 |
| Recreational Activities | | | | |
| Community Center | 24.0 | 49.5 | 40.0 | 31.0 |
| Senior/Community Services | 4.0 | 4.5 | 4.5 | 5.0 |
| Street Construction, Maintenance and Repair Service | | | | |
| | 49.5 | 54.5 | 52.0 | 42.5 |
| Housing and Community Development | | | | |
| Building Inspection | 6.0 | 7.0 | 6.5 | 6.5 |
| Basic Utility Services | | | | |
| Housekeeping | 11.0 | 11.5 | 9.5 | 10.5 |
| Totals: | <u>170.0</u> | <u>205.5</u> | <u>195.5</u> | <u>183.5</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

| 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|-------|-------|-------|-------|-------|-------|
| 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 | 4.0 | 3.5 | 3.5 | 3.5 |
| N/A | N/A | 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 | 1.5 |
| 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.5 |
| 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 2.0 | 2.0 | 1.5 | 1.5 | 1.5 | 1.5 |
| 41.5 | 41.5 | 42.5 | 41.5 | 44.5 | 43.5 |
| 26.0 | 28.5 | 27.0 | 28.0 | 27.5 | 25.5 |
| 49.0 | 34.5 | 36.5 | 37.5 | 42.5 | 44.0 |
| 4.5 | 5.0 | 5.5 | 5.0 | 5.5 | 5.5 |
| 43.0 | 46.0 | 44.0 | 46.0 | 46.0 | 48.0 |
| 6.5 | 7.0 | 6.5 | 6.0 | 6.0 | 5.5 |
| 10.5 | 11.0 | 11.5 | 11.5 | 12.0 | 12.0 |
| 202.5 | 195.0 | 195.0 | 196.5 | 205.0 | 205.5 |

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

| Function/Program | 2020 | 2019 | 2018 | 2017 |
|--|--------|--------|--------|--------|
| General Government | | | | |
| Building Department Vehicles | 3 | 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 | 23 |
| Fire | | | | |
| Stations | 1 | 1 | 1 | 1 |
| Square Footage of Building | 17,674 | 17,674 | 17,674 | 17,674 |
| Vehicles | 11 | 11 | 14 | 14 |
| Street Construction, Maintenance and Repair | | | | |
| Streets (lane miles) | 191 | 191 | 191 | 191 |
| Urban Forestry Vehicles | 4 | 4 | 3 | 3 |
| Other Public Services Vehicles | 67 | 63 | 64 | 65 |
| Recreational Activities | | | | |
| Recreation Center | 1 | 1 | 1 | 1 |
| Recreation Center Square Footage | 65,000 | 65,000 | 65,000 | 65,000 |
| Number of Parks | 4 | 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 | 5 | 3 | 3 | 3 |
| Vehicles | 2 | 4 | 4 | 4 |
| Housing and Community Development | | | | |
| Human Services Center Square Footage | 29,000 | 29,000 | 29,000 | 29,000 |
| Vehicles | 4 | 4 | 4 | 5 |

Source: Finance Department

| 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--------|--------|--------|--------|--------|--------|
| 4 | 5 | 5 | 4 | 5 | 5 |
| 4 | 4 | 4 | 5 | 4 | 3 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 6,577 | 6,577 | 6,577 | 6,577 | 6,577 | 6,577 |
| 22 | 22 | 22 | 22 | 22 | 22 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 17,674 | 17,674 | 17,674 | 17,674 | 17,674 | 17,674 |
| 13 | 15 | 14 | 14 | 14 | 15 |
| 191 | 189 | 189 | 189 | 189 | 189 |
| 3 | 3 | 3 | 3 | 3 | 3 |
| 64 | 62 | 58 | 59 | 57 | 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 | 4 |
| 29,000 | 29,000 | 29,000 | 29,000 | 29,000 | 29,000 |
| 5 | 5 | 5 | 5 | 6 | 6 |

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

| Function/Program | 2020 | 2019 | 2018 | 2017 |
|---|----------|----------|----------|----------|
| Police: | | | | |
| Police Expenditures (in thousands) | \$4,862 | \$5,264 | \$5,242 | \$4,747 |
| Total Arrests | 991 | 2,185 | 2,761 | 2,300 |
| Part One Offenses | 70 | 76 | 66 | 68 |
| OVI Arrests | 32 | 22 | 39 | 35 |
| Prisoners | 68 | 182 | 272 | 399 |
| Motor Vehicle Accidents | 147 | 211 | 211 | 231 |
| Calls for Service | 10,710 | 15,861 | 15,004 | 15,198 |
| Incidents per Citizen | 0.8278 | 1.3693 | 1.1096 | 1.3535 |
| Cost per Citizen | \$334.89 | \$388.83 | \$387.66 | \$352.41 |
| Fire: | | | | |
| Fire Expenditures (in thousands) | \$2,409 | \$2,637 | \$2,600 | \$2,532 |
| Emergency Responses | 1,484 | 1,605 | 1,537 | 1,601 |
| Fire Safety Inspections | 110 | 263 | 331 | 322 |
| Fire Protection Systems Inspected | 55 | 31 | 46 | 49 |
| Building Fire Protection Plans Reviewed | 4 | 11 | 10 | 14 |
| Percentage of Business Inspected | 21% | 40% | 33% | 32% |
| Number of Community Programs | 79 | 187 | 201 | 197 |
| Emergency Responses per Citizen | 0.1139 | 0.1411 | 0.1137 | 0.1189 |
| Cost per Citizen | \$165.93 | \$194.79 | \$192.28 | \$187.97 |
| Street Lights Expenditures (in thousands) | \$101 | \$102 | \$103 | \$104 |
| Cost per Acre of Streetlights | \$8.08 | \$8.16 | \$8.24 | \$8.30 |
| Public Health Services: | | | | |
| Health Department (in thousands) | \$74 | \$65 | \$59 | \$54 |
| Health Cost per Citizen | \$5.10 | \$4.80 | \$4.36 | \$4.01 |
| Recreational Activities: | | | | |
| Blossom Hill (in thousands) | \$263 | \$300 | \$284 | \$281 |
| Community Center (in thousands) | 1,554 | 1,884 | 1,931 | 1,907 |
| Total Leisure Service Cost (in thousands) | \$1,817 | \$2,184 | \$2,215 | \$2,188 |
| Cost per Citizen | \$125.15 | \$161.32 | \$163.81 | \$162.44 |
| Community Center Square Feet | 65,000 | 65,000 | 65,000 | 65,000 |
| Square Feet per Citizen | 4.48 | 4.80 | 4.81 | 4.83 |
| Total Recreational Revenue (in thousands) | \$671 | \$1,041 | \$1,036 | \$1,035 |
| Community Center Members | 2,410 | 5,087 | 5,689 | 5,721 |
| Total Participations | 91,750 | 155,954 | 171,844 | 175,130 |
| Fitness Class Participations | 4,274 | 15,312 | 16,817 | 17,067 |
| Participations per Citizen | 6.32 | 11.52 | 12.71 | 13.00 |
| Cost per Participation | \$19.80 | \$14.00 | \$12.89 | \$10.89 |
| Revenue per Participation | \$7.31 | \$6.68 | \$6.03 | \$5.91 |
| Housing and Community Development: | | | | |
| Human Services (in thousands) | \$749 | \$828 | \$876 | \$905 |
| Cost per Citizen | \$51.59 | \$61.16 | \$64.78 | \$67.19 |
| Human Services Square Feet | 29,000 | 29,000 | 29,000 | 29,000 |
| Square Feet per Member | 17.58 | 16.83 | 17.30 | 21.53 |
| Total Human Services Revenue (in thousands) | \$104 | \$78 | \$104 | \$97 |
| Human Services Members | 1,650 | 1,723 | 1,676 | 1,230 |
| Total Participations | 6,727 | 32,300 | 30,349 | 32,130 |
| Participations per Citizen | 0.46 | 2.39 | 2.24 | 2.39 |
| Cost per Member | \$453.94 | \$480.56 | \$522.67 | \$735.77 |

| 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|----------|----------|----------|----------|----------|----------|
| \$4,218 | \$4,030 | \$4,065 | \$3,916 | \$3,956 | \$3,645 |
| 2,716 | 2,382 | 2,534 | 3,308 | 3,009 | 3,036 |
| 79 | 72 | 78 | 74 | 96 | 85 |
| 45 | 36 | 36 | 50 | 47 | 56 |
| 555 | 541 | 593 | 857 | 931 | 901 |
| 243 | 191 | 188 | 152 | 206 | 204 |
| 13,515 | 12,643 | 12,646 | 14,349 | 13,708 | 15,174 |
| 1.0056 | 0.9260 | 0.9260 | 1.0510 | 1.0040 | 1.1110 |
| \$313.84 | \$295.11 | \$297.67 | \$286.76 | \$289.69 | \$266.92 |
| \$2,432 | \$2,453 | \$2,385 | \$2,355 | \$2,244 | \$2,304 |
| 1,623 | 1,471 | 1,398 | 1,246 | 1,318 | 1,395 |
| 132 | 484 | 381 | 337 | 308 | 284 |
| 47 | 44 | 46 | 78 | 42 | 59 |
| 16 | 9 | 6 | 3 | 5 | 3 |
| 25% | 44% | 37% | 33% | 31% | 30% |
| 190 | 184 | 188 | 172 | 140 | 143 |
| 0.1208 | 0.1077 | 0.1024 | 0.0912 | 0.0965 | 0.1022 |
| \$180.95 | \$179.63 | \$174.65 | \$172.42 | \$164.31 | \$168.72 |
| \$106 | \$109 | \$108 | \$129 | \$116 | \$101 |
| \$8.48 | \$8.72 | \$8.64 | \$10.28 | \$9.26 | \$8.08 |
| \$54 | \$54 | \$54 | \$52 | \$52 | \$50 |
| \$4.02 | \$3.95 | \$3.95 | \$3.84 | \$3.84 | \$3.62 |
| \$264 | \$285 | \$261 | \$279 | \$223 | \$254 |
| 1,845 | 1,811 | 1,931 | 2,054 | 1,808 | 1,762 |
| \$2,109 | \$2,096 | \$2,192 | \$2,333 | \$2,031 | \$2,016 |
| \$156.92 | \$153.49 | \$160.52 | \$170.89 | \$148.75 | \$147.61 |
| 65,000 | 65,000 | 65,000 | 65,000 | 65,000 | 65,000 |
| 4.84 | 4.76 | 4.76 | 4.76 | 4.76 | 4.76 |
| \$1,110 | \$933 | \$1,032 | \$977 | \$1,157 | \$1,008 |
| 5,669 | 5,814 | 5,979 | 6,200 | 6,242 | 6,693 |
| 172,277 | 171,917 | 173,042 | 173,308 | 192,970 | 171,646 |
| 18,833 | 18,602 | 16,534 | 22,603 | 23,521 | 20,754 |
| 12.82 | 12.59 | 12.67 | 12.69 | 14.13 | 12.57 |
| \$10.71 | \$10.53 | \$11.16 | \$11.85 | \$9.37 | \$10.27 |
| \$6.44 | \$5.43 | \$5.96 | \$5.64 | \$5.99 | \$5.87 |
| \$844 | \$805 | \$863 | \$838 | \$707 | \$696 |
| \$63.00 | \$59.00 | \$63.00 | \$61.00 | \$52.00 | \$51.00 |
| 29,000 | 29,000 | 29,000 | 29,000 | 29,000 | 29,000 |
| 21.48 | 27.08 | 19.89 | 23.37 | 15.65 | 24.21 |
| \$116 | \$87 | \$93 | \$88 | \$89 | \$81 |
| 1,350 | 1,071 | 1,458 | 1,241 | 1,853 | 1,198 |
| 31,719 | 42,202 | 51,168 | 50,961 | 42,942 | 38,553 |
| 2.36 | 3.09 | 3.75 | 3.73 | 3.14 | 2.82 |
| \$625.19 | \$751.63 | \$591.91 | \$675.33 | \$381.33 | \$580.88 |

(continued)

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

| Function/Program | 2020 | 2019 | 2018 | 2017 |
|---|------------|------------|------------|------------|
| Housing and Community Development: | | | | |
| Planning and Zoning (in thousands) | \$6 | \$3 | \$4 | \$5 |
| Housing and Building Inspection (in thousands) | \$504 | \$582 | \$560 | \$554 |
| Cost per Citizen | \$35.13 | \$43.21 | \$41.71 | \$41.50 |
| Building Permits - Residential | 984 | 891 | 966 | 952 |
| Dollar Value of Permits (in thousands) | \$32,179 | \$23,405 | \$27,773 | \$22,705 |
| Building Permits - Commercial | 98 | 134 | 150 | 205 |
| Dollar Value of Permits (in thousands) | \$56,306 | \$16,702 | \$8,794 | \$18,220 |
| Engineering (in thousands) | \$156 | \$106 | \$102 | \$122 |
| Engineering Reviews | | | | |
| New Topo Reviews | 35 | 26 | 37 | 26 |
| Revised Topo Reviews | 28 | 16 | 38 | 23 |
| Retaining Wall Reviews | 6 | 5 | 6 | 9 |
| Plat Reviews | 7 | 5 | 6 | 8 |
| Other Reviews | 87 | 90 | 93 | 110 |
| Builder Grades | 39 | 48 | 57 | 50 |
| Landscaping Grades | 12 | 13 | 9 | 5 |
| Total All Reviews | 214 | 203 | 246 | 231 |
| Number of Trees Planted | 115 | 177 | 126 | 267 |
| Number of Trees Removed | 114 | 104 | 70 | 203 |
| Cemetery Internments | 51 | 52 | 47 | 41 |
| Grave Purchases/Interment Payments (in thousands) | \$23 | \$13 | \$21 | \$14 |
| Street Construction, Maintenance and Repair: | | | | |
| Street Maintenance (in thousands) | \$1,149 | \$1,294 | \$1,207 | \$1,143 |
| Snow and Ice Removal (in thousands) | \$156 | \$178 | \$130 | \$142 |
| Streets (lane miles) | 191 | 191 | 191 | 191 |
| Cost per mile of street | \$6.83 | \$7.71 | \$6.32 | \$6.73 |
| Feet of street per capita | 69.46 | 74.49 | 74.58 | 74.87 |
| Asphalt Usage (in tons) | 5,418 | 4,892 | 8,407 | 6,090 |
| Asphalt Cost per ton | \$63.50 | \$63.50 | \$60.00 | \$57.75 |
| Salt Usage (in tons) | 6,100 | 8,265 | 8,323 | 6,501 |
| Concrete Used (in cubic yards) | 7,495 | 4,355 | 1,652 | 1,141 |
| Brush/Grass/Yard Waste Collected (in cubic yard) | 1,319 | 1,580 | 2,162 | 1,450 |
| Leaves Collected (in cubic yards) | 10,190 | 9,521 | 8,990 | 7,705 |
| General Government: | | | | |
| Law (in thousands) | \$338 | \$248 | \$292 | \$262 |
| Cost per budget dollar | \$0.0049 | \$0.0044 | \$0.0051 | \$0.0048 |
| Finance (in thousands) | \$446 | \$443 | \$424 | \$430 |
| Cost per budget dollar | \$0.0064 | \$0.0079 | \$0.0074 | \$0.0079 |
| Purchasing (in thousands) | \$233 | \$212 | \$212 | \$202 |
| Cost per employee | \$1,370.59 | \$1,031.63 | \$1,084.40 | \$1,100.82 |
| Lands and Buildings (in thousands) | \$1,274 | \$1,166 | \$1,045 | \$1,054 |
| Cost per citizen | \$87.75 | \$86.13 | \$77.28 | \$78.25 |
| Mayor's Office (in thousands) | \$227 | \$196 | \$227 | \$266 |
| Council (in thousands) | \$258 | \$251 | \$254 | \$257 |

Source: Finance Department

| 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|----------|----------|----------|----------|----------|----------|
| \$7 | \$4 | \$7 | \$6 | \$5 | \$5 |
| \$528 | \$518 | \$471 | \$462 | \$454 | \$479 |
| \$40.00 | \$38.00 | \$35.00 | \$34.00 | \$34.00 | \$35.00 |
| 859 | 761 | 742 | 826 | 853 | 845 |
| \$22,412 | \$17,387 | \$12,356 | \$4,307 | \$9,648 | \$3,236 |
| 202 | 183 | 167 | 213 | 208 | 244 |
| \$8,932 | \$7,826 | \$12,140 | \$12,250 | \$10,818 | \$4,081 |
| \$104 | \$135 | \$138 | \$187 | \$339 | \$339 |
| 28 | 31 | 8 | 6 | 7 | 5 |
| 30 | 36 | 14 | 13 | 9 | 8 |
| 8 | 3 | 2 | 12 | 7 | 5 |
| 8 | 3 | 2 | 6 | 4 | 3 |
| 90 | 73 | 56 | 43 | 51 | 55 |
| 31 | 25 | 12 | 9 | 6 | 5 |
| 9 | 8 | 6 | 5 | 3 | 2 |
| 204 | 179 | 100 | 94 | 87 | 83 |
| 323 | 211 | 134 | 163 | 92 | 175 |
| 240 | 124 | 757 | 98 | 157 | 196 |
| 61 | 31 | 45 | 64 | 54 | 48 |
| \$24 | \$16 | \$19 | \$38 | \$43 | \$33 |
| \$1,074 | \$1,048 | \$923 | \$1,182 | \$1,070 | \$1,185 |
| \$149 | \$191 | \$240 | \$169 | \$97 | \$157 |
| 191 | 189 | 189 | 189 | 189 | 189 |
| \$6.40 | \$6.56 | \$6.15 | \$7.15 | \$6.18 | \$7.10 |
| 75.04 | 73.08 | 73.08 | 73.08 | 73.08 | 73.08 |
| 6,755 | 8,062 | 12,481 | 9,926 | 5,576 | 7,650 |
| \$54.75 | \$55.00 | \$55.00 | \$60.75 | \$60.75 | \$68.30 |
| 8,553 | 10,950 | 11,745 | 10,270 | 4,920 | 7,650 |
| 5,140 | 6,888 | 10,934 | 6,151 | 5,239 | 44,438 |
| 1,375 | 1,403 | 2,657 | 1,478 | 1,743 | 3,094 |
| 9,050 | 8,221 | 8,440 | 7,222 | 7,710 | 6,333 |
| \$256 | \$252 | \$251 | \$231 | \$304 | \$248 |
| \$0.0061 | \$0.0079 | \$0.0083 | \$0.0072 | \$0.0077 | \$0.0071 |
| \$411 | \$393 | \$352 | \$339 | \$319 | \$308 |
| \$0.0097 | \$0.0123 | \$0.0112 | \$0.0105 | \$0.0080 | \$0.0088 |
| \$196 | \$195 | \$177 | \$175 | \$168 | \$165 |
| \$967.90 | \$835.12 | \$758.03 | \$747.46 | \$720.77 | \$706.21 |
| \$1,187 | \$1,090 | \$818 | \$742 | \$651 | \$563 |
| \$88.32 | \$79.82 | \$59.90 | \$54.35 | \$47.65 | \$41.23 |
| \$257 | \$249 | \$237 | \$235 | \$234 | \$233 |
| \$260 | \$258 | \$249 | \$249 | \$250 | \$248 |

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**CITY OF BRECKSVILLE
CUYAHOGA COUNTY, OHIO**

SINGLE AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2020**

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

**CITY OF BRECKSVILLE
CUYAHOGA COUNTY, OHIO
SINGLE AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

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Ohio Society of Certified Public Accountants

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

To the Members of City Council
City of 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 1, 2021, wherein we noted the City restated its net position at December 31, 2019 due to depreciable capital assets and restated its fund balance to correct intergovernmental payables. In addition, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses that we considered a significant deficiency as item **2020-001**.

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*.

City's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

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

June 1, 2021

**CITY OF BRECKSVILLE
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Finding No. 2020-001 – Significant Deficiency – Financial Reporting

Condition/Criteria

Financial reporting is the responsibility of the City’s Finance Department and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

During our review of the annual financial statements, the City identified the following errors to the financial statements:

- During the prior year, an intergovernmental payable was incorrectly recorded to the fire ambulance fund rather than the general municipal improvement fund in the amount of \$680,800 which created a restatement of fund balance;
- During the current year, an intergovernmental receivable was incorrectly recorded to the federal equitable sharing fund rather than the general municipal improvement fund in the amount of \$930,000;
- Accumulated depreciation which resulted in a net understatement of accumulated depreciation of \$174,247 which created a restatement of net position.

As a result, audit adjustments have been proposed and made to correct the GAAP financial statements for fiscal year 2020.

Cause/Effect

The lack of controls over financial reporting can result in errors and irregularities that may go undetected and decrease the reliability of financial data at year end.

Recommendation

We recommend that the City implement controls and review procedures related to financial reporting that enables management to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes timely.

City’s Response

All errors listed above were as a result of GAAP accrual entries. On a daily basis, the City maintains accounting records on a cash method of accounting and converts records to a GAAP basis at the end of the year for financial reporting purposes. No errors in the cash basis records, were identified.

The City and/or GAAP conversion team identified each of the noted items through the established control and review procedure related to financial reporting. The City will work to ensure these errors do not occur in future years.

**CITY OF BRECKSVILLE
CUYAHOGA COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020**

The prior audit report, as of December 31, 2019, included no findings or management letter recommendations.

OHIO AUDITOR OF STATE KEITH FABER



CITY OF BRECKSVILLE

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/8/2021

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

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