



OHIO AUDITOR OF STATE
KEITH FABER



CITY OF INDEPENDENCE
CUYAHOGA COUNTY

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**CITY OF INDEPENDENCE
CUYAHOGA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal Assistance Listing	Pass Through Entity Identifying Number	Total Federal Expenditures
EXECUTIVE OFFICE OF THE PRESIDENT - OFFICE OF NATIONAL DRUG CONTROL POLICY:			
<i>Direct Program</i>			
High Intensity Drug Trafficking Areas Program	95.001	G18OH003A	\$10,849
		G19OH003A	551,689
		G20OH003A	2,797,350
		G21OH003A	2,419,026
Total - High Intensity Drug Trafficking Areas Program			<u>5,778,914</u>
Total Executive Office of the President - Office of National Drug Control Policy			<u>5,778,914</u>
Total Expenditures of Federal Awards			<u>\$5,778,914</u>

The accompanying notes are an integral part of this schedule.

**CITY OF INDEPENDENCE
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Independence (the City) under programs of the federal government for the year ended December 31, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the City Council:

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Independence, Cuyahoga County, Ohio (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 22, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the City.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

September 22, 2022

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

To the City Council:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Independence's (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the City of Independence's major federal program for the year ended December 31, 2021. The City of Independence's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

Qualified Opinion on the High Intensity Drug Trafficking Areas Program

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion* section of our report, the City of Independence complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the High Intensity Drug Trafficking Areas Program for the year ended December 31, 2021.

Basis for Qualified Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on High Intensity Drug Trafficking Areas Program

As described in finding 2021-001 in the accompanying schedule of findings, the City did not comply with requirements regarding Cash Management applicable to its AL #95.001 High Intensity Drug Trafficking Areas Program major federal program.

Compliance with this requirement is necessary, in our opinion, for the City to comply with requirements applicable to that program.

Responsibilities of Management for Compliance

The City's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and corrective action plan. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in *the Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain a deficiency in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2021-001 to be a material weakness.

A significant deficiency in internal controls over compliance is deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than material weakness in internal controls over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and corrective action plan. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Independence (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated September 22, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the City. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Keith Faber
Auditor of State
Columbus, Ohio

September 22, 2022

**CITY OF INDEPENDENCE
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
December 31, 2021**

1. SUMMARY OF AUDITOR'S RESULTS
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(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list):	➤ High Intensity Drug Trafficking Program AL 95.001
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None.

3. FINDINGS FOR FEDERAL AWARDS

Timeliness of Advance Liquidation

Finding Number:	2021-001
AL Number and Title:	AL# 95.001 High Intensity Drug Trafficking Areas Program
Federal Award Identification Number/ Year:	2021
Federal Agency:	Office of National Drug Control Policy
Compliance Requirement:	Cash Management
Pass-Through Entity:	N/A
Repeat Finding from Prior Audit?	No

Material Weakness and Noncompliance

2 CFR § 3603.1 gives regulatory effect to the Office of National Drug Control Policy for- **2 CFR § 200.305(b)** which states, in part:

Non- Federal entities other than states must minimize the time elapsing between the transfer of funds from the United States Treasury or pass-through entity and disbursement by the non-Federal entity whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means.

Section 7.25.2 of the High Intensity Drug Trafficking Area (HIDTA) Program Policy and Guidance states if an advance of funds is requested, details specifying the need for the advance must accompany the request. Documentation of how the advance was spent must be submitted within 21 days of use of funds and prior to another advance or reimbursement request.

During testing, we noted 18 instances where documentation of how the advance was spent was submitted later than 21 days after the advance was deposited into HIDTA's account. The timeliness of the submissions was not in compliance with the above mentioned requirements and ranged from 22 days to 43 days after the advance was used from the HIDTA account.

Failure to properly document how advances are spent per the Program Policy and Guidance may result in a reduction of future funding.

The City should review this matter with the HIDTA Financial Manager to establish procedures in order to submit support for expenses within the 21-day requirement. HIDTA may consider requesting advances of smaller dollar amounts, or requesting reimbursement rather than advances of funds.

Officials' Response: See Corrective Action Plan.



**Independence
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**CITY OF INDEPENDENCE
CUYAHOGA COUNTY**

**CORRECTIVE ACTION PLAN
2 CFR § 176.190
DECEMBER 31, 2021**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2021-001	The HIDTA Financial Manager in conjunction with the City's Finance Assistant will request smaller dollar amounts with new advances in order to liquidate within the prescribed HIDTA guideline of 21 days.	Effective 10/1/2022	Vern Blaze, Finance Director

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**Independence
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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2021**

Finding Number	Finding Summary	Status	Additional Information
2020-001	Material Weakness in internal control over GAAP financial reporting- There was noted various adjustments necessary to Accounts and contracts payable, construction in progress and intergovernmental receivable.	Corrected.	

City of Independence, Ohio

Annual Comprehensive Financial Report

**For the year ended
December 31, 2021**



CITY OF INDEPENDENCE, OHIO

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

For the Year Ended December 31, 2021

Prepared by the City Finance Department

Introductory Section



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City of Independence, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2021
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City of Independence, Ohio

"THE HEART OF CUYAHOGA COUNTY"

6800 BRECKSVILLE ROAD

INDEPENDENCE, OHIO 44131

(216) 524-4131

September 22, 2022

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

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

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Under Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. For the year 2021, the City was audited by the Auditor of State's Office. Their unmodified opinion is included in the financial section of this report.

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

Profile of the City

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

The current population is estimated to be 7,523 (2021 Census estimate) indicating a comfortable average of approximately 773 persons per square mile in this City of 9.73 square miles (6,138.3 acres). Independence has the lowest property tax rate of any city in Cuyahoga County.

Independence City Hall and Police Facility was dedicated in 1982, and the Fire Station was dedicated in 1995. The Fire Dept. is staffed by 27 full-time and 3 part-time firefighters. The Police Dept. is staffed with 35 full-time and one part-time police officer.

- v -

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

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

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

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

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

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

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

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

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

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

Local Economy

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

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

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

More than 800 businesses call Independence home, including prestigious corporations and organizations like Cleveland Clinic and the Cleveland Cavaliers NBA Team, Travelers Insurance, CBIZ, Airgas, SIRVA, iHeart Media, Independence Excavating, Novar Controls-Honeywell International Inc, CSA International, Wegman, Hessler, and Vanderburg, Hylant Group, Dayton Heidelberg Distributing, Fedeli Group Inc, Kent State University College of Podiatric Medicine, and All Erection Crane Rental Co, just to name a few.

Even though the City's resident population is relatively small (7,523 as of the 2021 Census estimate), the daytime population approaches 25,000 during the work week; and when the vendor, customer, client, patient, and flow-through activity during the daytime are included, the commercial population can reach 35,000-40,000.

Major Initiatives

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

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

Another result of the EDSP were recommendations for the City's downtown area. The City took title to the former middle school and surrounding land in 2005. The site is strategically located in the downtown area, and has the potential to be a catalyst for area-wide redevelopment. At the end of 2016, City leadership determined that the former middle school building was a detriment to redeveloping downtown Independence, so the decision was made to demolish the structure. The City continues to pursue opportunities to enhance the historic nature of its downtown, and was in talks in 2021 to acquire additional strategically located downtown properties.

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

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

The City diligently utilizes Tax Increment Financing (TIF) as an economic development tool. The City currently has 19 TIF Districts and received approximately \$2.5 million of payments in lieu of taxes in 2021.

Long-Term Planning

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

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

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

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

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

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

Relevant Financial Policies

The City has been able to minimize its debt by borrowing only for large capital/infrastructure improvements due to the departmental forecasting on the City's Five-Year Capital Improvement Plan and the Tax Increment Financing that has assisted with some of the payments for the debt infrastructure projects. The City also prepaid some debt in 2021 that was yielding significantly higher interest rates at the time than could be earned on investments.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Independence for its Annual Comprehensive Financial Report for 12 consecutive years including the fiscal year ended December 31, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City has to publish an easily readable and efficiently organized annual comprehensive financial report that satisfies both generally accepted accounting principles (GAAP) and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City believes the current report continues to meet the Certificate of Achievement Program's requirements, and it has been submitted to the GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,



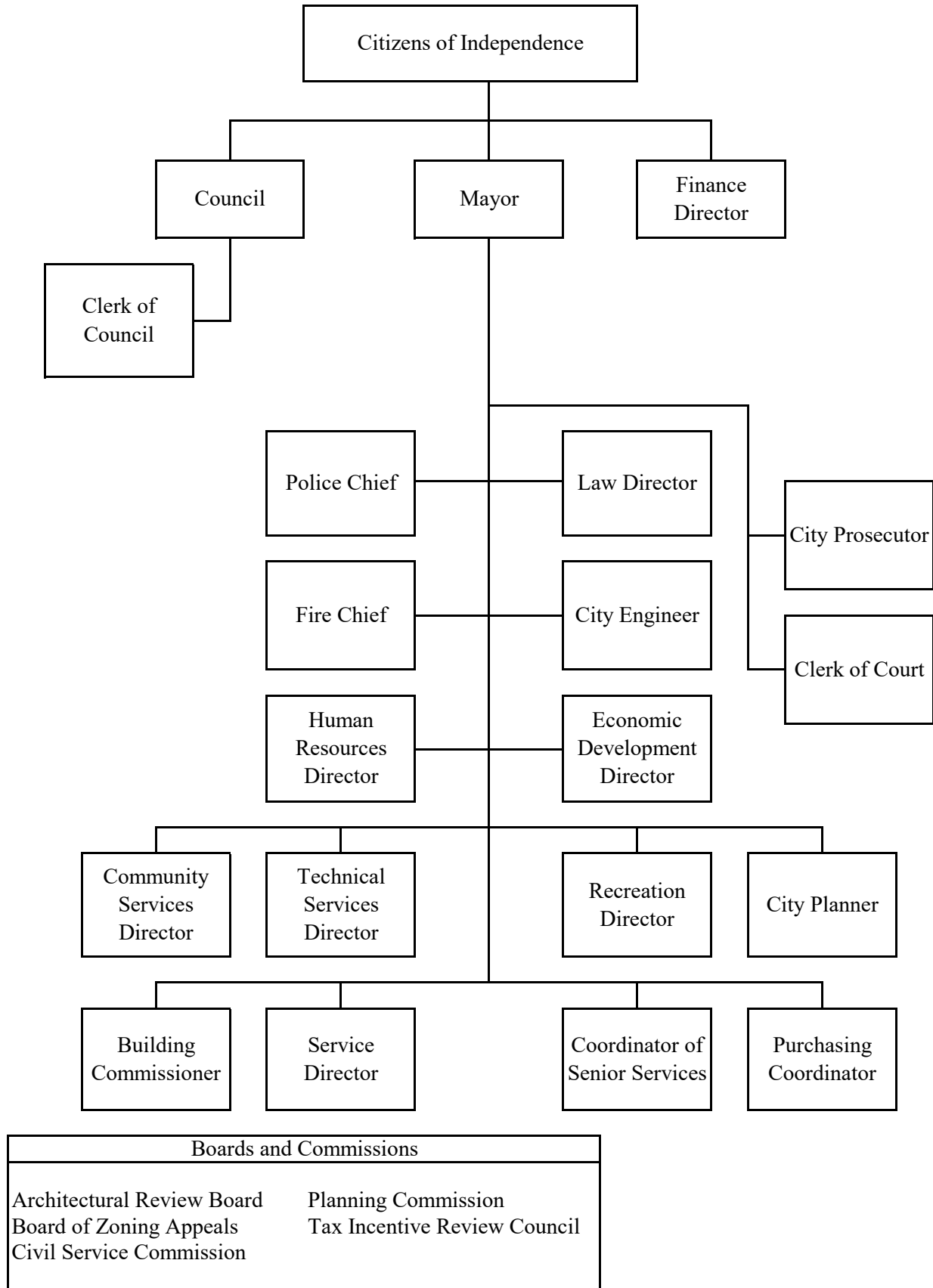
Gregory P. Kurtz
Mayor



Vernon Blaze
Finance Director

City of Independence

Organizational Chart



City of Independence, Ohio

List of Principal Officials

December 31, 2021

Elected Officials

Mayor..... Gregory P. Kurtz
Finance Director..... Vernon Blaze
Vice Mayor David Grendel
Council Member Kathleen Kapusta
Council Member Thomas Narduzzi
Council Member Kenn Synek
Council Member James Trakas
Council Member Dale Veverka
Council Member Chris Walchanowicz

Appointed Officials

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

Administration

Human Resources Director Letitia Linker
Community Services Director..... Emily Thomas
Police Chief..... Robert Butler
City Engineer Don Ramm
City Planner Jeffrey S. Markley
Service Director Ronald Mckinley
Recreation Director..... Tom Walchanowicz
Fire Chief Steve Rega
Building Official Michael Gero
Technical Services Director..... David Snyderburn
Economic Development Director..... Jessica Hyser
Purchasing Coordinator Dennis Zdolshek
Clerk of Court Angela T. Zidanic

Government Finance Officers Association

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

Presented to

**City of Independence
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO

Financial Section



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OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Independence, Cuyahoga County, Ohio as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General fund and High Intensity Drug Trafficking Area fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 21 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

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

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will also issue our report dated September 22, 2022, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

September 22, 2022

City of Independence, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

The discussion and analysis of the City of Independence's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to consider the information presented here in conjunction with the transmittal letter, the basic financial statements, and the accompanying notes to those financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights are as follows:

- ❖ The City remains vigilant and department heads and employees work together to find ways to create more efficiency to ensure that the City's mission *"To provide essential services and to enhance the quality of community life in the most economic and efficient manner possible"* is carried out and implemented each and every day.
- ❖ The City has established several tax incremental financing (TIF) districts within the City under which the City has granted property tax exemptions and agreed to construct certain public infrastructure improvements. A taxpayer whose operations are located within the TIF districts continues to make payments to the jurisdiction in an amount equal to the real property tax liability that otherwise would have been due had the property not been exempted; however, the portion of the property tax on the incremental increase in value that would have gone to the County comes to the City to help pay for those public infrastructure improvements. Over the past ten years the City has received more than \$16.0 million in payments in lieu of taxes (PILOT) revenue on a full accrual basis.
- ❖ The City has many continuing road projects that will be completed in future years. The City always strives to improve and repair its roads for the safety of its citizens.
- ❖ There was a change in the overall OPERS OPEB valuation coming from the pension system going from a total deficit of \$13.8 billion for calculation year 2020 to a surplus of \$1.8 billion for calculation year 2021. This change in OPERS OPEB valuation resulted in the City recognizing a net OPERS liability of \$7.3 million in 2020 to a net OPEB asset of \$0.9 million for 2021.

Using this Annual Financial Report

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

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

City of Independence, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

Reporting the City of Independence as a Whole

Statement of Net Position and the Statement of Activities

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

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

Reporting on the Most Significant Funds of the City of Independence

Fund Financial Statements

The fund financial statements, which begins with the balance sheet, provide detailed information about the City's major funds and include the balance sheet and the statement of revenues, expenditures and changes in fund balances. These statements tell how City services charged to major funds were financed in the short-term as well as what remains for future spending. For the City of Independence, the most significant governmental funds are the general fund, the High Intensity Drug Trafficking Area (HIDTA) special revenue fund, the TIF Projects debt service fund, the quadrant tax increment financing (TIF) and the street resurfacing capital projects funds.

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

The City of Independence as a Whole

Statement of Net Position

As noted earlier, the statement of net position looks at the City as a whole and can prove to be a useful indicator of the City's financial position. Table 1 provides a summary of the City's net position for 2021 and 2020.

City of Independence, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

Table 1
Net Position

	2021	2020	Change
Assets			
Current and Other Assets	\$52,144,643	\$53,800,602	(\$1,655,959)
Noncurrent Assets:			
Net Pension Asset	104,438	106,129	(1,691)
Net OPEB Asset	894,745	0	894,745
Capital Assets, Net	140,599,307	138,321,279	2,278,028
Total Assets	<u>193,743,133</u>	<u>192,228,010</u>	<u>1,515,123</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	105,321	217,092	(111,771)
Pension	3,114,574	3,742,105	(627,531)
OPEB	1,756,759	2,596,751	(839,992)
Asset Retirement Obligation	49,500	55,000	(5,500)
Total Deferred Outflows of Resources	<u>5,026,154</u>	<u>6,610,948</u>	<u>(1,584,794)</u>
Liabilities			
Current and Other Liabilities	4,218,943	5,341,465	1,122,522
Long-Term Liabilities:			
Due Within One Year	1,797,732	2,397,138	599,406
Due in More than One Year:			
Net Pension Liability	21,552,207	25,063,872	3,511,665
Net OPEB Liability	2,239,766	9,501,302	7,261,536
Other Amounts	24,209,942	29,667,412	5,457,470
Total Liabilities	<u>54,018,590</u>	<u>71,971,189</u>	<u>17,952,599</u>
Deferred Inflows of Resources			
Property Taxes	1,003,760	951,825	(51,935)
Payments in Lieu of Taxes	2,499,965	2,002,698	(497,267)
Pension	5,823,716	4,660,954	(1,162,762)
OPEB	4,117,758	2,451,010	(1,666,748)
Total Deferred Inflows of Resources	<u>13,445,199</u>	<u>10,066,487</u>	<u>(3,378,712)</u>
Net Position			
Net Investment in Capital Assets	116,056,068	106,232,967	9,823,101
Restricted:			
Capital Projects	15,370,828	16,430,739	(1,059,911)
State Highway	199,256	140,732	58,524
Street Construction, Maintenance and Repair	700,290	724,278	(23,988)
Police Pension	6,853	305,087	(298,234)
Other Purposes	362,749	314,542	48,207
Unrestricted	<u>(1,390,546)</u>	<u>(7,347,063)</u>	<u>5,956,517</u>
Total Net Position	<u>\$131,305,498</u>	<u>\$116,801,282</u>	<u>\$14,504,216</u>

City of Independence, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2021. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

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

As of December 31, 2021, the City's overall net position increased by \$14,504,216 from the prior year. Total assets increased by \$1.5 million. Current and other assets, primarily cash, was reduced by \$1.7 million as the City was affected by the pandemic and used available cash to help supplement programs and to pay for construction projects. Capital assets increased by just over \$2.2 million as additions exceeded depreciation and the City keeps a focus on improvements. The decrease in total deferred outflows of resources was due in large part to adjustments in the current year calculations specific to the net pension and OPEB liabilities. Liabilities decreased mainly due to changes in the net pension/OPEB liabilities as well as the continued repayment of the City's long term debt obligations. Deferred inflows increased due to changes in the deferred inflows of resources related to pension and OPEB. Further details of the changes in net position between 2021 and 2020 can be observed in Table 2.

City of Independence, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

Table 2
Changes in Net Position

	2021	2020	Change
Revenues			
Program Revenues			
Charges for Services and Sales	\$2,006,837	\$1,424,533	\$582,304
Operating Grants and Contributions	8,007,755	8,677,082	(669,327)
Capital Grants, Contributions and Assessments	364,198	1,308,456	(944,258)
<i>Total Program Revenues</i>	<u>10,378,790</u>	<u>11,410,071</u>	<u>(1,031,281)</u>
General Revenues			
Property Taxes	975,168	983,735	(8,567)
Municipal Income Taxes	34,967,308	33,573,510	1,393,798
Hotel/Motel Taxes	1,067,992	648,140	419,852
Amusement Taxes	277,817	217,515	60,302
Grant and Entitlements Not Restricted to Specific Programs	413,573	364,692	48,881
Investment Income	242,765	389,269	(146,504)
Payments in Lieu of Taxes	2,539,322	2,097,681	441,641
Gain on Sale of Capital Assets	82,300	39,283	43,017
Miscellaneous	538,092	2,274,954	(1,736,862)
<i>Total General Revenues</i>	<u>41,104,337</u>	<u>40,588,779</u>	<u>515,558</u>
<i>Total Revenues</i>	<u>51,483,127</u>	<u>51,998,850</u>	<u>(515,723)</u>
Program Expenses			
General Government	17,098,075	18,699,177	1,601,102
Security of Persons and Property	9,688,910	10,968,040	1,279,130
Public Health and Welfare	27,616	78,053	50,437
Leisure Time Activities	1,549,736	3,081,336	1,531,600
Community Environment	2,034,654	3,823,600	1,788,946
Basic Utility Services	408,135	1,037,179	629,044
Transportation	5,518,977	3,188,190	(2,330,787)
Interest and Fiscal Charges	652,808	635,064	(17,744)
<i>Total Expenses</i>	<u>36,978,911</u>	<u>41,510,639</u>	<u>4,531,728</u>
<i>Increase in Net Position</i>	14,504,216	10,488,211	4,016,005
<i>Net Position Beginning of Year</i>	<u>116,801,282</u>	<u>106,313,071</u>	<u>10,488,211</u>
<i>Net Position End of Year</i>	<u>\$131,305,498</u>	<u>\$116,801,282</u>	<u>\$14,504,216</u>

Governmental Activities

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

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

City of Independence, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

The overall financial strength and the net position of the City improved in 2021 from 2020. During these uncertain times and the ongoing global health pandemic, the City made a conscious effort to live within its financial means, follow its financial plan and take corrective measures, when necessary.

The governmental activities charges for services program revenue increased as a result of reported amounts involving more building and recreation related fee revenues. The governmental activities operating grants and contributions program revenues decreased as a result of the City receiving CARES Act funding in the prior year. The governmental activities capital grants and contributions program revenue decreased due to the City receiving less funding for construction related projects from the pandemic.

Interest revenues decreased substantially in 2021 from 2020 as a result of the Federal Reserve's decision to lower interest rates to near zero and numerous called investments. The City's revenues specific to Income, Hotel/Motel and Amusement tax collections increased as the public gains more trust in the economy after the pandemic.

Security of persons and property generally represents the highest program expense for the City by a large margin. However, during 2021, these expenses were significantly reduced as a result of reported OPEB expense amounts pursuant to GASB 75.

Most of the expenses were affected by the change in OPERS OPEB valuation as reported by the pension system for calculation year 2021 that resulted in decreases.

Transportation expenses saw a change from the prior year which was the result of the City taking on additional road related maintenance projects that were put on hold during the pandemic that resulted in additional expenses for 2021.

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

Management continues to diligently plan expenses, staying carefully within the City's revenues. The City actively seeks grants in order to maintain and improve the services the City residents expect while still controlling expenses. The City is ever cognizant of needs versus wants.

The following schedule presents a summary of governmental activities expenses and the net cost of providing these services (excluding general revenues).

City of Independence, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
General Government	\$17,098,075	\$18,699,177	\$9,465,000	\$10,862,434
Security of Persons and Property	9,688,910	10,968,040	9,029,039	10,012,600
Public Health and Welfare	27,616	78,053	23,575	74,665
Leisure Time Activities	1,549,736	3,081,336	929,676	2,696,373
Community Environment	2,034,654	3,823,600	1,825,144	3,653,345
Basic Utility Services	408,135	1,037,179	347,820	914,629
Transportation	5,518,977	3,188,190	4,327,059	1,251,458
Interest and Fiscal Charges	652,808	635,064	652,808	635,064
Total Expenses	\$36,978,911	\$41,510,639	\$26,600,121	\$30,100,568

The City's Funds

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

As of the end of 2021, the City's governmental funds reported a positive combined ending fund balance. Unassigned fund balance is available for appropriation at the City's discretion within certain legal constraints and purpose restrictions within the City's general fund. The remainder of the fund balance is either nonspendable, restricted, committed or assigned to indicate that it is not available for future unrestricted spending.

The increase in the general fund balance is primarily a result of revenues outpacing expenditures and the transfer subsidies to other funds. The City continues to put a premium on City services without reducing the City's workforce. In order to keep this premium on jobs, the City has worked to minimize overtime and has asked employees to do more with less while not compromising services. The City's dedicated public servants strive to keep the City of Independence among the finest in Northeast Ohio.

The High Intensity Drug Trafficking Area (HIDTA) special revenue fund had a slight decrease in fund balance due to a transfer made to the City's federal forfeiture special revenue fund. Overall, the revenues and expenditures decreased slightly from the prior year.

The Tax Increment Financing (TIF) projects debt service fund saw a decrease in fund balance as the City used a larger portion of available cash resources to pay debt service requirements during the year.

The quadrant tax increment financing (TIF) capital projects fund saw a decrease in fund balance primarily due to a transfer made to the TIF projects debt service fund. The negative balance reflected in the quadrant TIF fund is a result of interfund borrowing.

City of Independence, Ohio
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Unaudited

The street resurfacing capital projects fund had an increase in fund balance due to an increase in transfers from the general fund, which exceeded capital expenditures for infrastructure improvements. The City continues to prioritize improvement and repair of its roads for the safety of its citizens.

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

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. The legal level of budgetary control for the City is at the department and object level for the general fund. Any budgetary modifications at this level may only be made by ordinance of City Council. City policy permits fund transfers within control levels with the approval of the Director of Finance. During the course of the current year, the City amended its general fund budget several times. In addition to day-to-day budget monitoring, the Director of Finance closely examines the budget with the preparation of the monthly financial statements and quarterly budget analysis reports.

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

Capital Assets and Debt Administration

Capital Assets

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

The City continues to work through its five-year capital asset replacement plan.

In 2021, the City made a land purchase, purchased equipment and vehicles for the City's various departments and also made improvements to numerous roads throughout the City. See Note 9 to the basic financial statements for more information regarding the City's capital assets.

Long-Term Debt

The outstanding long-term debt is as follows: The general obligation various quadrant tax increment financing (TIF) bonds will be paid from the TIF projects debt service fund. The general obligation various purpose refunding serial bonds were retired from the TIF projects and the non-TIF Project debt service funds during 2021. The various purpose general obligation bonds will be paid from the TIF project debt service fund. The special assessment bonds will be retired from the TIF projects debt service fund. The OPWC loans will be retired from the TIF projects debt service fund and the Route 21 and Pleasant Valley capital projects fund.

City of Independence, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

The City's overall legal debt limit is \$52,078,385. The amount of debt subject to the debt limit was \$19,310,000 leaving an overall debt margin of \$37,698,385. The legal debt margin is determined by multiplying the total assessed value of taxable real property in the City by 10.50 percent minus non-exempted debt outstanding.

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

Current Financial Related Activities

The City has continued to maintain the highest standards of services to its residents while diligently planning expenses to stay within the City's revenues. During 2021, the City leadership team closely monitored revenues and expenditures to preserve the integrity of the general fund's unencumbered cash balance. As with all municipalities in the State of Ohio, State funding and State legal issues are constantly monitored to determine the impact on the City. One major funding issue for cities and villages in Ohio is the impact on local income taxes caused by remote and hybrid work models. Income tax revenue in 2021 increased from 2020, but certainty of that trend is not guaranteed going forward.

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

Contacting the City's Finance Department

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

City of Independence, Ohio
Statement of Net Position
December 31, 2021

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$36,301,054
Cash and Cash Equivalents in Segregated Accounts	8,604
Accounts Receivable	12,713
Hotel/Motel Taxes Receivable	103,138
Amusement Taxes Receivable	70,460
Intergovernmental Receivable	1,215,361
Prepaid Items	367,321
Municipal Income Taxes Receivable	7,297,915
Property Taxes Receivable	1,042,676
Accrued Interest Receivable	31,764
Special Assessments Receivable	3,017,341
Payments in Lieu of Taxes Receivable	2,676,296
Net Pension Asset (See Note 11)	104,438
Net OPEB Asset (See Note 12)	894,745
Nondepreciable Capital Assets	53,033,879
Depreciable Capital Assets, Net	87,565,428
<i>Total Assets</i>	193,743,133
Deferred Outflows of Resources	
Deferred Charge on Refunding	105,321
Pension	3,114,574
OPEB	1,756,759
Asset Retirement Obligation	49,500
<i>Total Deferred Outflows of Resources</i>	5,026,154
Liabilities	
Accounts Payable	1,075,511
Accrued Wages	262,540
Contracts Payable	1,054,103
Intergovernmental Payable	231,228
Deposits Held Payable	465,177
Accrued Interest Payable	58,968
Retainage Payable	695,622
Unearned Revenue	375,794
Long-Term Liabilities:	
Due Within One Year	1,797,732
Due in More Than One Year	
Net Pension Liability (See Note 11)	21,552,207
Net OPEB Liability (See Note 12)	2,239,766
Other Amounts Due in More than One Year	24,209,942
<i>Total Liabilities</i>	54,018,590
Deferred Inflows of Resources	
Property Taxes	1,003,760
Payments in Lieu of Taxes	2,499,965
Pension	5,823,716
OPEB	4,117,758
<i>Total Deferred Inflows of Resources</i>	13,445,199
Net Position	
Net Investment in Capital Assets	116,056,068
Restricted for:	
Capital Projects	15,370,828
State Highway	199,256
Street Construction, Maintenance and Repair	700,290
Police Pension	6,853
Other Purposes	362,749
Unrestricted	(1,390,546)
<i>Total Net Position</i>	\$131,305,498

See accompanying notes to the basic financial statements

City of Independence, Ohio
Statement of Activities
For the Year Ended December 31, 2021

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants, Contributions and Assessments	Governmental Activities
Governmental Activities:					
General Government	\$17,098,075	\$432,755	\$7,200,320	\$0	(\$9,465,000)
Security of Persons and Property	9,688,910	648,169	11,702	0	(9,029,039)
Public Health and Welfare	27,616	4,041	0	0	(23,575)
Leisure Time Activities	1,549,736	620,060	0	0	(929,676)
Community Environment	2,034,654	209,510	0	0	(1,825,144)
Basic Utility Services	408,135	54,315	0	6,000	(347,820)
Transportation	5,518,977	37,987	795,733	358,198	(4,327,059)
Interest and Fiscal Charges	652,808	0	0	0	(652,808)
<i>Totals</i>	<u>\$36,978,911</u>	<u>\$2,006,837</u>	<u>\$8,007,755</u>	<u>\$364,198</u>	<u>(26,600,121)</u>
General Revenues					
Property Taxes Levied for:					
General Purposes					842,190
Police Pension					132,978
Municipal Income Tax Levied for General Purposes					34,967,308
Hotel/Motel Tax Levied for General Purposes					1,067,992
Amusement Tax Levied For General Purposes					277,817
Grants and Entitlements Not Restricted to Specific Programs					413,573
Investment Income					242,765
Payments in Lieu of Taxes					2,539,322
Gain on Sale of Capital Asset					82,300
Miscellaneous					538,092
<i>Total General Revenues</i>					<u>41,104,337</u>
Change in Net Position					14,504,216
<i>Net Position Beginning of Year</i>					<u>116,801,282</u>
<i>Net Position End of Year</i>					<u>\$131,305,498</u>

See accompanying notes to the basic financial statements

City of Independence, Ohio

Balance Sheet

Governmental Funds

December 31, 2021

	General	HIDTA	TIF Projects	Quadrant Tax Increment Financing	Street Resurfacing	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$7,528,092	\$75,477	\$167,887	\$11,327,413	\$4,933,654	\$10,353,048	\$34,385,571
Cash and Cash Equivalents							
In Segregated Accounts	8,161	0	0	0	0	443	8,604
Accounts Receivable	12,713	0	0	0	0	0	12,713
Hotel/Motel Taxes Receivable	103,138	0	0	0	0	0	103,138
Amusement Taxes Receivable	70,460	0	0	0	0	0	70,460
Interfund Receivable	35,675,924	0	0	0	0	500,000	36,175,924
Intergovernmental Receivable	259,524	0	0	544,896	36,241	374,700	1,215,361
Prepaid Items	353,599	0	0	0	0	13,722	367,321
Accrued Interest Receivable	13,083	0	0	0	0	18,681	31,764
Special Assessments Receivable	0	0	0	0	0	3,017,341	3,017,341
Payments in Lieu of Taxes Receivable	0	0	0	2,676,296	0	0	2,676,296
Property Taxes Receivable	900,493	0	0	0	0	142,183	1,042,676
Municipal Income Taxes Receivable	7,297,915	0	0	0	0	0	7,297,915
Restricted Assets:							
Equity in Pooled Cash and Cash Equivalents	1,027,674	0	0	0	0	0	1,027,674
Total Assets	\$53,250,776	\$75,477	\$167,887	\$14,548,605	\$4,969,895	\$14,420,118	\$87,432,758
Liabilities							
Accounts Payable	\$349,598	\$429	\$0	\$0	\$0	\$171,125	\$521,152
Accrued Wages	234,361	28,179	0	0	0	0	262,540
Contracts Payable	48,446	0	0	523,028	344,172	137,937	1,053,583
Intergovernmental Payable	145,428	21,723	0	0	0	64,077	231,228
Retainage Payable	0	0	0	264,703	389,636	41,283	695,622
Interfund Payable	0	0	0	34,957,000	96,200	1,122,724	36,175,924
Unearned Revenue	0	0	0	0	0	375,794	375,794
Payables from Restricted Assets:							
Accounts Payable	554,359	0	0	0	0	0	554,359
Deposits Held and Due to Others	465,177	0	0	0	0	0	465,177
Total Liabilities	1,797,369	50,331	0	35,744,731	830,008	1,912,940	40,335,379
Deferred Inflows of Resources							
Property Taxes	866,884	0	0	0	0	136,876	1,003,760
Payments in Lieu of Taxes	0	0	0	2,499,965	0	0	2,499,965
Unavailable Revenue	4,946,238	0	0	721,227	36,241	3,337,242	9,040,948
Total Deferred Inflows of Resources	5,813,122	0	0	3,221,192	36,241	3,474,118	12,544,673
Fund Balances							
Nonspendable	34,818,737	0	0	0	0	13,722	34,832,459
Restricted	0	25,146	167,887	0	4,103,646	7,872,499	12,169,178
Committed	0	0	0	0	0	774,926	774,926
Assigned	5,673,477	0	0	0	0	1,148,246	6,821,723
Unassigned (Deficit)	5,148,071	0	0	(24,417,318)	0	(776,333)	(20,045,580)
Total Fund Balances (Deficit)	45,640,285	25,146	167,887	(24,417,318)	4,103,646	9,033,060	34,552,706
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$53,250,776	\$75,477	\$167,887	\$14,548,605	\$4,969,895	\$14,420,118	\$87,432,758

See accompanying notes to the basic financial statements

City of Independence, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2021*

Total Governmental Funds Balances \$34,552,706

*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. 140,599,307

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

Delinquent Property Taxes	38,916
Municipal Income Taxes	4,674,731
Intergovernmental	1,112,597
Rentals	2,251
Special Assessments	3,017,341
Payments in Lieu of Taxes	176,331
Miscellaneous	18,781
	9,040,948

Total 9,040,948

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

Net Pension Asset	104,438
Deferred Outflows - Pension	3,114,574
Net Pension Liability	(21,552,207)
Deferred Inflows - Pension	(5,823,716)
Net OPEB Asset	894,745
Deferred Outflows - OPEB	1,756,759
Net OPEB Liability	(2,239,766)
Deferred Inflows - OPEB	(4,117,758)
	(27,862,931)

Total (27,862,931)

In the statement of net position, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (58,968)

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. 887,289

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. 105,321

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

General Obligation Bonds	(18,895,154)
Special Assessment Bonds	(3,044,575)
OPWC Loan	(3,137,142)
Compensated Absences	(710,803)
Deferred Outflows Asset Retirement	49,500
Asset Retirement Obligation	(220,000)
	(25,958,174)

Total (25,958,174)

Net Position of Governmental Activities \$131,305,498

See accompanying notes to the basic financial statements

City of Independence, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	General	HIDTA	TIF Projects	Quadrant Tax Increment Financing	Street Resurfacing	Other Governmental Funds	Total Governmental Funds
Revenues							
Property Taxes	\$847,243	\$0	\$0	\$0	\$0	\$133,775	\$981,018
Municipal Income Taxes	35,311,745	0	0	0	0	0	35,311,745
Hotel/Motel Taxes	1,087,314	0	0	0	0	0	1,087,314
Amusement Taxes	332,360	0	0	0	0	0	332,360
Intergovernmental	287,451	5,844,476	0	24,768	278,540	2,231,281	8,666,516
Investment Income	200,016	0	0	0	0	42,749	242,765
Fees, Licenses and Permits	367,253	0	0	0	0	445,648	812,901
Fines and Forfeitures	91,543	0	0	0	0	144,892	236,435
Charges for Services	700,378	10,504	0	0	0	0	710,882
Rentals	229,119	0	0	0	0	15,645	244,764
Special Assessments	0	0	0	0	0	194,358	194,358
Payments in Lieu of Taxes	0	0	0	2,499,966	0	0	2,499,966
Miscellaneous	474,080	6,806	0	0	33	37,141	518,060
<i>Total Revenues</i>	<u>39,928,502</u>	<u>5,861,786</u>	<u>0</u>	<u>2,524,734</u>	<u>278,573</u>	<u>3,245,489</u>	<u>51,839,084</u>
Expenditures							
Current:							
General Government	7,136,235	5,842,150	0	0	0	2,133,284	15,111,669
Security of Persons and Property	9,116,092	0	0	0	0	734,124	9,850,216
Public Health and Welfare	71,765	0	0	0	0	0	71,765
Leisure Time Activities	3,102,770	0	0	0	0	206,855	3,309,625
Community Environment	3,714,331	0	0	0	0	0	3,714,331
Basic Utility Services	958,578	0	0	0	0	0	958,578
Transportation	674,479	0	0	0	0	1,197,378	1,871,857
Capital Outlay	0	0	0	2,685,258	4,416,151	3,754,899	10,856,308
Debt Service:							
Principal Retirement	0	0	5,396,412	0	0	212,775	5,609,187
Interest and Fiscal Charges	0	0	815,118	0	0	113,374	928,492
<i>Total Expenditures</i>	<u>24,774,250</u>	<u>5,842,150</u>	<u>6,211,530</u>	<u>2,685,258</u>	<u>4,416,151</u>	<u>8,352,689</u>	<u>52,282,028</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>15,154,252</u>	<u>19,636</u>	<u>(6,211,530)</u>	<u>(160,524)</u>	<u>(4,137,578)</u>	<u>(5,107,200)</u>	<u>(442,944)</u>
Other Financing Sources (Uses)							
Sale of Capital Assets	82,300	0	0	0	0	0	82,300
Transfers In	0	0	4,606,700	0	4,435,000	5,758,840	14,800,540
Transfers Out	(9,761,250)	(53,840)	0	(4,606,700)	0	(378,750)	(14,800,540)
<i>Total Other Financing Sources (Uses)</i>	<u>(9,678,950)</u>	<u>(53,840)</u>	<u>4,606,700</u>	<u>(4,606,700)</u>	<u>4,435,000</u>	<u>5,380,090</u>	<u>82,300</u>
<i>Net Change in Fund Balances</i>	5,475,302	(34,204)	(1,604,830)	(4,767,224)	297,422	272,890	(360,644)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>40,164,983</u>	<u>59,350</u>	<u>1,772,717</u>	<u>(19,650,094)</u>	<u>3,806,224</u>	<u>8,760,170</u>	<u>34,913,350</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$45,640,285</u>	<u>\$25,146</u>	<u>\$167,887</u>	<u>(\$24,417,318)</u>	<u>\$4,103,646</u>	<u>\$9,033,060</u>	<u>\$34,552,706</u>

See accompanying notes to the basic financial statements

City of Independence, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2021*

Net Change in Fund Balances - Total Governmental Funds (\$360,644)

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 costs 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 Outlay	6,823,146	
Depreciation	<u>(4,545,118)</u>	
Total		2,278,028

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

Delinquent Property Taxes	(5,850)	
Municipal Income Taxes	(344,437)	
Hotel Taxes	(19,322)	
Amusement Taxes	(54,543)	
Intergovernmental	75,593	
Rentals	1,855	
Special Assessments	(150,941)	
Payments in Lieu of Taxes	39,356	
Miscellaneous	<u>17,279</u>	
Total		(441,010)

In the statement of activities, interest is accrued on outstanding bonds, and bond premiums and the deferred charge on refunding are amortized over the term of the bonds, whereas in governmental funds, an expenditure is reported when bonds are issued:

Accrued Interest	31,758	
Amortization of Deferred Charge on Refunding	(111,771)	
Amortization of Bond Premium	<u>355,697</u>	
Total		275,684

Amortization of deferred outflows related to the asset retirement obligation is reported as an expense in the statement of activities. (5,500)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 91,992

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:

Payment on General Obligation Bonds	5,190,000	
Payment on Special Assessment Bonds	90,000	
Payment on OPWC Loans	<u>329,187</u>	
Total		5,609,187

The internal service fund used to charge costs of insurance to individual funds is not reported in the City-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. (312,743)

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

Pension	2,148,660	
OPEB	<u>54,620</u>	
Total		2,203,280

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

Pension	(428,979)	
OPEB	<u>5,594,921</u>	
Total		<u>5,165,942</u>

Change in Net Position of Governmental Activities \$14,504,216

See accompanying notes to the basic financial statements

City of Independence, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$816,992	\$838,099	\$847,243	\$9,144
Municipal Income Taxes	33,910,608	34,714,142	35,062,259	348,117
Hotel/Motel Taxes	989,813	1,013,267	1,023,428	10,161
Amusement Taxes	253,298	259,300	261,900	2,600
Intergovernmental	280,880	285,788	287,914	2,126
Investment Income	193,276	197,856	199,840	1,984
Fees, Licenses and Permits	351,592	359,924	363,533	3,609
Fines and Forfeitures	76,752	78,571	79,359	788
Charges for Services	708,002	724,779	732,047	7,268
Rentals	218,860	224,046	226,293	2,247
Miscellaneous	454,266	465,028	469,693	4,665
<i>Total Revenues</i>	38,254,339	39,160,800	39,553,509	392,709
Expenditures				
Current:				
General Government	7,735,521	7,735,521	7,217,666	517,855
Security of Persons and Property	9,581,981	9,581,981	9,252,209	329,772
Public Health and Welfare	75,441	75,441	71,810	3,631
Leisure Time Activities	3,358,227	3,358,227	3,153,792	204,435
Community Environment	4,543,085	4,543,085	4,120,646	422,439
Basic Utility Services	1,007,256	1,007,256	970,634	36,622
Transportation	883,160	883,160	808,321	74,839
<i>Total Expenditures</i>	27,184,671	27,184,671	25,595,078	1,589,593
<i>Excess of Revenues Over (Under) Expenditures</i>	11,069,668	11,976,129	13,958,431	1,982,302
Other Financing Sources (Uses)				
Sale of Capital Assets	82,300	82,300	82,300	0
Advances In	2,188,800	2,188,800	2,188,800	0
Advances Out	(13,208,500)	(13,208,500)	(13,208,500)	0
Transfers Out	(6,384,650)	(9,761,250)	(9,761,250)	0
<i>Total Other Financing Sources (Uses)</i>	(17,322,050)	(20,698,650)	(20,698,650)	0
<i>Net Change in Fund Balance</i>	(6,252,382)	(8,722,521)	(6,740,219)	1,982,302
<i>Fund Balance Beginning of Year</i>	9,061,277	9,061,277	9,061,277	0
Prior Year Encumbrances Appropriated	1,284,154	1,284,154	1,284,154	0
<i>Fund Balance End of Year</i>	\$4,093,049	\$1,622,910	\$3,605,212	\$1,982,302

See accompanying notes to the basic financial statements

City of Independence, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
High Intensity Drug Trafficking Area Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$6,290,000	\$5,842,000	\$5,844,476	\$2,476
Charges for Services	10,000	10,000	10,504	504
Miscellaneous	0	0	6,806	6,806
<i>Total Revenues</i>	6,300,000	5,852,000	5,861,786	9,786
Expenditures				
Current:				
General Government	6,335,675	5,868,515	5,826,664	41,851
<i>Excess of Revenues Over (Under) Expenditures</i>	(35,675)	(16,515)	35,122	51,637
Other Financing Sources (Uses)				
Transfers Out	(53,840)	(53,840)	(53,840)	0
<i>Net Change in Fund Balance</i>	(89,515)	(70,355)	(18,718)	51,637
<i>Fund Balance Beginning of Year</i>	4,680	4,680	4,680	0
Prior Year Encumbrances Appropriated	89,515	89,515	89,515	0
<i>Fund Balance End of Year</i>	<u>\$4,680</u>	<u>\$23,840</u>	<u>\$75,477</u>	<u>\$51,637</u>

See accompanying notes to the basic financial statements

City of Independence, Ohio
Statement of Fund Net Position
Internal Service Fund
December 31, 2021

	<u>Insurance</u>
Assets	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	\$887,809
Liabilities	
<i>Current Liabilities:</i>	
Contracts Payable	<u>520</u>
Net Position	
Unrestricted	<u><u>\$887,289</u></u>

See accompanying notes to the basic financial statements

City of Independence, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Internal Service Fund
For the Year Ended December 31, 2021*

	Insurance
Operating Revenues	
Other	\$2,753
Operating Expenses	
Contractual Services	287,886
Claims	27,610
<i>Total Operating Expenses</i>	315,496
<i>Change in Net Position</i>	(312,743)
<i>Net Position Beginning of Year</i>	1,200,032
<i>Net Position End of Year</i>	\$887,289

See accompanying notes to the basic financial statements

City of Independence, Ohio
Statement of Cash Flows
Internal Service Fund
For the Year Ended December 31, 2021

	Insurance
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Other Services	\$2,753
Cash Payments for Services	(458,430)
Cash Payments for Claims	(27,610)
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(483,287)
<i>Cash and Cash Equivalents Beginning of Year</i>	1,371,096
<i>Cash and Cash Equivalents End of Year</i>	\$887,809
 Reconciliation of Operating Loss to Net Cash Used in Operating Activities	
<i>Operating Income (Loss)</i>	(\$312,743)
Adjustments:	
Increase (Decrease) in Liabilities:	
Accounts Payable	(112,788)
Contracts Payable	(57,756)
<i>Net Cash Provided by (Used for) Operating Activities</i>	(\$483,287)

See accompanying notes to the basic financial statements

City of Independence, Ohio
Statement of Fiduciary Net Position
Custodial Fund
December 31, 2021

	<u>Mayor's Court</u>
Assets	
Cash and Cash Equivalents in Segregated Accounts	<u>\$21,985</u>
Liabilities	
Accounts Payable	7,320
Intergovernmental Payable	<u>7,533</u>
<i>Total Liabilities</i>	<u>14,853</u>
Net Position	
Restricted for Individuals, Organizations and Other Governments	<u><u>\$7,132</u></u>

See accompanying notes to the basic financial statements

City of Independence, Ohio
Statement of Changes in Fiduciary Net Position
Custodial Fund
For the Year Ended December 31, 2021

	<u>Mayor's Court</u>
Additions	
Fines and Forfeitures Collected for Other Governments	\$40,493
Miscellaneous	38,845
<i>Total Additions</i>	<u>79,338</u>
Deductions	
Fines and Forfeitures Distributions for Other Governments	39,266
Fee Distributions to Others	200
Miscellaneous	40,072
<i>Total Deductions</i>	<u>79,538</u>
<i>Change in Net Position</i>	(200)
<i>Net Position Beginning of Year</i>	<u>7,332</u>
<i>Net Position End of Year</i>	<u>\$7,132</u>

See accompanying notes to the basic financial statements

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

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

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

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

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

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

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

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

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

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

Fund Accounting

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

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

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

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

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

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

Street Resurfacing Fund The street resurfacing fund accounts for and reports restricted debt proceeds, grant monies and transfers from the general fund for infrastructure improvements made within the City.

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

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

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

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

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

Measurement Focus

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

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

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

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

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

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

Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, OPEB and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance 2022 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, delinquent payments in lieu of taxes, special assessments, rentals, intergovernmental grants and miscellaneous revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 11 and 12)

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Budgetary Process

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

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

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

Cash and Cash Equivalents

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

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

During 2021, investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio) and municipal securities. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Except for nonparticipating investment contracts investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit and repurchase agreements, are reported at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2021 amounted to \$200,016, which includes \$141,323 assigned from other City funds. Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents.

Prepaid Items

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

Restricted Assets

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

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$1,000 with the exception of land, as land was listed regardless of cost. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

Interfund Balances

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Based on City policy, no vacation accrual was recorded.

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

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

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Fund Balance

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

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

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State statute. State statute authorizes the Director of Finance to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance for compensated absences, for economic development and to cover a gap between estimated revenues and appropriations in 2022's budget. All remaining assigned amounts in the general fund were established by City Council.

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

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

Net Position

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

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. Any revenues and expenses not meeting the definition of operating are reported as nonoperating.

Deferred Charge on Refunding

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

Bond Premiums

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

Interfund Activity

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

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

Estimates

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

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 – Fund Balances

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

Fund Balances	General	HIDTA	TIF Projects	Quadrant Tax Increment Financing	Street Resurfacing	Other Governmental Funds	Total
<i>Nonspendable</i>							
Prepays	\$353,599	\$0	\$0	\$0	\$0	\$13,722	\$367,321
Interfund Loans	34,457,000	0	0	0	0	0	34,457,000
Unclaimed Funds	8,138	0	0	0	0	0	8,138
<i>Total Nonspendable</i>	34,818,737	0	0	0	0	13,722	34,832,459
<i>Restricted for</i>							
Road Improvements	0	0	0	0	0	688,386	688,386
Capital Improvements	0	0	0	0	4,103,646	6,925,267	11,028,913
Police Programs	0	0	0	0	0	73,812	73,812
Law Enforcement and Education	0	0	0	0	0	128,822	128,822
HIDTA Program	0	25,146	0	0	0	0	25,146
Mayor's Court Computer	0	0	0	0	0	28,655	28,655
Debt Service Payments	0	0	167,887	0	0	27,557	195,444
<i>Total Restricted</i>	0	25,146	167,887	0	4,103,646	7,872,499	12,169,178
<i>Committed to</i>							
Handicap Parking	0	0	0	0	0	28,233	28,233
Citizen-Focused Activities	0	0	0	0	0	38,180	38,180
City Upkeep	0	0	0	0	0	33,727	33,727
Recreation	0	0	0	0	0	674,786	674,786
<i>Total Committed</i>	0	0	0	0	0	774,926	774,926
<i>Assigned to</i>							
2022 Operations	3,436,562	0	0	0	0	0	3,436,562
Compensated Absences	630,200	0	0	0	0	0	630,200
Economic Development	371,342	0	0	0	0	0	371,342
Purchases on Order:							
City Administration	624,762	0	0	0	0	0	624,762
Buildings and Land Maintenance	57,860	0	0	0	0	0	57,860
Engineering and Building Services	10,699	0	0	0	0	0	10,699
Fire & Police Department	153,694	0	0	0	0	0	153,694
Recreation	61,797	0	0	0	0	0	61,797
Cemetery	141	0	0	0	0	0	141
Economic Development	207,402	0	0	0	0	0	207,402
Transportation and Utility Services	119,018	0	0	0	0	0	119,018
Debt Service Payments	0	0	0	0	0	2,038	2,038
Capital Improvements	0	0	0	0	0	1,146,208	1,146,208
<i>Total Assigned</i>	5,673,477	0	0	0	0	1,148,246	6,821,723
<i>Unassigned (Deficit)</i>	5,148,071	0	0	(24,417,318)	0	(776,333)	(20,045,580)
<i>Total Fund Balances (Deficit)</i>	\$45,640,285	\$25,146	\$167,887	(\$24,417,318)	\$4,103,646	\$9,033,060	\$34,552,706

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

The City has a general fund budget stabilization arrangement that does not meet the criteria to be classified as restricted or committed. Pursuant to Ohio Revised Code Section 5705.13, the City established a budget stabilization by ordinance to stabilize against cyclical changes in revenues. Additions are limited by State statute to five percent of the revenue credited in the preceding year to the general fund. These dollars will only be spent if there are significant reductions in revenue related to unexpected income tax refunds. The balance in the reserve at December 31, 2021, is \$1,600,000.

Note 4 – Accountability

The fund deficits in the Quadrant Tax Increment Financing and issue II capital projects funds of \$24,417,318 and \$27,944, respectively, are due to interfund payables for various tax increment financing projects. The fund deficits in the strike force and police pension special revenue funds of \$744,111 and \$4,278, respectively, were due to accrued liabilities. The general fund is liable for any deficit in these funds and provides transfers when cash is required, rather than when accruals occur.

Note 5 – Budgetary Basis of Accounting

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

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

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

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Net Change in Fund Balance		
	General	HIDTA
GAAP Basis	\$5,475,302	(\$34,204)
Net Adjustment for Revenue Accruals	(349,993)	0
Advances In	2,188,800	0
Advances Out	(13,208,500)	0
Net Adjustment for Expenditure Accruals	122,522	15,486
Perspective Differences:		
Compensated Absences Fund	155,662	0
Economic Development Fund	390,471	0
Encumbrances	(1,514,483)	0
Budget Basis	(\$6,740,219)	(\$18,718)

Note 6 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

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

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

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

City of Independence, Ohio
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For the Year Ended December 31, 2021

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$25,661,915 of the City's bank balance of \$26,411,915 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution.

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

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

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

Investments

Investments are reported at fair value. As of December 31, 2021, 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	\$7,638,816	55.8 Days	AAAm	N/A
Fair Value - Level Two Inputs				
Municipal Securities	<u>3,888,000</u>	Less than One Year	AAAm	33.73%
Total	<u><u>\$11,526,816</u></u>			

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2021. The City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Municipal Securities and the Certificates of Deposit are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the finance director or qualified trustee.

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

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

Note 7 – Receivables

Receivables at December 31, 2021, consisted primarily of payments in lieu of taxes, property taxes, municipal income taxes, accounts (billings for user charged services), special assessments, hotel/motel taxes and intergovernmental receivables arising from grants, entitlements and shared revenues.

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

Special assessments expected to be collected in more than one year amount to \$2,821,484. At December 31, 2021, The City had \$67,341 in delinquent special assessments.

Property Taxes

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

2021 real property taxes are levied after October 1, 2021, on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

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. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

The full tax rate for all City operations for the year ended December 31, 2021, was \$2.20 per \$1,000 of assessed value. The assessed values of real property, public utility tangible property, and tangible personal property upon which 2021 property tax receipts were based are as follows:

Real Property:	
Residential/Agricultural	\$280,040,760
Other Real Estate	183,500,830
Public Utility Personal Property	32,443,030
Total	\$495,984,620

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City of Independence. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes and public utility property taxes which were measurable as of December 31, 2021, and for which there is an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2021 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 all wages, salaries, commissions and other compensation and net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the Regional Income Tax Agency (RITA) at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. Taxes collected by RITA in one month are remitted to the City on the first and tenth business days of the following month. In 2021, the proceeds were allocated entirely to the general fund.

The Regional Income Tax Agency administers and-collects income taxes for the City. Payments are remitted monthly net of collection fees of approximately 0.93 percent.

Intergovernmental Receivable

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

	Amount
Kent State University	\$544,896
Gasoline Excise Tax	274,558
NOPEC Grant	78,002
Auto Registration	75,620
Local Government	70,449
Bureau of Workers' Compensation	48,362
Homestead and Rollback	42,709
Cuyahoga County	36,241
Miscellaneous Governmental Agencies	17,824
City of Cleveland	15,170
Permissive Tax	11,530
Total Intergovernmental Receivables	\$1,215,361

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Payments in Lieu of Taxes

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

Note 8 – Risk Management

Property and Liability

The City is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2021, the City contracted with Traveler' Insurance Company for various types of insurance as follows:

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

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

The City accounts for activity of the self-insured general liability program for all lawsuits within the internal service fund. There were no outstanding claims at December 31, 2021. Changes in the fund's claims liability amount for 2020 and 2021 were:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2020	\$0	\$26,213	\$26,213	\$0
2021	0	27,610	27,610	0

Workers' Compensation

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

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 9 – Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	Balance 12/31/20	Additions	Reductions	Balance 12/31/21
Governmental Activities:				
Nondepreciable Capital Assets				
Land	\$20,371,635	\$1,165,473	\$0	\$21,537,108
Construction in Progress	28,608,089	2,949,828	(61,146)	31,496,771
<i>Total Nondepreciable Capital Assets</i>	<u>48,979,724</u>	<u>4,115,301</u>	<u>(61,146)</u>	<u>53,033,879</u>
Depreciable Capital Assets				
Buildings and Improvements	42,002,713	0	0	42,002,713
Land Improvements	680,758	0	0	680,758
Machinery and Equipment	8,177,030	1,296,253	(20,478)	9,452,805
Furniture and Fixtures	1,833,108	0	0	1,833,108
Vehicles	10,703,967	1,411,592	(304,904)	11,810,655
Infrastructure				
Roads	77,797,737	61,146	0	77,858,883
Water Lines	5,432,820	0	0	5,432,820
Sanitary Sewers	6,715,499	0	0	6,715,499
Storm Sewers	10,849,706	0	0	10,849,706
<i>Total Depreciable Capital Assets</i>	<u>164,193,338</u>	<u>2,768,991</u>	<u>(325,382)</u>	<u>166,636,947</u>
Buildings and Improvements	(18,996,480)	(943,157)	0	(19,939,637)
Land Improvements	(128,064)	(28,903)	0	(156,967)
Machinery and Equipment	(5,679,421)	(369,023)	20,478	(6,027,966)
Furniture and Fixtures	(1,738,310)	(8,996)	0	(1,747,306)
Vehicles	(6,522,704)	(520,796)	304,904	(6,738,596)
Infrastructure				
Roads	(33,800,449)	(2,335,766)	0	(36,136,215)
Water Lines	(1,587,715)	(54,328)	0	(1,642,043)
Sanitary Sewers	(1,133,268)	(67,155)	0	(1,200,423)
Storm Sewers	(5,265,372)	(216,994)	0	(5,482,366)
<i>Total Accumulated Depreciation</i>	<u>(74,851,783)</u>	<u>(4,545,118) *</u>	<u>325,382</u>	<u>(79,071,519)</u>
Total Depreciable Capital Assets, Net	<u>89,341,555</u>	<u>(1,776,127)</u>	<u>0</u>	<u>87,565,428</u>
Governmental Activities Capital Assets, Net	<u>\$138,321,279</u>	<u>\$2,339,174</u>	<u>(\$61,146)</u>	<u>\$140,599,307</u>

* Depreciation expense was charged to governmental activities as follows:

General Government	\$4,349,479
Security of Persons and Property	56,247
Leisure Time Activities	23,338
Community Environment	10,449
Basic Utility Services	4,183
Transportation	101,422
Total	<u>\$4,545,118</u>

City of Independence, Ohio
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For the Year Ended December 31, 2021

Note 10 – Contingencies

Grants

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

Litigation

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

Note 11 - Defined Benefit Pension Plans

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

Net Pension Liability (Asset)/Net OPEB Liability (Asset)

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

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

City of Independence, Ohio
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GASB 68/75 assumes the liability is 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 liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide health care to eligible benefit recipients.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. 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 (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The 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 cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

City of Independence, Ohio
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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 (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2021 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.

For 2021, the City’s contractually required contribution was \$1,012,245 for the traditional plan, \$21,984 for the combined plan and \$97,856 for the member-directed plan. Of these amounts, \$99,485 is reported as an intergovernmental payable for the traditional plan, \$2,470 for the combined plan, and \$9,613 for the member-directed plan.

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

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

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

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

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

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

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

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

City of Independence, Ohio
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	<u>Police</u>	<u>Firefighters</u>
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2021 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	<u>12.25 %</u>	<u>12.25 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,114,431 for 2021. Of this amount, \$109,434 is reported as an intergovernmental payable.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the City's defined benefit pension plans:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.0482260%	0.0361800%	0.2113950%	
Prior Measurement Date	<u>0.0502830%</u>	<u>0.0508960%</u>	<u>0.2245234%</u>	
Change in Proportionate Share	<u>-0.0020570%</u>	<u>-0.0147160%</u>	<u>-0.0131284%</u>	
Proportionate Share of the:				
Net Pension Liability	\$7,141,221	\$0	\$14,410,986	\$21,552,207
Net Pension Asset	0	(104,438)	0	(104,438)
Pension Expense	(604,619)	4,820	1,028,778	428,979

2021 pension expense for the member-directed defined contribution plan was \$69,897. The aggregate pension expense for all pension plans was \$498,876 for 2021.

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

City of Independence, Ohio
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	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	\$0	\$0	\$602,428	\$602,428
Changes of assumptions	0	6,522	241,679	248,201
Changes in proportion and differences between City contributions and proportionate share of contributions	0	31,408	83,877	115,285
City contributions subsequent to the measurement date	1,012,245	21,984	1,114,431	2,148,660
Total Deferred Outflows of Resources	\$1,012,245	\$59,914	\$2,042,415	\$3,114,574
Deferred Inflows of Resources				
Differences between expected and actual experience	\$298,723	\$19,703	\$561,409	\$879,835
Net difference between projected and actual earnings on pension plan investments	2,783,439	15,531	699,028	3,497,998
Changes in proportion and differences between City contributions and proportionate share of contributions	592,734	10,397	842,752	1,445,883
Total Deferred Inflows of Resources	\$3,674,896	\$45,631	\$2,103,189	\$5,823,716

\$2,148,660 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 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Year Ending December 31:				
2022	(\$1,672,381)	(\$4,980)	(\$161,481)	(\$1,838,842)
2023	(488,271)	(2,251)	98,281	(392,241)
2024	(1,134,624)	(5,835)	(812,821)	(1,953,280)
2025	(379,620)	(1,378)	(240,584)	(621,582)
2026	0	836	(58,600)	(57,764)
Thereafter	0	5,907	0	5,907
Total	(\$3,674,896)	(\$7,701)	(\$1,175,205)	(\$4,857,802)

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.

City of Independence, Ohio
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Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020, 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	.5 percent, simple through 2021, then 2.15 percent, simple	.5 percent, simple through 2021, 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 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to .5 percent simple through 2021 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 above described tables.

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

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

City of Independence, Ohio
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For the Year Ended December 31, 2021

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

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	\$13,621,916	\$7,141,221	\$1,752,533
OPERS Combined Plan	(72,722)	(104,438)	(128,077)

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

Actuarial Assumptions – OP&F

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

City of Independence, Ohio
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are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2020, are presented as follows:

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
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	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 long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset

City of Independence, Ohio
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classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

* levered 2.5x

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

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

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$20,061,940	\$14,410,986	\$9,681,710

City of Independence, Ohio
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Note 12 - Defined Benefit OPEB Plans

See Note 11 for a description of the net OPEB liability (asset).

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

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

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

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

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In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced 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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 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 2021, 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 2021 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 \$27,959 for 2021. Of this amount, \$2,747 is reported as an intergovernmental payable.

City of Independence, Ohio
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Plan Description – Ohio Police & Fire Pension Fund (OP&F)

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

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

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

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

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 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.

City of Independence, Ohio
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The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$26,661 for 2021. Of this amount, \$2,618 is reported as an intergovernmental payable.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.0502220%	0.2113950%	
Prior Measurement Date	<u>0.0527310%</u>	<u>0.2245234%</u>	
Change in Proportionate Share	<u>-0.0025090%</u>	<u>-0.0131284%</u>	
Proportionate Share of the:			
Net OPEB Liability	\$0	\$2,239,766	\$2,239,766
Net OPEB Asset	(894,745)	0	(894,745)
OPEB Expense	(5,777,320)	182,399	(5,594,921)

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

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	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes of assumptions	\$439,866	\$1,237,348	\$1,677,214
Changes in proportion and differences between City contributions and proportionate share of contributions	1,780	23,145	24,925
City contributions subsequent to the measurement date	27,959	26,661	54,620
Total Deferred Outflows of Resources	\$469,605	\$1,287,154	\$1,756,759
Deferred Inflows of Resources			
Differences between expected and actual experience	\$807,502	\$369,441	\$1,176,943
Changes of assumptions	1,449,755	357,060	1,806,815
Net difference between projected and actual earnings on OPEB plan investments	476,553	83,234	559,787
Changes in proportion and differences between City contributions and proportionate share of contributions	425,578	148,635	574,213
Total Deferred Inflows of Resources	\$3,159,388	\$958,370	\$4,117,758

\$54,620 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 or an increase to the net OPEB asset in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2022	(\$1,539,330)	\$64,253	(\$1,475,077)
2023	(915,168)	83,963	(831,205)
2024	(207,091)	52,890	(154,201)
2025	(56,153)	66,717	10,564
2026	0	23,225	23,225
Thereafter	0	11,075	11,075
Total	(\$2,717,742)	\$302,123	(\$2,415,619)

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.

City of Independence, Ohio
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Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

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	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.00 percent
Prior Measurement date	2.75 percent
Health Care Cost Trend Rate:	
Current measurement date	8.5 percent, initial 3.50 percent, ultimate in 2035
Prior Measurement date	10.5 percent, initial 3.50 percent, ultimate in 2030
Actuarial Cost Method	Individual Entry Age

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

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

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

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

Discount Rate A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. 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 2.00 percent (Fidelity Index’s “20-Year Municipal GO AA Index”). 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 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB asset	(\$222,483)	(\$894,745)	(\$1,447,398)

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

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Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 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 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 asset	(\$916,552)	(\$894,745)	(\$870,347)

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

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

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Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
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
Blended discount rate:	
Current measurement date	2.96 percent
Prior measurement date	3.56 percent
Cost of Living Adjustments	2.2 percent simple

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

Discount Rate For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

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

Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.96 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
City's proportionate share of the net OPEB liability	\$2,792,858	\$2,239,766	\$1,783,527

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

Note 13 – Compensated Absences

Non-union employees earn five to twenty-five days of vacation per year, depending upon length of service. Most employees, who are part of a bargaining unit, earn vacation as outlined in the bargaining unit contract. Upon termination, employees are paid for accrued unused vacation and holidays. Based on City policy, there is no vacation accrual as of December 31, 2021. Employees earn sick leave at different rates depending upon length of service and type of employment. Sick leave accrual is continuous, without limit. Upon retirement, most non-union employee can be paid a maximum of one fourth of 960 hours of accumulated, unused sick leave. Retiring employees, who are part of a bargaining unit, are paid unused sick leave as outlined in the bargaining unit contract.

Note 14 – Jointly Governed Organizations

Southwest Council of Governments

The Southwest Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Board is composed of one member from each of the 19 participating entities. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. The City made contributions of \$22,500 during 2021.

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

Northeast Ohio Public Energy Council (NOPEC)

The City is a member of The Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of

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natural gas and electricity. NOPEC is currently composed of 220 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time ensuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives on the governing board from each county then elect one person to serve on the nine-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City did not contribute to NOPEC during 2021. Financial information can be obtained by contacting Chuck Keiper, Executive Director, 31360 Solon Road, Suite 23, Solon, Ohio 44139 or at the website www.nopecinfo.org.

Cuyahoga Valley Regional Council of Governments

The City participates in the Cuyahoga Valley Regional Council of Governments (the Council). The Council was formed to share jail and community services, foster municipal service, and coordinate action among its members in matters relating to public safety dispatch operations. The Council may also, at its discretion, promote cooperative agreements and contracts among its members or other governmental agencies and private persons, corporations, or agencies. The Council is controlled by an executive Board which is composed of a President, Vice President, Secretary and Fiscal Officer, who serves as Treasurer. The elected officers shall serve for a period of two years. Each member's control over the operation of the Council is limited to its representation on the Board. In 2021, the City made no contributions. Complete financial statements can be obtained from the Cuyahoga Valley Council of Governments, Cuyahoga County, Ohio.

Chagrin Valley Dispatch Council

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

The CVDC is provided with legislative oversight from the Majors and City Managers of the various communities. The Administrative Board consists of the chiefs of police and fire of each member municipality. The Administrative Board oversees and manages the operation of the program. The degree of control exercised by a participating government is limited to its representation on the Administrative Board. The City made contributions of \$806,911 to the CVDC during 2021. Financial information can be obtained by contacting Vic Nogalo, Administrator, 9018 Brecksville Road, Brecksville, Ohio 44141.

Regional Income Tax Agency

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collection income taxes on behalf of each member. RITA currently has approximately 345 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2021, the City paid RITA \$312,398 for income tax collection services.

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Note 15 – Shared Facilities Joint Operating Agreement

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

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

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

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

Note 16 – Long-Term Obligations

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

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
General Obligation Bonds			
2014 Northeast Quadrant TIF Refunding	1.00-4.00 %	\$4,305,000	December 1, 2030
2011 Various Purpose Refunding	1.75-5.00	16,935,000	December 1, 2028
2020 Various Purpose General Obligation	2.00-5.00	15,250,000	December 1, 2035
Special Assessment Bonds			
2018 Rockside Woods N. Sanitary Sewer Bonds	2.50-4.00	3,190,000	December 1, 2043
Ohio Public Works Commission Loans from Direct Borrowings			
2011 Pleasant Valley Intersection	0.00	225,000	January 1, 2032
2015 Pleasant Valley Widening	0.00	4,164,161	January 1, 2036

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

	Balance 12/31/20	Additions	Reductions	Balance 12/31/21	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds					
2014 Northeast Quadrant TIF Refunding					
Serial Bonds	\$3,000,000	\$0	(\$260,000)	\$2,740,000	\$265,000
Unamortized Premium	184,398	0	(18,440)	165,958	0
Total 2014 Northeast Quadrant TIF	3,184,398	0	(278,440)	2,905,958	265,000
2011 Various Purpose Refunding					
Serial Bonds	4,060,000	0	(4,060,000)	0	0
Unamortized Premium	225,062	0	(225,062)	0	0
Total 2011 Various Purpose Refunding	4,285,062	0	(4,285,062)	0	0
2020 Various Purpose GO					
Serial Bonds	15,250,000	0	(870,000)	14,380,000	900,000
Unamortized Premium	1,717,076	0	(107,880)	1,609,196	0
Total 2020 Various Purpose GO	16,967,076	0	(977,880)	15,989,196	900,000
<i>Total General Obligation Bonds</i>	24,436,536	0	(5,541,382)	18,895,154	1,165,000
Special Assessment Bonds					
2018 Rockside Woods N. Sanitary Sewer					
Serial Bonds	690,000	0	(90,000)	600,000	100,000
Term Bonds	2,350,000	0	0	2,350,000	0
Unamortized Premium	98,890	0	(4,315)	94,575	0
<i>Total Special Assessment Bonds</i>	3,138,890	0	(94,315)	3,044,575	100,000
OPWC Loans from Direct Borrowings					
2011 Pleasant Valley Intersection	135,000	0	(16,875)	118,125	11,250
2015 Pleasant Valley Widening	3,331,329	0	(312,312)	3,019,017	208,208
<i>Total OPWC Loans</i>	3,466,329	0	(329,187)	3,137,142	219,458
Other Long-term Obligations					
Net Pension Liability					
OPERS	9,938,776	0	(2,797,555)	7,141,221	0
OP&F	15,125,096	0	(714,110)	14,410,986	0
Total Net Pension Liability	25,063,872	0	(3,511,665)	21,552,207	0
Net OPEB Liability					
OPERS	7,283,521	0	(7,283,521)	0	0
OP&F	2,217,781	21,985	0	2,239,766	0
Total Net OPEB Liability	9,501,302	21,985	(7,283,521)	2,239,766	0
Compensated Absences	802,795	275,959	(367,951)	710,803	313,274
Asset Retirement Obligation	220,000	0	0	220,000	0
<i>Total Other Long-term Obligations</i>	35,587,969	297,944	(11,163,137)	24,722,776	313,274
<i>Total General Long-term Obligations</i>	\$66,629,724	\$297,944	(\$17,128,021)	\$49,799,647	\$1,797,732

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

In 2011, the City issued general obligation bonds, in the amount of \$16,935,000, to refund bonds previously issued in fiscal year 2003 for various purposes. The bonds are being retired through the issue II capital project fund, the non-TIF project and the TIF projects debt service funds. Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2003 Various Purpose bonds. As of December 31, 2021, \$3,520,000 of the defeased bonds are still outstanding. In 2021, the City used available cash to retire this bond issuance in full.

During 2019, the City used funds available to defease a portion of its 2011 various purpose refunding Bonds. The funds were used to advance refund \$4,305,000 of outstanding 2011, various purpose refunding bonds, which had interest rates ranging from 3.00 to 5.00 percent. The portion of the 2011 various purpose refunding bonds defeased included the issue of 2003 various purpose general obligation bond issue. Proceeds of \$4,464,877 were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the \$4,305,000 of principal \$243,196 of premium and (\$83,319) of the accounting loss associated with the 2011 various purpose refunding bonds are considered defeased and the liability for those bonds has been removed from the Statement of Net Position. As of December 31, 2021, \$1,135,000 of the defeased bonds are still outstanding.

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

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

Net proceeds of \$4,503,365 (including a \$299,647 premium and after payment of \$101,282 in issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2005 Northeast Quadrant TIF bonds. As a result, \$4,220,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. As of December 31, 2021, \$2,880,000 of the defeased bonds are still outstanding.

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

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

The City's outstanding OPWC loans from direct borrowings related to governmental activities of \$3,137,142 contain provisions that in the event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that such payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

The City's overall legal debt margin was \$37,698,385 at December 31, 2021. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2021, are as follows:

	General Obligation Bonds		Special Assessment Bonds		From Direct Borrowing
	Principal	Interest	Principal	Interest	OPWC Loan Principal
2022	\$1,165,000	\$600,600	\$100,000	\$107,019	\$219,458
2023	1,190,000	547,650	100,000	104,519	219,458
2024	1,215,000	493,550	100,000	102,019	219,458
2025	1,245,000	437,000	100,000	99,394	219,458
2026	1,275,000	379,100	100,000	96,643	219,458
2027-2031	6,510,000	1,046,200	560,000	429,218	1,097,290
2032-2036	4,520,000	228,300	680,000	309,217	942,562
2037-2041	0	0	835,000	162,914	0
2042-2043	0	0	375,000	20,482	0
Total	\$17,120,000	\$3,732,400	\$2,950,000	\$1,431,425	\$3,137,142

Note 17 – Interfund Transactions

Interfund Balances

Interfund Payable	Interfund Receivable		Totals
	General	Other Governmental Funds	
Quadrant Tax Increment Financing	\$34,457,000	\$500,000	\$34,957,000
Street Resurfacing	96,200	0	96,200
Other Governmental Funds	1,122,724	0	1,122,724
Total	\$35,675,924	\$500,000	\$36,175,924

The interfund receivables and payables are advances for grant monies and payment in lieu of tax revenue that were not repaid by year end. The City advances grant monies in the event that the award was not received when expected. The City advances money to fund the various TIF projects. All interfund balances, except the balance of \$34,457,000, are expected to be repaid within one year.

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Interfund Transfers

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

Transfer To	Transfer From				Total
	General	HIDTA	Quadrant Tax Increment Financing	Other Governmental	
Major Funds:					
TIF Projects	\$0	\$0	\$4,606,700	\$0	\$4,606,700
Street Resurfacing	4,435,000	0	0	0	4,435,000
Total Major Funds	4,435,000	0	4,606,700	0	9,041,700
Other Governmental Funds:					
Street Construction, Maintenance and Repair	400,000	0	0	0	400,000
Law Enforcement	0	0	0	56,500	56,500
Federal Forfeiture	0	53,840	0	0	53,840
Police Pension	160,000	0	0	0	160,000
Non-TIF Project	0	0	0	322,250	322,250
Capital Improvements	3,200,000	0	0	0	3,200,000
Drain Water	1,050,000	0	0	0	1,050,000
Public Safety Equipment	505,000	0	0	0	505,000
Route 21 and Pleasant Valley	11,250	0	0	0	11,250
Total Other Governmental Funds	5,326,250	53,840	0	378,750	5,758,840
Total	\$9,761,250	\$53,840	\$4,606,700	\$378,750	\$14,800,540

The general fund transfer to the street resurfacing capital projects fund and street construction, maintenance and repair special revenue fund were made to pay for street improvement and maintenance costs. The general fund transfer to the police pension special revenue fund was to provide additional support for various programs and services. The general fund transfer to the capital improvements capital projects fund were made to pay for capital acquisition costs. The general fund transfer to the drain water and route 21 and pleasant valley capital project funds were to pay for capital improvements and debt service requirements. The general fund transfer to the public safety equipment capital projects fund was to move EMS revenue to be used for the purchase of public safety equipment. The HIDTA transfer to the federal forfeiture special revenue fund was made through City Ordinance passed by Council. The quadrant tax increment financing transfer to the TIF projects debt service fund was to pay for debt service requirements. The other governmental transfer to the law enforcement special revenue fund was made through City Ordinance passed by Council. The other governmental transfers to the non-TIF project debt service fund was to pay for debt service requirements.

Note 18 – Significant Commitments

Encumbrances

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

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

<i>Governmental Funds:</i>	
General	\$1,514,483
HIDTA	0
Quadrant Tax Increment Financing	11,009,415
Street Resurfacing	3,880,259
Other Governmental Funds	8,503,663
<i>Total Governmental Funds</i>	<u><u>\$24,907,820</u></u>
Internal Service Fund	<u><u>\$172,977</u></u>

Contractual Commitments

As of December 31, 2021, the City had the following contract balances for various construction projects:

Project	Original Contract	Amount Paid to Date	Remaining Amount
Brookside/Bramley	\$6,333,794	\$5,999,875	\$333,919
Hillside Road East Sidewalks	744,610	634,790	109,820
Hillside Road West Sidewalks	1,437,332	707,162	730,170
Lafayette Subdivision	3,937,897	3,671,077	266,820
Lower Rockside Road Bridge Lighting	756,720	104,156	652,564
Old Rockside Road Bridge	1,732,524	1,621,394	111,130
Rockside Road and I-77 Ramp	977,047	797,096	179,951
Rockside Woods Boulevard North and Brecksville Road	12,524,126	11,741,390	782,736
Upper Brookside	2,328,224	2,236,776	91,448
Upper Brookside Phase 2	1,245,061	1,080,947	164,114
Welty Parking Lot Phase 2	175,600	46,405	129,195
Total	<u><u>\$32,192,935</u></u>	<u><u>\$28,641,068</u></u>	<u><u>\$3,551,867</u></u>

Remaining commitments were encumbered at year-end. The amounts of \$746,701 and \$528,759 in contracts and retainage payable for governmental activities, respectively, have been capitalized.

Note 19 – Changes in Accounting Principle

For 2021, the City implemented the Governmental Accounting Standards Board’s (GASB) Statement No. 98, *The Annual Comprehensive Financial Report*. GASB 98 establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The City is also implementing *Implementation Guide No. 2019-1*. These changes were incorporated in the City’s 2021 financial statements; however, there was no effect on beginning net position/fund balance.

City of Independence, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 20 – Asset Retirement Obligations

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

The Bureau of Underground Storage Tank Regulations (BUSTR) regulates petroleum and hazardous substances stored in underground storage tanks. These regulations are included in Ohio Administrative Code Section 1301-7-9 and require a County/City classified as an “owner” or “operator,” to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must first be obtained for that year it is not being used. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination. This asset retirement obligation (ARO) of \$220,000 associated with the City’s underground storage tanks was estimated by the Service Director who is also a licensed engineer. The remaining useful life of these USTs are nine years. The City maintains insurance related to any potential pollution remediation associated with the USTs.

Note 21 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The impact on the City’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 22 – Subsequent Event

As of December 31, 2021, the City was party to a legal proceeding brought forward by a former employee. At the end of April 2022, the City as one of the defendants, engaged in a mediation process. That process led to a settlement agreement, which was then ratified and approved by the Independence City Council on May 10, 2022 via Ordinance 2022-71 in the amount of \$973,940. The settlement check of \$973,940 was dated May 31, 2022 and was forwarded to the Plaintiff’s legal counsel.

Required Supplementary Information

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

	2021	2020	2019	2018
City's Proportion of the Net Pension Liability	0.0482260%	0.0502830%	0.0568610%	0.0566550%
City's Proportionate Share of the Net Pension Liability	\$7,141,221	\$9,938,776	\$15,573,075	\$8,888,072
City's Covered Payroll	\$6,792,450	\$7,074,786	\$6,828,821	\$7,486,608
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	105.13%	140.48%	228.05%	118.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%

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

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

See accompanying notes to the required supplementary information.

2017	2016	2015	2014
0.0572990%	0.0584940%	0.0582290%	0.0582290%
\$13,011,628	\$10,131,898	\$7,023,068	\$6,864,440
\$7,407,167	\$7,280,083	\$7,139,083	\$7,003,438
175.66%	139.17%	98.37%	98.02%
77.25%	81.08%	86.45%	86.36%

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

	2021	2020	2019	2018
City's Proportion of the Net Pension Asset	0.0361800%	0.0508960%	0.0636930%	0.0553870%
City's Proportionate Share of the Net Pension Asset	\$104,438	\$106,129	\$71,224	\$75,399
City's Covered Payroll	\$159,443	\$226,564	\$240,443	\$226,838
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	-65.50%	-46.84%	-29.62%	-33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	157.67%	145.28%	126.64%	137.28%

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

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

See accompanying notes to the required supplementary information.

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

	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability (Asset)	0.0502220%	0.0527310%	0.0596660%	0.0580400%	0.0560000%
City's Proportionate Share of the Net OPEB Liability (Asset)	(\$894,745)	\$7,283,521	\$7,779,038	\$6,302,718	\$5,656,190
City's Covered Payroll	\$7,595,343	\$7,966,625	\$7,689,389	\$8,220,296	\$7,738,900
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-11.78%	91.43%	101.17%	76.67%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	47.80%	46.33%	54.14%	54.04%

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

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

See accompanying notes to the required supplementary information.

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

	2021	2020	2019	2018
City's Proportion of the Net Pension Liability	0.2113950%	0.2245234%	0.2257310%	0.2249630%
City's Proportionate Share of the Net Pension Liability	\$14,410,986	\$15,125,096	\$18,425,616	\$13,806,996
City's Covered Payroll	\$5,252,996	\$5,437,928	\$5,213,083	\$4,974,812
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	274.34%	278.14%	353.45%	277.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.65%	69.89%	63.07%	70.91%

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

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

See accompanying notes to the required supplementary information.

2017	2016	2015	2014
0.2269520%	0.2205880%	0.2187702%	0.2187702%
\$14,374,911	\$14,190,580	\$11,333,209	\$10,654,795
\$4,776,754	\$4,561,994	\$4,415,260	\$4,301,102
300.93%	311.06%	256.68%	247.72%
68.36%	66.77%	71.71%	73.00%

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

	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.2113950%	0.2245234%	0.2257310%	0.2249630%	0.2269520%
City's Proportionate Share of the Net OPEB Liability	\$2,239,766	\$2,217,781	\$2,055,627	\$12,746,089	\$10,772,901
City's Covered Payroll	\$5,252,996	\$5,437,928	\$5,213,083	\$4,974,812	\$4,776,754
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	42.64%	40.78%	39.43%	256.21%	225.53%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	45.40%	47.08%	46.57%	14.13%	15.96%

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

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

See accompanying notes to the required supplementary information.

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

	2021	2020	2019
Net Pension Liability - Traditional Plan			
Contractually Required Contribution	\$1,012,245	\$950,943	\$990,470
Contributions in Relation to the Contractually Required Contribution	<u>(1,012,245)</u>	<u>(950,943)</u>	<u>(990,470)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$7,230,321	\$6,792,450	\$7,074,786
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net Pension Liability - Combined Plan			
Contractually Required Contribution	\$21,984	\$22,322	\$31,719
Contributions in Relation to the Contractually Required Contribution	<u>(21,984)</u>	<u>(22,322)</u>	<u>(31,719)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$157,029	\$159,443	\$226,564
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability - OPEB Plan (2)			
Contractually Required Contribution	\$27,959	\$25,738	\$26,611
Contributions in Relation to the Contractually Required Contribution	<u>(27,959)</u>	<u>(25,738)</u>	<u>(26,611)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (3)	\$8,086,325	\$7,595,343	\$7,966,625
OPEB Contributions as a Percentage of Covered Payroll	<u>0.35%</u>	<u>0.34%</u>	<u>0.33%</u>

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

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

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

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014	2013
\$956,035	\$973,259	\$888,860	\$873,610	\$856,690	\$910,447
<u>(956,035)</u>	<u>(973,259)</u>	<u>(888,860)</u>	<u>(873,610)</u>	<u>(856,690)</u>	<u>(910,447)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,828,821	\$7,486,608	\$7,407,167	\$7,280,083	\$7,139,083	\$7,003,438
<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>
\$33,662	\$29,489	\$17,455	\$9,447	\$8,643	\$8,901
<u>(33,662)</u>	<u>(29,489)</u>	<u>(17,455)</u>	<u>(9,447)</u>	<u>(8,643)</u>	<u>(8,901)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$240,443	\$226,838	\$145,458	\$78,725	\$72,025	\$68,469
<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>
\$24,805	\$97,408	\$158,504			
<u>(24,805)</u>	<u>(97,408)</u>	<u>(158,504)</u>			
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>			
\$7,689,389	\$8,220,296	\$7,738,900			
<u>0.32%</u>	<u>1.18%</u>	<u>2.05%</u>			

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Pension Liability				
Contractually Required Contribution	\$1,114,431	\$1,095,389	\$1,127,482	\$1,079,917
Contributions in Relation to the Contractually Required Contribution	<u>(1,114,431)</u>	<u>(1,095,389)</u>	<u>(1,127,482)</u>	<u>(1,079,917)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$5,332,211	\$5,252,996	\$5,437,928	\$5,213,083
Pension Contributions as a Percentage of Covered Payroll	<u>20.90%</u>	<u>20.85%</u>	<u>20.73%</u>	<u>20.72%</u>
Net OPEB Liability				
Contractually Required Contribution	\$26,661	\$26,265	\$27,190	\$26,066
Contributions in Relation to the Contractually Required Contribution	<u>(26,661)</u>	<u>(26,265)</u>	<u>(27,190)</u>	<u>(26,066)</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>21.40%</u>	<u>21.35%</u>	<u>21.23%</u>	<u>21.22%</u>

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

See accompanying notes to the required supplementary information.

2017	2016	2015	2014	2013	2012
\$1,033,612	\$991,894	\$946,316	\$915,539	\$756,233	\$619,797
(1,033,612)	(991,894)	(946,316)	(915,539)	(756,233)	(619,797)
\$0	\$0	\$0	\$0	\$0	\$0
\$4,974,812	\$4,776,754	\$4,561,994	\$4,415,260	\$4,301,102	\$4,293,869
20.78%	20.77%	20.74%	20.74%	17.58%	14.43%
\$24,874	\$23,884	\$22,810	\$22,077	\$155,557	\$289,836
(24,874)	(23,884)	(22,810)	(22,077)	(155,557)	(289,836)
\$0	\$0	\$0	\$0	\$0	\$0
0.50%	0.50%	0.50%	0.50%	3.62%	6.75%
21.28%	21.27%	21.24%	21.24%	21.20%	21.18%

City of Independence, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2021

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:

2021	0.5 percent, simple through 2021 then 2.15 percent, simple
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 pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

City of Independence, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2021

Changes in Assumptions – OPERS Pension – Combined Plan

For 2021 and 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.

Changes in Assumptions – OP&F Pension

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

	Beginning in 2018	2017 and Prior
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	2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increases 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	###

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 Independence, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2021

Changes in Assumptions – OPERS OPEB

Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 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 – OP&F OPEB

Blended Discount Rate:	
2021	2.96 percent
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

Changes in Benefit Terms – OPERS OPEB

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

Changes in Benefit Terms – OP&F OPEB

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

Combining and Individual Fund Statements and Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

Nonmajor Special Revenue Funds (continued)

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

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

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

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

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

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

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

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

Nonmajor Debt Service Funds

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

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

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

Nonmajor Capital Projects Funds

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

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

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

(continued)

Nonmajor Capital Projects Funds (continued)

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

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

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

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

City of Independence, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,572,202	\$29,595	\$7,751,251	\$10,353,048
Cash and Cash Equivalents In Segregated Accounts	443	0	0	443
Interfund Receivable	0	0	500,000	500,000
Intergovernmental Receivable	374,700	0	0	374,700
Prepaid Items	566	0	13,156	13,722
Accrued Interest Receivable	18,681	0	0	18,681
Special Assessments Receivable	0	0	3,017,341	3,017,341
Property Taxes Receivable	142,183	0	0	142,183
<i>Total Assets</i>	<u>\$3,108,775</u>	<u>\$29,595</u>	<u>\$11,281,748</u>	<u>\$14,420,118</u>
Liabilities				
Accounts Payable	\$171,125	\$0	\$0	\$171,125
Contracts Payable	0	0	137,937	137,937
Intergovernmental Payable	64,077	0	0	64,077
Retainage Payable	0	0	41,283	41,283
Interfund Payable	1,094,224	0	28,500	1,122,724
Unearned Revenue	375,794	0	0	375,794
<i>Total Liabilities</i>	<u>1,705,220</u>	<u>0</u>	<u>207,720</u>	<u>1,912,940</u>
Deferred Inflows of Resources				
Property Taxes	136,876	0	0	136,876
Unavailable Revenue	319,901	0	3,017,341	3,337,242
<i>Total Deferred Inflows of Resources</i>	<u>456,777</u>	<u>0</u>	<u>3,017,341</u>	<u>3,474,118</u>
Fund Balances				
Nonspendable	566	0	13,156	13,722
Restricted	919,675	27,557	6,925,267	7,872,499
Committed	774,926	0	0	774,926
Assigned	0	2,038	1,146,208	1,148,246
Unassigned (Deficit)	(748,389)	0	(27,944)	(776,333)
<i>Total Fund Balances</i>	<u>946,778</u>	<u>29,595</u>	<u>8,056,687</u>	<u>9,033,060</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$3,108,775</u>	<u>\$29,595</u>	<u>\$11,281,748</u>	<u>\$14,420,118</u>

City of Independence, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$133,775	\$0	\$0	\$133,775
Intergovernmental	2,225,281	0	6,000	2,231,281
Investment Income	42,749	0	0	42,749
Fees, Licenses and Permits	445,648	0	0	445,648
Fines and Forfeitures	144,892	0	0	144,892
Rentals	0	0	15,645	15,645
Special Assessments	0	0	194,358	194,358
Miscellaneous	22,379	1,000	13,762	37,141
<i>Total Revenues</i>	<u>3,014,724</u>	<u>1,000</u>	<u>229,765</u>	<u>3,245,489</u>
Expenditures				
Current:				
General Government	2,121,284	12,000	0	2,133,284
Security of Persons and Property	734,124	0	0	734,124
Leisure Time Activities	206,855	0	0	206,855
Transportation	1,197,378	0	0	1,197,378
Capital Outlay	0	0	3,754,899	3,754,899
Debt Service:				
Principal Retirement	0	212,775	0	212,775
Interest and Fiscal Charges	0	113,374	0	113,374
<i>Total Expenditures</i>	<u>4,259,641</u>	<u>338,149</u>	<u>3,754,899</u>	<u>8,352,689</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,244,917)</u>	<u>(337,149)</u>	<u>(3,525,134)</u>	<u>(5,107,200)</u>
Other Financing Sources (Uses)				
Transfers In	670,340	322,250	4,766,250	5,758,840
Transfers Out	(56,500)	0	(322,250)	(378,750)
<i>Total Other Financing Sources (Uses)</i>	<u>613,840</u>	<u>322,250</u>	<u>4,444,000</u>	<u>5,380,090</u>
<i>Net Change in Fund Balances</i>	(631,077)	(14,899)	918,866	272,890
<i>Fund Balances Beginning of Year</i>	<u>1,577,855</u>	<u>44,494</u>	<u>7,137,821</u>	<u>8,760,170</u>
<i>Fund Balances End of Year</i>	<u><u>\$946,778</u></u>	<u><u>\$29,595</u></u>	<u><u>\$8,056,687</u></u>	<u><u>\$9,033,060</u></u>

City of Independence, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021

	State Highway	Motor Vehicle License Tax	Street Construction, Maintenance and Repair	Enforcement and Education
Assets				
Equity in Pooled Cash and Cash Equivalents	\$172,994	\$86,080	\$367,698	\$14,974
Cash and Cash Equivalents In Segregated Accounts	0	0	0	0
Intergovernmental Receivable	26,262	11,530	323,916	0
Prepaid Items	0	0	0	0
Accrued Interest Receivable	0	0	18,681	0
Property Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$199,256</u>	<u>\$97,610</u>	<u>\$710,295</u>	<u>\$14,974</u>
Liabilities				
Accounts Payable	\$0	\$0	\$4,974	\$0
Intergovernmental Payable	0	0	5,031	0
Interfund Payable	0	0	0	0
Unearned Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>10,005</u>	<u>0</u>
Deferred Inflows of Resources				
Property Taxes	0	0	0	0
Unavailable Revenue	22,432	9,668	276,670	0
<i>Total Deferred Inflows of Resources</i>	<u>22,432</u>	<u>9,668</u>	<u>276,670</u>	<u>0</u>
Fund Balances				
Nonspendable	0	0	0	0
Restricted	176,824	87,942	423,620	14,974
Committed	0	0	0	0
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>176,824</u>	<u>87,942</u>	<u>423,620</u>	<u>14,974</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$199,256</u>	<u>\$97,610</u>	<u>\$710,295</u>	<u>\$14,974</u>

<u>Drug Offense</u>	<u>Law Enforcement</u>	<u>Federal Forfeiture</u>	<u>Strike Force</u>	<u>Mayor's Court Computer</u>	<u>FEMA Grant</u>
\$18,662	\$108,323	\$50,870	\$505,010	\$27,769	\$4,280
0	0	0	0	443	0
0	6,725	0	0	443	0
0	0	283	0	283	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$18,662</u>	<u>\$115,048</u>	<u>\$51,153</u>	<u>\$505,010</u>	<u>\$28,938</u>	<u>\$4,280</u>
\$0	\$1,200	\$0	\$154,897	\$0	\$0
0	0	0	0	0	0
0	0	0	1,094,224	0	0
0	0	0	0	0	0
0	1,200	0	1,249,121	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	283	0	283	0
18,662	113,848	50,870	0	28,655	4,280
0	0	0	0	0	0
0	0	0	(744,111)	0	0
<u>18,662</u>	<u>113,848</u>	<u>51,153</u>	<u>(744,111)</u>	<u>28,938</u>	<u>4,280</u>
<u>\$18,662</u>	<u>\$115,048</u>	<u>\$51,153</u>	<u>\$505,010</u>	<u>\$28,938</u>	<u>\$4,280</u>

(continued)

City of Independence, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2021

	Handicap Parking	Friends for Life	Twenty- Five and Alive	I Can
Assets				
Equity in Pooled Cash and Cash Equivalents	\$28,233	\$2,085	\$2,807	\$33,288
Cash and Cash Equivalents In Segregated Accounts	0	0	0	0
Intergovernmental Receivable	0	0	0	0
Prepaid Items	0	0	0	0
Accrued Interest Receivable	0	0	0	0
Property Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$28,233</u>	<u>\$2,085</u>	<u>\$2,807</u>	<u>\$33,288</u>
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Intergovernmental Payable	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources				
Property Taxes	0	0	0	0
Unavailable Revenue	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	28,233	2,085	2,807	33,288
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>28,233</u>	<u>2,085</u>	<u>2,807</u>	<u>33,288</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$28,233</u>	<u>\$2,085</u>	<u>\$2,807</u>	<u>\$33,288</u>

<u>Tree</u>	<u>Recreation</u>	<u>Police Pension</u>	<u>American Rescue Plan Act</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$33,727	\$684,840	\$54,768	\$375,794	\$2,572,202
0	0	0	0	443
0	0	5,824	0	374,700
0	0	0	0	566
0	0	0	0	18,681
0	0	142,183	0	142,183
<u>\$33,727</u>	<u>\$684,840</u>	<u>\$202,775</u>	<u>\$375,794</u>	<u>\$3,108,775</u>
\$0	\$10,054	\$0	\$0	\$171,125
0	0	59,046	0	64,077
0	0	0	0	1,094,224
0	0	0	375,794	375,794
<u>0</u>	<u>10,054</u>	<u>59,046</u>	<u>375,794</u>	<u>1,705,220</u>
0	0	136,876	0	136,876
0	0	11,131	0	319,901
<u>0</u>	<u>0</u>	<u>148,007</u>	<u>0</u>	<u>456,777</u>
0	0	0	0	566
0	0	0	0	919,675
33,727	674,786	0	0	774,926
0	0	(4,278)	0	(748,389)
<u>33,727</u>	<u>674,786</u>	<u>(4,278)</u>	<u>0</u>	<u>946,778</u>
<u>\$33,727</u>	<u>\$684,840</u>	<u>\$202,775</u>	<u>\$375,794</u>	<u>\$3,108,775</u>

City of Independence, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021

	State Highway	Motor Vehicle License Tax	Street Construction, Maintenance and Repair	Enforcement and Education
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Intergovernmental	54,360	25,601	670,453	0
Investment Income	760	290	41,699	0
Fees, Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	0	0	300
Miscellaneous	0	0	10,781	0
<i>Total Revenues</i>	<u>55,120</u>	<u>25,891</u>	<u>722,933</u>	<u>300</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	0	0	0
Transportation	0	0	1,197,378	0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>1,197,378</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>55,120</u>	<u>25,891</u>	<u>(474,445)</u>	<u>300</u>
Other Financing Sources (Uses)				
Transfers In	0	0	400,000	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>400,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	55,120	25,891	(74,445)	300
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>121,704</u>	<u>62,051</u>	<u>498,065</u>	<u>14,674</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$176,824</u></u>	<u><u>\$87,942</u></u>	<u><u>\$423,620</u></u>	<u><u>\$14,974</u></u>

Drug Offense	Law Enforcement	Federal Forfeiture	Strike Force	Mayor's Court Computer	FEMA Grant
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	1,463,219	0	0
0	0	0	0	0	0
0	0	0	0	0	0
3,280	135,798	0	0	5,514	0
0	0	0	0	0	0
3,280	135,798	0	1,463,219	5,514	0
0	0	0	2,085,059	10,918	0
0	117,560	13,650	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	117,560	13,650	2,085,059	10,918	0
3,280	18,238	(13,650)	(621,840)	(5,404)	0
0	56,500	53,840	0	0	0
0	0	(56,500)	0	0	0
0	56,500	(2,660)	0	0	0
3,280	74,738	(16,310)	(621,840)	(5,404)	0
15,382	39,110	67,463	(122,271)	34,342	4,280
\$18,662	\$113,848	\$51,153	(\$744,111)	\$28,938	\$4,280

(continued)

City of Independence, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2021

	Handicap Parking	Friends for Life	Twenty- Five and Alive	I Can
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Intergovernmental	0	0	0	0
Investment Income	0	0	0	0
Fees, Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	0	0	0
Miscellaneous	0	0	0	5,723
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,723</u>
Expenditures				
Current:				
General Government	0	0	10,000	4,107
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	0	0	0
Transportation	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>4,107</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>0</u>	<u>(10,000)</u>	<u>1,616</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	0	(10,000)	1,616
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>28,233</u>	<u>2,085</u>	<u>12,807</u>	<u>31,672</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$28,233</u></u>	<u><u>\$2,085</u></u>	<u><u>\$2,807</u></u>	<u><u>\$33,288</u></u>

Tree	Recreation	Police Pension	Total Nonmajor Special Revenue Funds
\$0	\$0	\$133,775	\$133,775
0	0	11,648	2,225,281
0	0	0	42,749
0	445,648	0	445,648
0	0	0	144,892
5,875	0	0	22,379
<u>5,875</u>	<u>445,648</u>	<u>145,423</u>	<u>3,014,724</u>
11,200	0	0	2,121,284
0	0	602,914	734,124
0	206,855	0	206,855
0	0	0	1,197,378
<u>11,200</u>	<u>206,855</u>	<u>602,914</u>	<u>4,259,641</u>
<u>(5,325)</u>	<u>238,793</u>	<u>(457,491)</u>	<u>(1,244,917)</u>
0	0	160,000	670,340
0	0	0	(56,500)
<u>0</u>	<u>0</u>	<u>160,000</u>	<u>613,840</u>
<u>(5,325)</u>	<u>238,793</u>	<u>(297,491)</u>	<u>(631,077)</u>
<u>39,052</u>	<u>435,993</u>	<u>293,213</u>	<u>1,577,855</u>
<u>\$33,727</u>	<u>\$674,786</u>	<u>(\$4,278)</u>	<u>\$946,778</u>

City of Independence, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2021

	Bond Retirement	Non -TIF Project	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$27,557	\$2,038	\$29,595
Fund Balances			
Restricted	\$27,557	\$0	\$27,557
Assigned	0	2,038	2,038
<i>Total Fund Balances</i>	\$27,557	\$2,038	\$29,595

City of Independence, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2021

	Bond Retirement	Non -TIF Project	Total Nonmajor Debt Service Funds
Revenues			
Miscellaneous	\$1,000	\$0	\$1,000
Expenditures			
Current:			
General Government	12,000	0	12,000
Debt Service:			
Principal Retirement	0	212,775	212,775
Interest and Fiscal Charges	0	113,374	113,374
<i>Total Expenditures</i>	<u>12,000</u>	<u>326,149</u>	<u>338,149</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(11,000)	(326,149)	(337,149)
Other Financing Sources (Uses)			
Transfers In	0	322,250	322,250
<i>Net Change in Fund Balances</i>	(11,000)	(3,899)	(14,899)
<i>Fund Balances Beginning of Year</i>	<u>38,557</u>	<u>5,937</u>	<u>44,494</u>
<i>Fund Balances End of Year</i>	<u><u>\$27,557</u></u>	<u><u>\$2,038</u></u>	<u><u>\$29,595</u></u>

City of Independence, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2021

	Capital Improvements	Drain Water	Rockside Woods
Assets			
Equity in Pooled Cash and Cash Equivalents	\$5,877,095	\$692,601	\$34,791
Interfund Receivable	500,000	0	0
Prepaid Items	12,873	0	0
Special Assessments Receivable	0	0	3,017,341
<i>Total Assets</i>	<u>\$6,389,968</u>	<u>\$692,601</u>	<u>\$3,052,132</u>
Liabilities			
Contracts Payable	\$112,654	\$25,283	\$0
Retainage Payable	0	41,283	0
Interfund Payable	0	0	0
<i>Total Liabilities</i>	<u>112,654</u>	<u>66,566</u>	<u>0</u>
Deferred Inflows of Resources			
Unavailable Revenue	0	0	3,017,341
Fund Balances			
Nonspendable	12,873	0	0
Restricted	6,264,441	626,035	34,791
Assigned	0	0	0
Unassigned (Deficit)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>6,277,314</u>	<u>626,035</u>	<u>34,791</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$6,389,968</u>	<u>\$692,601</u>	<u>\$3,052,132</u>

<u>Issue II</u>	<u>Public Safety Equipment</u>	<u>Route 21 and Pleasant Valley</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$556	\$1,144,113	\$2,095	\$7,751,251
0	0	0	500,000
0	283	0	13,156
0	0	0	3,017,341
<u>\$556</u>	<u>\$1,144,396</u>	<u>\$2,095</u>	<u>\$11,281,748</u>
\$0	\$0	\$0	\$137,937
0	0	0	41,283
28,500	0	0	28,500
<u>28,500</u>	<u>0</u>	<u>0</u>	<u>207,720</u>
0	0	0	3,017,341
0	283	0	13,156
0	0	0	6,925,267
0	1,144,113	2,095	1,146,208
(27,944)	0	0	(27,944)
<u>(27,944)</u>	<u>1,144,396</u>	<u>2,095</u>	<u>8,056,687</u>
<u>\$556</u>	<u>\$1,144,396</u>	<u>\$2,095</u>	<u>\$11,281,748</u>

City of Independence, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021

	Capital Improvements	Drain Water	Rockside Woods
Revenues			
Intergovernmental	\$0	\$6,000	\$0
Rentals	15,645	0	0
Special Assessments	0	0	166,231
Miscellaneous	13,762	0	0
<i>Total Revenues</i>	29,407	6,000	166,231
Expenditures			
Capital Outlay	2,820,629	814,558	0
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,791,222)	(808,558)	166,231
Other Financing Sources (Uses)			
Transfers In	3,200,000	1,050,000	0
Transfers Out	0	0	(200,000)
<i>Total Other Financing Sources (Uses)</i>	3,200,000	1,050,000	(200,000)
<i>Net Change in Fund Balances</i>	408,778	241,442	(33,769)
<i>Fund Balances Beginning of Year</i>	5,868,536	384,593	68,560
<i>Fund Balances (Deficit) End of Year</i>	<u>\$6,277,314</u>	<u>\$626,035</u>	<u>\$34,791</u>

Issue II	Public Safety Equipment	Route 21 and Pleasant Valley	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$6,000
0	0	0	15,645
28,127	0	0	194,358
0	0	0	13,762
28,127	0	0	229,765
0	119,712	0	3,754,899
28,127	(119,712)	0	(3,525,134)
0	505,000	11,250	4,766,250
(111,000)	0	(11,250)	(322,250)
(111,000)	505,000	0	4,444,000
(82,873)	385,288	0	918,866
54,929	759,108	2,095	7,137,821
(\$27,944)	\$1,144,396	\$2,095	\$8,056,687

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

City of Independence, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$816,992	\$838,099	\$847,243	\$9,144
Municipal Income Taxes	33,910,608	34,714,142	35,062,259	348,117
Hotel/Motel Taxes	989,813	1,013,267	1,023,428	10,161
Amusement Taxes	253,298	259,300	261,900	2,600
Intergovernmental	280,880	285,788	287,914	2,126
Investment Income	193,276	197,856	199,840	1,984
Fees, Licenses and Permits	351,592	359,924	363,533	3,609
Fines and Forfeitures	76,752	78,571	79,359	788
Charges for Services	708,002	724,779	732,047	7,268
Rentals	218,860	224,046	226,293	2,247
Miscellaneous	454,266	465,028	469,693	4,665
<i>Total Revenues</i>	<u>38,254,339</u>	<u>39,160,800</u>	<u>39,553,509</u>	<u>392,709</u>
Expenditures				
Current:				
General Government:				
Mayor:				
Salaries and Wages	324,000	324,000	313,301	10,699
Benefits	121,800	121,800	115,758	6,042
Other	14,102	14,102	6,943	7,159
Total Mayor	<u>459,902</u>	<u>459,902</u>	<u>436,002</u>	<u>23,900</u>
Finance Department:				
Salaries and Wages	349,500	349,500	343,025	6,475
Benefits	154,000	154,000	148,932	5,068
Other	6,500	6,500	3,176	3,324
Total Finance Department	<u>510,000</u>	<u>510,000</u>	<u>495,133</u>	<u>14,867</u>
Council:				
Salaries and Wages	152,100	152,100	152,030	70
Benefits	216,900	216,900	215,839	1,061
Other	10,459	10,459	4,701	5,758
Total Council	<u>379,459</u>	<u>379,459</u>	<u>372,570</u>	<u>6,889</u>
Law Director:				
Other	<u>\$496,500</u>	<u>\$496,500</u>	<u>\$438,302</u>	<u>\$58,198</u>

(continued)

City of Independence, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other:				
Salaries and Wages	\$190,700	\$190,700	\$181,193	\$9,507
Benefits	344,700	344,700	301,087	43,613
Insurance	439,689	439,689	437,841	1,848
Professional Fees	776,481	776,481	756,268	20,213
Other	1,981,628	1,981,628	1,877,791	103,837
Total Other	3,733,198	3,733,198	3,554,180	179,018
Court:				
Salaries and Wages	194,708	194,708	194,382	326
Benefits	57,209	57,209	56,822	387
Other	7,514	7,514	1,142	6,372
Total Court	259,431	259,431	252,346	7,085
Service Administration:				
Salaries and Wages	480,500	480,500	470,438	10,062
Benefits	209,389	209,389	201,136	8,253
Other	7,142	7,142	6,862	280
Total Service Administration	697,031	697,031	678,436	18,595
Income Tax Collection:				
Other	1,200,000	1,200,000	990,697	209,303
Total General Government	7,735,521	7,735,521	7,217,666	517,855
Security of Persons and Property:				
Police:				
Salaries and Wages	3,489,500	3,489,500	3,412,810	76,690
Benefits	904,100	904,100	898,038	6,062
Other	1,123,793	1,123,793	1,100,555	23,238
Total Police	5,517,393	5,517,393	5,411,403	105,990
Fire:				
Salaries and Wages	2,441,500	2,441,500	2,400,152	41,348
Benefits	1,413,879	1,413,879	1,245,171	168,708
Other	209,209	209,209	195,483	13,726
Total Fire	4,064,588	4,064,588	3,840,806	223,782
Total Security of Persons and Property	\$9,581,981	\$9,581,981	\$9,252,209	\$329,772

(continued)

City of Independence, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Health and Welfare:				
Cemetery:				
Salaries and Wages	\$59,500	\$59,500	\$57,902	\$1,598
Benefits	10,400	10,400	9,655	745
Other	5,541	5,541	4,253	1,288
Total Public Health and Welfare	75,441	75,441	71,810	3,631
Leisure Time Activities:				
Parks and Playgrounds:				
Salaries and Wages	202,000	202,000	181,472	20,528
Benefits	87,000	87,000	81,392	5,608
Other	145,896	145,896	125,339	20,557
Total Parks and Playgrounds	434,896	434,896	388,203	46,693
Pools:				
Salaries and Wages	265,400	265,400	262,777	2,623
Benefits	43,600	43,600	41,510	2,090
Other	75,563	75,563	67,491	8,072
Total Pools	384,563	384,563	371,778	12,785
Concession Stand:				
Salaries and Wages	34,000	34,000	24,181	9,819
Other	44,522	44,522	35,650	8,872
Total Concession Stand	78,522	78,522	59,831	18,691
Field House:				
Other	24,931	24,931	18,061	6,870
Administration:				
Salaries and Wages	472,900	472,900	449,059	23,841
Benefits	353,000	353,000	336,222	16,778
Other	6,982	6,982	3,554	3,428
Total Administration	832,882	832,882	788,835	44,047
Civic Center Recreation:				
Salaries and Wages	182,900	182,900	176,916	5,984
Custodial:				
Salaries and Wages	\$324,500	\$324,500	\$309,932	\$14,568

(continued)

City of Independence, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Civic Center:				
Salaries and Wages	\$616,700	\$616,700	\$604,983	\$11,717
Benefits	182,200	182,200	177,758	4,442
Other	296,133	296,133	257,495	38,638
Total Civic Center	1,095,033	1,095,033	1,040,236	54,797
Total Leisure Time Activities	3,358,227	3,358,227	3,153,792	204,435
Community Environment:				
Building and Lands:				
Salaries and Wages	551,500	551,500	525,657	25,843
Benefits	223,000	223,000	220,540	2,460
Other	354,800	354,800	277,124	77,676
Total Building and Lands	1,129,300	1,129,300	1,023,321	105,979
Technical Services:				
Salaries and Wages	476,000	476,000	458,623	17,377
Benefits	177,500	177,500	170,193	7,307
Other	302,838	302,838	270,351	32,487
Total Technical Services	956,338	956,338	899,167	57,171
IT Department:				
Salaries and Wages	65,000	65,000	60,291	4,709
Benefits	23,000	23,000	20,393	2,607
Other	369,545	369,545	366,178	3,367
Total IT Department	457,545	457,545	446,862	10,683
Building Department:				
Salaries and Wages	299,400	299,400	288,551	10,849
Benefits	116,200	116,200	109,928	6,272
Other	407,836	407,836	220,802	187,034
Total Building Department	823,436	823,436	619,281	204,155
Engineering Department:				
Salaries and Wages	436,000	436,000	422,673	13,327
Benefits	137,500	137,500	133,566	3,934
Other	36,133	36,133	27,317	8,816
Total Engineering Department	\$609,633	\$609,633	\$583,556	\$26,077

(continued)

City of Independence, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Economic Department:				
Salaries and Wages	\$170,800	\$170,800	\$164,484	\$6,316
Benefits	62,100	62,100	59,766	2,334
Other	290,033	290,033	285,609	4,424
Total Economic Department	522,933	522,933	509,859	13,074
Boards and Commissions:				
Salaries and Wages	38,500	38,500	33,990	4,510
Benefits	5,400	5,400	4,610	790
Total Boards and Commissions	43,900	43,900	38,600	5,300
Total Community Environment	4,543,085	4,543,085	4,120,646	422,439
Basic Utility Services:				
Rubbish:				
Salaries and Wages	231,000	231,000	225,729	5,271
Benefits	100,000	100,000	97,005	2,995
Other	385,756	385,756	370,807	14,949
Total Rubbish	716,756	716,756	693,541	23,215
Sewer/Water Control:				
Salaries and Wages	195,000	195,000	189,980	5,020
Benefits	87,500	87,500	84,928	2,572
Other	8,000	8,000	2,185	5,815
Total Sewer/Water Control	290,500	290,500	277,093	13,407
Total Basic Utility Services	1,007,256	1,007,256	970,634	36,622
Transportation:				
Equipment and Motor Pool:				
Salaries and Wages	212,000	212,000	206,319	5,681
Benefits	74,500	74,500	73,427	1,073
Other	596,660	596,660	528,575	68,085
Total Transportation	883,160	883,160	808,321	74,839
<i>Total Expenditures</i>	27,184,671	27,184,671	25,595,078	1,589,593
<i>Excess of Revenues Over</i>				
<i>(Under) Expenditures</i>	\$11,069,668	\$11,976,129	\$13,958,431	\$1,982,302

(continued)

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses)				
Sale of Capital Assets	\$82,300	\$82,300	\$82,300	\$0
Advances In	2,188,800	2,188,800	2,188,800	0
Advances Out	(13,208,500)	(13,208,500)	(13,208,500)	0
Transfers Out	(6,384,650)	(9,761,250)	(9,761,250)	0
<i>Total Other Financing (Uses)</i>	<u>(17,322,050)</u>	<u>(20,698,650)</u>	<u>(20,698,650)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(6,252,382)	(8,722,521)	(6,740,219)	1,982,302
<i>Fund Balance Beginning of Year</i>	9,061,277	9,061,277	9,061,277	0
Prior Year Encumbrances Appropriated	<u>1,284,154</u>	<u>1,284,154</u>	<u>1,284,154</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,093,049</u></u>	<u><u>\$1,622,910</u></u>	<u><u>\$3,605,212</u></u>	<u><u>\$1,982,302</u></u>

City of Independence, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
High Intensity Drug Trafficking Area Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$6,290,000	\$5,842,000	\$5,844,476	\$2,476
Charges for Services	10,000	10,000	10,504	504
Miscellaneous	0	0	6,806	6,806
<i>Total Revenues</i>	<u>6,300,000</u>	<u>5,852,000</u>	<u>5,861,786</u>	<u>9,786</u>
Expenditures				
Current:				
General Government:				
Salaries and Wages	1,197,915	1,109,587	1,101,674	7,913
Benefits	364,077	337,232	334,827	2,405
Other	4,773,683	4,421,696	4,390,163	31,533
<i>Total Expenditures</i>	<u>6,335,675</u>	<u>5,868,515</u>	<u>5,826,664</u>	<u>41,851</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(35,675)	(16,515)	35,122	51,637
Other Financing Sources (Uses)				
Transfers Out	(53,840)	(53,840)	(53,840)	0
<i>Net Change in Fund Balance</i>	(89,515)	(70,355)	(18,718)	51,637
<i>Fund Balance Beginning of Year</i>	4,680	4,680	4,680	0
Prior Year Encumbrances Appropriated	89,515	89,515	89,515	0
<i>Fund Balance End of Year</i>	<u>\$4,680</u>	<u>\$23,840</u>	<u>\$75,477</u>	<u>\$51,637</u>

City of Independence, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
TIF Projects Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Debt Service:				
Principal Retirement	2,689,854	5,396,412	5,396,412	0
Interest and Fiscal Charges	0	864,392	815,118	49,274
<i>Total Expenditures</i>	<u>2,689,854</u>	<u>6,260,804</u>	<u>6,211,530</u>	<u>49,274</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,689,854)	(6,260,804)	(6,211,530)	49,274
Other Financing Sources (Uses)				
Transfers In	1,345,550	4,606,700	4,606,700	0
<i>Net Change in Fund Balance</i>	(1,344,304)	(1,654,104)	(1,604,830)	49,274
<i>Fund Balance Beginning of Year</i>	1,668,613	1,668,613	1,668,613	0
Prior Year Encumbrances Appropriated	104,104	104,104	104,104	0
<i>Fund Balance End of Year</i>	<u>\$428,413</u>	<u>\$118,613</u>	<u>\$167,887</u>	<u>\$49,274</u>

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Quadrant Tax Increment Financing Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Payments in Lieu of Taxes	\$2,496,300	\$2,496,300	\$2,499,966	\$3,666
Expenditures				
Capital Outlay	8,622,866	13,569,816	13,357,633	212,183
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(6,126,566)</u>	<u>(11,073,516)</u>	<u>(10,857,667)</u>	<u>215,849</u>
Other Financing Sources (Uses)				
Advances In	6,188,917	10,930,000	10,930,000	0
Advances Out	(405,000)	(405,000)	(405,000)	0
Transfers Out	<u>(4,606,700)</u>	<u>(4,606,700)</u>	<u>(4,606,700)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>1,177,217</u>	<u>5,918,300</u>	<u>5,918,300</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(4,949,349)	(5,155,216)	(4,939,367)	215,849
<i>Fund Balance Beginning of Year</i>	919,781	919,781	919,781	0
Prior Year Encumbrances Appropriated	<u>4,312,816</u>	<u>4,312,816</u>	<u>4,312,816</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$283,248</u>	<u>\$77,381</u>	<u>\$293,230</u>	<u>\$215,849</u>

City of Independence, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Resurfacing Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$297,396	\$297,445	\$49
Investment Income	0	0	1,945	1,945
Miscellaneous	0	0	33	33
<i>Total Revenues</i>	0	297,396	299,423	2,027
Expenditures				
Capital Outlay	8,574,182	9,702,982	8,653,839	1,049,143
<i>Excess of Revenues Over (Under) Expenditures</i>	(8,574,182)	(9,405,586)	(8,354,416)	1,051,170
Other Financing Sources (Uses)				
Advances Out	(353,800)	(353,800)	(353,800)	0
Transfers In	3,160,000	4,435,000	4,435,000	0
<i>Total Other Financing Sources (Uses)</i>	2,806,200	4,081,200	4,081,200	0
<i>Net Change in Fund Balance</i>	(5,767,982)	(5,324,386)	(4,273,216)	1,051,170
<i>Fund Balance Beginning of Year</i>	348,629	348,629	348,629	0
Prior Year Encumbrances Appropriated	4,977,982	4,977,982	4,977,982	0
<i>Fund Balance End of Year</i>	(\$441,371)	\$2,225	\$1,053,395	\$1,051,170

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$45,000	\$50,000	\$54,091	\$4,091
Investment Income	0	0	760	760
<i>Total Revenues</i>	45,000	50,000	54,851	4,851
Expenditures				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Other	25,000	0	0	0
<i>Net Change in Fund Balance</i>	20,000	50,000	54,851	4,851
<i>Fund Balance Beginning of Year</i>	118,143	118,143	118,143	0
<i>Fund Balance End of Year</i>	<u>\$138,143</u>	<u>\$168,143</u>	<u>\$172,994</u>	<u>\$4,851</u>

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Tax Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$25,000	\$25,000	\$25,538	\$538
Investment Income	0	0	290	290
<i>Total Revenues</i>	25,000	25,000	25,828	828
Expenditures				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Other	25,000	0	0	0
<i>Net Change in Fund Balance</i>	0	25,000	25,828	828
<i>Fund Balance Beginning of Year</i>	60,252	60,252	60,252	0
<i>Fund Balance End of Year</i>	<u>\$60,252</u>	<u>\$85,252</u>	<u>\$86,080</u>	<u>\$828</u>

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$550,000	\$700,000	\$667,120	(\$32,880)
Investment Income	0	0	37,053	37,053
Miscellaneous	0	0	10,781	10,781
<i>Total Revenues</i>	<u>550,000</u>	<u>700,000</u>	<u>714,954</u>	<u>14,954</u>
Expenditures				
Current:				
Transportation:				
Streets, Sidewalks, and Maintenance:				
Salaries and Wages	426,000	426,000	403,694	22,306
Benefits	172,000	172,000	171,465	535
Other	1,109,392	1,064,392	896,700	167,692
<i>Total Expenditures</i>	<u>1,707,392</u>	<u>1,662,392</u>	<u>1,471,859</u>	<u>190,533</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,157,392)	(962,392)	(756,905)	205,487
Other Financing Sources (Uses)				
Transfers In	400,000	400,000	400,000	0
<i>Net Change in Fund Balance</i>	(757,392)	(562,392)	(356,905)	205,487
<i>Fund Balance Beginning of Year</i>	204,156	204,156	204,156	0
Prior Year Encumbrances Appropriated	369,392	369,392	369,392	0
<i>Fund Balance End of Year</i>	<u>(\$183,844)</u>	<u>\$11,156</u>	<u>\$216,643</u>	<u>\$205,487</u>

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$500	\$300	\$300	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Other	500	0	0	0
<i>Net Change in Fund Balance</i>	0	300	300	0
<i>Fund Balance Beginning of Year</i>	14,674	14,674	14,674	0
<i>Fund Balance End of Year</i>	<u>\$14,674</u>	<u>\$14,974</u>	<u>\$14,974</u>	<u>\$0</u>

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Offense Fund
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$1,000	\$4,000	\$3,280	(\$720)
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Other	13,068	8,068	5,568	2,500
<i>Net Change in Fund Balance</i>	(12,068)	(4,068)	(2,288)	1,780
<i>Fund Balance Beginning of Year</i>	12,314	12,314	12,314	0
Prior Year Encumbrances Appropriated	3,068	3,068	3,068	0
<i>Fund Balance End of Year</i>	<u>\$3,314</u>	<u>\$11,314</u>	<u>\$13,094</u>	<u>\$1,780</u>

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$70,000	\$125,000	\$130,364	\$5,364
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Salaries and Wages	32,036	80,536	75,930	4,606
Other	49,000	49,000	48,697	303
<i>Total Expenditures</i>	81,036	129,536	124,627	4,909
<i>Excess of Revenues Over (Under) Expenditures</i>	(11,036)	(4,536)	5,737	10,273
Other Financing Sources (Uses)				
Transfers In	0	56,500	56,500	0
<i>Net Change in Fund Balance</i>	(11,036)	51,964	62,237	10,273
<i>Fund Balance Beginning of Year</i>	26,783	26,783	26,783	0
Prior Year Encumbrances Appropriated	11,036	11,036	11,036	0
<i>Fund Balance End of Year</i>	\$26,783	\$89,783	\$100,056	\$10,273

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Forfeiture Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Other	29,200	61,600	30,151	31,449
<i>Excess of Revenues Over (Under) Expenditures</i>	(29,200)	(61,600)	(30,151)	31,449
Other Financing Sources (Uses)				
Transfers In	20,000	53,840	53,840	0
Transfers Out	0	(56,500)	(56,500)	0
<i>Total Other Financing Sources (Uses)</i>	20,000	(2,660)	(2,660)	0
<i>Net Change in Fund Balance</i>	(9,200)	(64,260)	(32,811)	31,449
<i>Fund Balance Beginning of Year</i>	58,481	58,481	58,481	0
Prior Year Encumbrances Appropriated	9,200	9,200	9,200	0
<i>Fund Balance End of Year</i>	\$58,481	\$3,421	\$34,870	\$31,449

City of Independence, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Strike Force Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$562,500	\$1,460,000	\$1,463,219	\$3,219
Expenditures				
Current:				
General Government:				
Strike Force:				
Other	<u>1,602,218</u>	<u>2,432,218</u>	<u>2,008,158</u>	<u>424,060</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,039,718)</u>	<u>(972,218)</u>	<u>(544,939)</u>	<u>427,279</u>
Other Financing Sources (Uses)				
Advances In	2,250,000	2,250,000	2,250,000	0
Advances Out	<u>(1,460,000)</u>	<u>(1,460,000)</u>	<u>(1,460,000)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>790,000</u>	<u>790,000</u>	<u>790,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(249,718)	(182,218)	245,061	427,279
<i>Fund Balance Beginning of Year</i>	70,186	70,186	70,186	0
Prior Year Encumbrances Appropriated	<u>182,218</u>	<u>182,218</u>	<u>182,218</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,686</u></u>	<u><u>\$70,186</u></u>	<u><u>\$497,465</u></u>	<u><u>\$427,279</u></u>

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Mayor's Court Computer Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$10,000	\$4,000	\$4,628	\$628
Expenditures				
Current:				
General Government:				
Mayor's Court Computer:				
Other	12,200	12,200	11,019	1,181
<i>Net Change in Fund Balance</i>	(2,200)	(8,200)	(6,391)	1,809
<i>Fund Balance Beginning of Year</i>	33,860	33,860	33,860	0
Prior Year Encumbrances Appropriated	200	200	200	0
<i>Fund Balance End of Year</i>	<u>\$31,860</u>	<u>\$25,860</u>	<u>\$27,669</u>	<u>\$1,809</u>

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
FEMA Grant Fund
For the Year Ended December 31, 2021*

	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>	4,280	4,280	4,280	0
<i>Fund Balance End of Year</i>	\$4,280	\$4,280	\$4,280	\$0

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Handicap Parking Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$200	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	200	0	0	0
<i>Fund Balance Beginning of Year</i>	28,233	28,233	28,233	0
<i>Fund Balance End of Year</i>	\$28,433	\$28,233	\$28,233	\$0

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Friends for Life Fund
For the Year Ended December 31, 2021*

	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>	2,085	2,085	2,085	0
<i>Fund Balance End of Year</i>	<u>\$2,085</u>	<u>\$2,085</u>	<u>\$2,085</u>	<u>\$0</u>

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Twenty-Five and Alive Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$2,000	\$0	\$0	\$0
Expenditures				
Current:				
General Government:				
Other General Government:				
Other	10,500	10,500	10,000	500
<i>Net Change in Fund Balance</i>	(8,500)	(10,500)	(10,000)	500
<i>Fund Balance Beginning of Year</i>	12,307	12,307	12,307	0
Prior Year Encumbrances Appropriated	500	500	500	0
<i>Fund Balance End of Year</i>	<u>\$4,307</u>	<u>\$2,307</u>	<u>\$2,807</u>	<u>\$500</u>

City of Independence, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
I Can Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$2,500	\$5,000	\$5,723	\$723
Expenditures				
Current:				
General Government:				
Other General Government:				
Other	5,250	5,250	4,107	1,143
<i>Net Change in Fund Balance</i>	(2,750)	(250)	1,616	1,866
<i>Fund Balance Beginning of Year</i>	31,422	31,422	31,422	0
Prior Year Encumbrances Appropriated	250	250	250	0
<i>Fund Balance End of Year</i>	<u>\$28,922</u>	<u>\$31,422</u>	<u>\$33,288</u>	<u>\$1,866</u>

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Tree Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$5,500	\$5,500	\$5,875	\$375
Expenditures				
Current:				
General Government:				
Other General Government:				
Other	12,125	22,125	18,325	3,800
<i>Net Change in Fund Balance</i>	(6,625)	(16,625)	(12,450)	4,175
<i>Fund Balance Beginning of Year</i>	31,927	31,927	31,927	0
Prior Year Encumbrances Appropriated	7,125	7,125	7,125	0
<i>Fund Balance End of Year</i>	<u>\$32,427</u>	<u>\$22,427</u>	<u>\$26,602</u>	<u>\$4,175</u>

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$150,000	\$400,000	\$445,648	\$45,648
Expenditures				
Current:				
Leisure Time Activities:				
Recreation:				
Other	406,291	256,291	221,129	35,162
<i>Net Change in Fund Balance</i>	(256,291)	143,709	224,519	80,810
<i>Fund Balance Beginning of Year</i>	433,348	433,348	433,348	0
Prior Year Encumbrances Appropriated	6,291	6,291	6,291	0
<i>Fund Balance End of Year</i>	<u>\$183,348</u>	<u>\$583,348</u>	<u>\$664,158</u>	<u>\$80,810</u>

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$184,544	\$148,352	\$133,775	(\$14,577)
Intergovernmental	11,648	11,648	11,648	0
<i>Total Revenues</i>	196,192	160,000	145,423	(14,577)
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Other	650,000	650,000	597,247	52,753
<i>Excess of Revenues Over (Under) Expenditures</i>	(453,808)	(490,000)	(451,824)	38,176
Other Financing Sources (Uses)				
Transfers In	145,000	145,000	160,000	15,000
<i>Net Change in Fund Balance</i>	(308,808)	(345,000)	(291,824)	53,176
<i>Fund Balance Beginning of Year</i>	346,592	346,592	346,592	0
<i>Fund Balance End of Year</i>	<u>\$37,784</u>	<u>\$1,592</u>	<u>\$54,768</u>	<u>\$53,176</u>

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
American Rescue Plan Act Fund
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$375,794	\$375,794	\$375,794	\$0
Expenditures				
Security of Persons and Property:				
Police Department:				
Salaries and Wages	<u>375,794</u>	<u>375,794</u>	<u>375,794</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Compensated Absences Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
General Government:				
Other General Government:				
Other	100,000	156,000	155,662	338
<i>Net Change in Fund Balance</i>	(100,000)	(156,000)	(155,662)	338
<i>Fund Balance Beginning of Year</i>	785,862	785,862	785,862	0
<i>Fund Balance End of Year</i>	<u>\$685,862</u>	<u>\$629,862</u>	<u>\$630,200</u>	<u>\$338</u>

City of Independence, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Rainy Day Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
General Government:				
Other General Government:				
Other	525,000	0	0	0
<i>Net Change in Fund Balance</i>	(525,000)	0	0	0
<i>Fund Balance Beginning of Year</i>	1,600,000	1,600,000	1,600,000	0
<i>Fund Balance End of Year</i>	<u>\$1,075,000</u>	<u>\$1,600,000</u>	<u>\$1,600,000</u>	<u>\$0</u>

City of Independence, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Economic Development Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$660,000	\$25,000	\$25,000	\$0
Expenditures				
Current:				
General Government:				
Economic Development:				
Other	2,255,000	1,250,000	1,250,000	0
<i>Net Change in Fund Balance</i>	(1,595,000)	(1,225,000)	(1,225,000)	0
<i>Fund Balance Beginning of Year</i>	346,342	346,342	346,342	0
Prior Year Encumbrances Appropriated	1,250,000	1,250,000	1,250,000	0
<i>Fund Balance End of Year</i>	<u>\$1,342</u>	<u>\$371,342</u>	<u>\$371,342</u>	<u>\$0</u>

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$0	\$0	\$1,000	\$1,000
Expenditures				
General Government:				
Other General Government:				
Other	12,000	12,000	12,000	0
<i>Net Change in Fund Balance</i>	(12,000)	(12,000)	(11,000)	1,000
<i>Fund Balance Beginning of Year</i>	38,557	38,557	38,557	0
<i>Fund Balance End of Year</i>	<u>\$26,557</u>	<u>\$26,557</u>	<u>\$27,557</u>	<u>\$1,000</u>

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Non-TIF Project Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Debt Service:				
Principal Retirement	212,775	212,775	212,775	0
Interest and Fiscal Charges	59,100	115,100	113,374	1,726
<i>Total Expenditures</i>	<u>271,875</u>	<u>327,875</u>	<u>326,149</u>	<u>1,726</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(271,875)	(327,875)	(326,149)	1,726
Other Financing Sources (Uses)				
Transfers In	322,250	322,250	322,250	0
<i>Net Change in Fund Balance</i>	50,375	(5,625)	(3,899)	1,726
<i>Fund Balance Beginning of Year</i>	312	312	312	0
Prior Year Encumbrances Appropriated	5,625	5,625	5,625	0
<i>Fund Balance End of Year</i>	<u>\$56,312</u>	<u>\$312</u>	<u>\$2,038</u>	<u>\$1,726</u>

City of Independence, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvements Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Rentals	\$120,000	\$90,000	\$15,645	(\$74,355)
Miscellaneous	0	0	13,762	13,762
<i>Total Revenues</i>	120,000	90,000	29,407	(60,593)
Expenditures				
Capital Outlay	9,200,561	9,300,561	8,676,971	623,590
<i>Excess of Revenues Over (Under) Expenditures</i>	(9,080,561)	(9,210,561)	(8,647,564)	562,997
Other Financing Sources (Uses)				
Advances In	30,000	30,000	30,000	0
Transfers In	3,200,000	3,200,000	3,200,000	0
<i>Total Other Financing Sources (Uses)</i>	3,230,000	3,230,000	3,230,000	0
<i>Net Change in Fund Balance</i>	(5,850,561)	(5,980,561)	(5,417,564)	562,997
<i>Fund Balance Beginning of Year</i>	821,380	821,380	821,380	0
Prior Year Encumbrances Appropriated	5,200,561	5,200,561	5,200,561	0
<i>Fund Balance End of Year</i>	<u>\$171,380</u>	<u>\$41,380</u>	<u>\$604,377</u>	<u>\$562,997</u>

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drain Water Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$0	\$6,000	\$6,000
Expenditures				
Capital Outlay	1,259,601	1,659,601	1,643,103	16,498
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,259,601)	(1,659,601)	(1,637,103)	22,498
Other Financing Sources (Uses)				
Transfers In	656,500	1,050,000	1,050,000	0
<i>Net Change in Fund Balance</i>	(603,101)	(609,601)	(587,103)	22,498
<i>Fund Balance Beginning of Year</i>	17,832	17,832	17,832	0
Prior Year Encumbrances Appropriated	609,601	609,601	609,601	0
<i>Fund Balance End of Year</i>	<u>\$24,332</u>	<u>\$17,832</u>	<u>\$40,330</u>	<u>\$22,498</u>

City of Independence, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Rockside Woods Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$110,800	\$166,200	\$166,231	\$31
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	110,800	166,200	166,231	31
Other Financing Sources (Uses)				
Transfers Out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(89,200)	(33,800)	(33,769)	31
<i>Fund Balance Beginning of Year</i>	<u>93,328</u>	<u>93,328</u>	<u>93,328</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,128</u></u>	<u><u>\$59,528</u></u>	<u><u>\$59,559</u></u>	<u><u>\$31</u></u>

City of Independence, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$35,000	\$28,000	\$28,127	\$127
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>35,000</u>	<u>28,000</u>	<u>28,127</u>	<u>127</u>
Other Financing Sources (Uses)				
Advances In	0	28,500	28,500	0
Transfers Out	<u>(55,000)</u>	<u>(111,000)</u>	<u>(111,000)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(55,000)</u>	<u>(82,500)</u>	<u>(82,500)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(20,000)	(54,500)	(54,373)	127
<i>Fund Balance Beginning of Year</i>	<u>54,929</u>	<u>54,929</u>	<u>54,929</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$34,929</u></u>	<u><u>\$429</u></u>	<u><u>\$556</u></u>	<u><u>\$127</u></u>

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Safety Equipment Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay	1,876,844	1,909,294	1,905,869	3,425
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,876,844)	(1,909,294)	(1,905,869)	3,425
Other Financing Sources (Uses)				
Transfers In	500,000	505,000	505,000	0
<i>Net Change in Fund Balance</i>	(1,376,844)	(1,404,294)	(1,400,869)	3,425
<i>Fund Balance Beginning of Year</i>	7,022	7,022	7,022	0
Prior Year Encumbrances Appropriated	1,399,844	1,399,844	1,399,844	0
<i>Fund Balance End of Year</i>	<u>\$30,022</u>	<u>\$2,572</u>	<u>\$5,997</u>	<u>\$3,425</u>

City of Independence, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Route 21 and Pleasant Valley Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Excess of Revenues Over (Under) Expenditures</i>	0	0	0	0
Other Financing Sources (Uses)				
Transfers In	11,250	11,250	11,250	0
Transfers Out	(11,250)	(11,250)	(11,250)	0
<i>Total Other Financing Sources</i>	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	2,095	2,095	2,095	0
<i>Fund Balance End of Year</i>	<u>\$2,095</u>	<u>\$2,095</u>	<u>\$2,095</u>	<u>\$0</u>

City of Independence, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Insurance Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$3,000	\$3,000	\$2,753	(\$247)
Expenses				
Contractual Services	885,834	635,834	631,407	4,427
Claims	27,610	27,610	27,610	0
<i>Total Expenses</i>	913,444	663,444	659,017	4,427
<i>Net Change in Fund Equity</i>	(910,444)	(660,444)	(656,264)	4,180
<i>Fund Equity Beginning of Year</i>	1,207,652	1,207,652	1,207,652	0
Prior Year Encumbrances Appropriated	163,444	163,444	163,444	0
<i>Fund Equity End of Year</i>	\$460,652	\$710,652	\$714,832	\$4,180

Statistical Section



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Statistical Section

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

Contents	Page(s)
<i>Financial Trends</i>	<i>S2 – S9</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>S10 – S18</i>
These schedules contain information to help the reader assess the City’s most significant local revenue sources, the property tax and the municipal income tax.	
<i>Debt Capacity</i>	<i>S19 – S24</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>Economic and Demographic Information</i>	<i>S25 – S26</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>S28 – 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 Annual Financial Reports for the relevant year.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Governmental Activities				
Net Investment in Capital Assets	\$116,056,068	\$106,232,967	\$90,680,280	\$83,597,246
Restricted:				
Capital Projects	15,370,828	16,430,739	18,022,928	15,519,182
Debt Service	0	0	0	0
State Highway	199,256	140,732	125,892	92,047
Street Construction, Maintenance and Repair	700,290	724,278	977,347	917,090
Police Pension	6,853	305,087	770,741	734,813
Other Purposes	362,749	314,542	279,520	423,959
Unrestricted (Deficit)	<u>(1,390,546)</u>	<u>(7,347,063)</u>	<u>(4,543,637)</u>	<u>(10,618,923)</u>
<i>Total Governmental Activities Net Position</i>	<u>\$131,305,498</u>	<u>\$116,801,282</u>	<u>\$106,313,071</u>	<u>\$90,665,414</u>

Note: In 2020, the City implemented GASB 83 which affected Net Position for 2019.
 In 2019, the City implemented GASB 84 which affected Net Position for 2018.
 In 2018, the City implemented GASB 75 which affected Unrestricted Net Position for 2017.
 In 2015, the City implemented GASB 68 which affected Unrestricted Net Position for 2014.

2017	2016	2015	2014	2013	2012
\$78,544,131	\$75,112,616	\$75,013,690	\$70,074,840	\$64,925,722	\$62,244,507
12,649,662	7,059,950	8,807,685	7,906,956	7,231,782	6,332,527
7,805	0	0	0	0	0
174,035	141,225	149,136	111,791	103,078	63,120
846,051	690,663	539,077	585,918	913,005	785,419
681,144	626,477	532,177	463,968	475,691	493,713
282,001	354,824	248,778	210,794	275,126	612,104
(13,909,573)	7,494,703	(294,571)	(618,913)	17,847,927	16,064,345
<u>\$79,275,256</u>	<u>\$91,480,458</u>	<u>\$84,995,972</u>	<u>\$78,735,354</u>	<u>\$91,772,331</u>	<u>\$86,595,735</u>

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

	2021	2020	2019 (1)	2018 (2)
Program Revenues				
Governmental Activities:				
Charges for Services and Sales:				
General Government	\$432,755	\$323,442	\$729,996	\$568,552
Security of Persons and Property	648,169	466,272	671,078	773,764
Public Health and Welfare	4,041	3,388	22,990	21,597
Leisure Time Activities	620,060	384,963	615,300	667,903
Community Environment	209,510	170,255	251,164	254,142
Basic Utility Services	54,315	44,200	54,750	65,332
Transportation	37,987	32,013	42,816	54,902
Operating Grants and Contributions	8,007,755	8,677,082	6,859,993	4,963,281
Capital Grants and Assessments	364,198	1,308,456	1,838,283	5,215,374
<i>Total Government Activities Program Revenues</i>	<u>10,378,790</u>	<u>11,410,071</u>	<u>11,086,370</u>	<u>12,584,847</u>
Expenses				
Governmental Activities:				
General Government	17,098,075	18,699,177	19,039,488	15,473,963
Security of Persons and Property	9,688,910	10,968,040	1,295,610	11,766,180
Public Health and Welfare	27,616	78,053	93,402	63,584
Leisure Time Activities	1,549,736	3,081,336	4,336,089	4,216,895
Community Environment	2,034,654	3,823,600	4,700,395	3,579,814
Basic Utility Services	408,135	1,037,179	1,071,857	994,675
Transportation	5,518,977	3,188,190	3,796,646	4,317,772
Interest and Fiscal Charges	652,808	635,064	741,662	652,612
<i>Total Governmental Activities Expenses</i>	<u>36,978,911</u>	<u>41,510,639</u>	<u>35,075,149</u>	<u>41,065,495</u>
Net (Expense)/Revenue				
Governmental Activities	<u>(26,600,121)</u>	<u>(30,100,568)</u>	<u>(23,988,779)</u>	<u>(28,480,648)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Property Taxes Levied For:				
General Purposes	842,190	855,374	837,220	772,071
Other Purposes	132,978	128,361	131,305	121,828
Municipal Income Tax levied for General Purposes	34,967,308	33,573,510	33,313,603	34,444,017
Hotel/Motel Tax Levied for General Purposes	1,067,992	648,140	1,321,108	1,447,692
Amusement Tax Levied for General Purposes	277,817	217,515	22,972	21,065
Grants and Entitlements not Restricted to Specific Programs	413,573	364,692	322,822	271,459
Investment Income	242,765	389,269	705,271	243,358
Payments in Lieu of Taxes	2,539,322	2,097,681	2,084,777	2,020,950
Gain on Sale of Capital Assets	82,300	39,283	25,381	30,933
Miscellaneous	538,092	2,274,954	1,031,477	528,182
<i>Total Governmental Activities General Revenues</i>	<u>41,104,337</u>	<u>40,588,779</u>	<u>39,795,936</u>	<u>39,901,555</u>
Change in Governmental Activities Net Position	<u>\$14,504,216</u>	<u>\$10,488,211</u>	<u>\$15,807,157</u>	<u>\$11,420,907</u>

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

2017	2016	2015 (3)	2014	2013	2012
\$422,384	\$390,744	\$396,719	\$377,216	\$414,541	\$306,760
685,495	666,445	606,527	562,774	516,590	537,653
24,535	26,534	17,350	23,565	20,244	24,625
665,636	696,312	603,786	559,216	67,118	456,211
259,837	236,571	236,479	198,060	194,238	125,813
66,879	29,317	29,160	30,306	36,172	28,388
49,462	51,358	56,063	45,279	548,161	76,006
2,883,237	658,459	524,252	493,672	603,478	534,869
352,701	122,246	1,189,630	1,567,822	114,562	95,572
<u>5,410,166</u>	<u>2,877,986</u>	<u>3,659,966</u>	<u>3,857,910</u>	<u>2,515,104</u>	<u>2,185,897</u>
12,449,390	9,239,305	9,037,847	8,650,919	8,587,665	8,505,708
10,502,201	10,377,823	8,961,555	9,005,655	8,389,502	8,572,099
68,850	58,324	48,133	78,417	110,014	96,354
4,138,515	3,798,602	3,684,540	3,767,299	3,463,666	3,470,342
4,052,023	3,542,366	3,543,729	3,096,160	2,739,330	2,492,457
1,116,697	477,590	490,196	547,380	570,714	578,200
3,662,443	3,832,243	4,669,027	4,465,226	3,199,635	3,754,236
658,360	608,434	632,480	652,020	764,052	1,098,008
<u>36,648,479</u>	<u>31,934,687</u>	<u>31,067,507</u>	<u>30,263,076</u>	<u>27,824,578</u>	<u>28,567,404</u>
<u>(31,238,313)</u>	<u>(29,056,701)</u>	<u>(27,407,541)</u>	<u>(26,405,166)</u>	<u>(25,309,474)</u>	<u>(26,381,507)</u>
337,278	798,355	818,505	814,219	868,418	877,092
53,254	125,714	131,059	129,669	134,216	138,482
31,470,365	30,809,785	28,691,285	24,615,423	26,429,663	25,743,991
1,368,052	1,438,252	1,356,711	1,319,446	1,293,185	1,188,902
16,345	55,777	0	0	0	11,078
354,005	192,221	270,740	259,332	757,689	404,523
104,063	68,228	60,762	61,208	68,148	89,027
528,917	1,577,104	1,635,817	1,348,759	1,094,482	1,289,281
0	0	0	0	0	0
1,107,641	475,751	703,280	561,514	366,333	683,675
<u>35,339,920</u>	<u>35,541,187</u>	<u>33,668,159</u>	<u>29,109,570</u>	<u>31,012,134</u>	<u>30,426,051</u>
<u>\$4,101,607</u>	<u>\$6,484,486</u>	<u>\$6,260,618</u>	<u>\$2,704,404</u>	<u>\$5,702,660</u>	<u>\$4,044,544</u>

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

	2021	2020	2019	2018
General Fund				
Nonspendable	\$34,818,737	\$24,245,225	\$20,479,064	\$18,741,346
Assigned	5,673,477	6,244,527	3,012,332	5,954,127
Unassigned	5,148,071	9,675,231	8,386,497	8,063,509
Total General Fund	45,640,285	40,164,983	31,877,893	32,758,982
All Other Governmental Funds				
Nonspendable	13,722	846	999	3,603
Restricted	12,169,178	13,203,186	15,139,231	17,303,467
Committed	774,926	549,842	645,948	560,493
Assigned	1,148,246	766,858	1,083,249	98
Unassigned (Deficit)	(25,193,651)	(19,772,365)	(30,446,244)	(24,147,401)
Total All Other Governmental Funds	(11,087,579)	(5,251,633)	(13,576,817)	(6,279,740)
Total Governmental Funds	\$34,552,706	\$34,913,350	\$18,301,076	\$26,479,242

Note: In 2019, the City implemented GASB 84.

2017	2016	2015	2014	2013	2012
\$18,310,024	\$16,648,085	\$16,339,485	\$14,475,791	\$9,658,313	\$9,604,531
2,475,871	2,148,860	1,081,128	2,469,127	2,848,726	3,081,515
10,818,370	8,847,647	5,037,506	4,227,716	8,228,235	6,656,522
31,604,265	27,644,592	22,458,119	21,172,634	20,735,274	19,342,568
2,154	3,091	4,510	7,174	0	0
14,000,427	11,223,004	9,644,441	8,703,905	7,812,603	4,772,796
533,145	478,845	417,280	355,523	307,434	253,832
0	0	0	0	0	0
(27,923,733)	(17,384,288)	(14,332,066)	(12,423,277)	(9,149,791)	(8,628,368)
(13,388,007)	(5,679,348)	(4,265,835)	(3,356,675)	(1,029,754)	(3,601,740)
\$18,216,258	\$21,965,244	\$18,192,284	\$17,815,959	\$19,705,520	\$15,740,828

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

	2021	2020	2019 (2)	2018
Revenues				
Taxes (1)	\$37,712,437	\$34,974,154	\$36,280,879	\$36,010,214
Intergovernmental	8,666,516	10,522,993	7,841,460	7,299,392
Investment Income	242,765	389,269	705,271	243,358
Fees, Licenses and Permits	812,901	484,486	827,217	922,325
Fines and Forfeitures	236,435	164,162	423,876	512,922
Charges for Services	710,882	618,815	866,044	700,941
Rentals	244,764	158,721	278,142	260,772
Special Assessments	194,358	304,187	198,880	35,017
Payment in Lieu of Taxes	2,499,966	1,999,806	2,124,598	2,017,208
Contributions and Donations	0	5,000	0	0
Miscellaneous	518,060	2,220,563	1,022,399	517,540
<i>Total Revenues</i>	<u>51,839,084</u>	<u>51,842,156</u>	<u>50,568,766</u>	<u>48,519,689</u>
Expenditures				
Current:				
General Government	15,111,669	13,696,634	13,911,302	10,787,548
Security of Persons and Property	9,850,216	9,458,283	9,763,014	9,581,281
Public Health and Welfare	71,765	70,497	72,067	60,713
Leisure Time Activities	3,309,625	2,834,373	3,523,973	3,668,531
Community Environment	3,714,331	3,537,045	3,854,204	3,180,703
Basic Utility Services	958,578	917,501	838,536	818,316
Transportation	1,871,857	2,005,916	1,944,350	2,139,277
Capital Outlay	10,856,308	17,948,722	18,312,015	10,319,276
Debt Service:				
Principal Retirement	5,609,187	924,729	974,458	1,884,458
Payment to Refunded Bond Escrow Agent	0	0	4,464,877	0
Refunded Notes Redeemed	0	0	0	0
Interest and Fiscal Charges	928,492	593,442	787,976	693,007
Debt Issuance Costs	0	258,089	49,558	140,481
<i>Total Expenditures</i>	<u>52,282,028</u>	<u>52,245,231</u>	<u>58,496,330</u>	<u>43,273,591</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(442,944)</u>	<u>(403,075)</u>	<u>(7,927,564)</u>	<u>5,246,098</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	82,300	39,283	49,398	49,755
Refunding Notes Issued	0	0	0	0
General Obligation Bonds Issued	0	15,250,000	0	0
General Obligation Refunding Bonds Issued	0	0	0	0
General Obligation Notes Issued	0	0	0	0
Special Assessment Bonds Issued	0	0	0	3,190,000
OPWC Loan Issued	0	0	0	0
OWDA Loan Issued	0	0	0	0
Premium on General Obligation Bonds	0	1,726,066	0	0
Premium on Special Assessment Bonds	0	0	0	107,880
Premium on Refunding Notes	0	0	0	0
Premium on Notes	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	14,800,540	9,921,650	16,923,400	15,256,500
Transfers Out	(14,800,540)	(9,921,650)	(17,223,400)	(15,556,500)
<i>Total Other Financing Sources (Uses)</i>	<u>82,300</u>	<u>17,015,349</u>	<u>(250,602)</u>	<u>3,047,635</u>
<i>Net Change in Fund Balances</i>	<u>(\$360,644)</u>	<u>\$16,612,274</u>	<u>(\$8,178,166)</u>	<u>\$8,293,733</u>
Debt Service as a Percentage of Noncapital Expenditures	14.4%	4.3%	14.9%	7.3%

(1) Includes All Taxes

(2) Expenditures are first impacted by the implementation of GASB Statement No. 84 beginning in 2019.

2017	2016	2015	2014	2013	2012
\$33,443,423	\$32,863,392	\$30,002,321	\$26,344,858	\$28,297,945	\$27,059,648
3,586,708	1,010,882	1,921,663	2,409,871	1,338,264	821,712
79,860	52,886	50,096	45,874	65,759	65,720
802,189	928,863	864,963	737,548	674,645	665,541
424,521	358,482	311,054	259,754	304,447	323,332
712,245	569,893	549,570	557,486	590,273	312,093
235,273	240,043	220,497	241,628	227,699	221,322
33,086	34,267	57,495	175,629	50,442	54,732
1,431,139	1,438,276	1,497,224	1,273,291	1,307,885	914,807
0	0	0	0	0	0
1,101,577	447,970	461,420	550,560	366,333	683,675
<u>41,850,021</u>	<u>37,944,954</u>	<u>35,936,303</u>	<u>32,596,499</u>	<u>33,223,692</u>	<u>31,122,582</u>
7,946,192	5,412,864	5,855,234	5,549,948	6,165,368	5,689,973
9,171,683	8,876,769	8,303,665	8,313,475	7,164,583	8,078,230
58,523	56,141	48,085	76,612	101,608	95,769
3,621,031	3,527,981	3,529,611	3,449,266	3,310,319	3,297,852
3,611,465	3,330,249	3,422,437	2,942,887	2,687,884	2,430,958
906,884	412,156	420,393	448,869	499,164	546,855
1,783,539	2,537,295	2,606,959	2,589,496	2,599,750	2,359,506
9,795,563	9,338,664	12,814,813	8,431,969	4,963,406	5,413,460
1,839,458	1,696,531	1,572,078	1,540,123	1,128,199	248,277
0	0	0	0	0	0
5,700,000	3,950,000	4,300,000	4,700,000	4,500,000	7,100,000
802,768	652,432	682,233	719,884	840,930	931,817
86,901	52,907	18,631	124,813	33,979	39,867
<u>45,324,007</u>	<u>39,843,989</u>	<u>43,574,139</u>	<u>38,887,342</u>	<u>33,995,190</u>	<u>36,232,564</u>
<u>(3,473,986)</u>	<u>(1,899,035)</u>	<u>(7,637,836)</u>	<u>(6,290,843)</u>	<u>(771,498)</u>	<u>(5,109,982)</u>
0	0	0	0	0	0
0	3,600,000	3,950,000	4,300,000	4,700,000	4,500,000
0	0	0	0	0	0
0	0	0	4,305,000	0	0
0	2,100,000	0	0	0	0
0	0	0	0	0	0
0	0	4,164,161	0	0	0
0	0	0	0	0	42,852
0	0	0	299,647	0	0
0	0	0	0	0	0
0	24,990	0	0	36,190	32,400
0	47,005	0	0	0	0
0	0	0	(4,503,365)	0	0
9,514,900	8,580,625	9,416,500	7,821,500	9,631,100	9,817,000
<u>(9,789,900)</u>	<u>(8,680,625)</u>	<u>(9,516,500)</u>	<u>(7,821,500)</u>	<u>(9,631,100)</u>	<u>(9,817,000)</u>
<u>(275,000)</u>	<u>5,671,995</u>	<u>8,014,161</u>	<u>4,401,282</u>	<u>4,736,190</u>	<u>4,575,252</u>
<u>(\$3,748,986)</u>	<u>\$3,772,960</u>	<u>\$376,325</u>	<u>(\$1,889,561)</u>	<u>\$3,964,692</u>	<u>(\$534,730)</u>
22.4%	19.9%	19.9%	21.6%	21.5%	25.7%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2021	\$280,040,760	\$183,500,830	\$1,324,404,543	\$32,443,030	\$36,867,080
2020	276,147,370	176,434,890	1,293,092,171	31,782,550	36,116,534
2019	271,635,690	174,509,960	1,274,701,857	29,497,910	33,520,352
2018	254,195,690	180,737,320	1,242,665,743	24,612,240	27,968,455
2017	252,851,300	173,420,510	1,217,919,457	22,521,000	25,592,045
2016	251,749,270	181,909,760	1,239,025,800	20,192,650	22,946,193
2015	240,611,760	198,450,590	1,254,463,857	18,952,480	21,536,909
2014	239,083,160	199,757,400	1,253,830,171	17,533,550	19,924,489
2013	239,574,100	200,039,350	1,256,038,429	16,106,220	18,302,523
2012	247,790,560	216,815,880	1,327,446,971	14,613,270	16,605,989

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 Estimated Actual Value	Ratio	Tax Rate
\$495,984,620	\$1,361,271,623	36.44%	\$2.20
484,364,810	1,329,208,705	36.44	2.20
475,643,560	1,308,222,209	36.36	2.20
459,545,250	1,270,634,198	36.17	2.20
448,792,810	1,243,511,502	36.09	2.20
453,851,680	1,261,971,993	35.96	2.20
458,014,830	1,276,000,766	35.89	2.20
456,374,110	1,273,754,660	35.83	2.20
455,719,670	1,274,340,952	35.76	2.20
479,219,710	1,344,052,960	35.65	2.20

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

	2021	2020	2019	2018
Unvoted Millage				
Operating	\$1.9000	\$1.9000	\$1.9000	\$1.9000
Police Pension	0.3000	0.3000	0.3000	0.3000
Total Millage	\$2.2000	\$2.2000	\$2.2000	\$2.2000
Overlapping Rates by Taxing District				
Independence Local School District				
Residential/Agricultural Real	\$33.0848	\$33.4400	\$34.4400	\$34.7439
Commercial/Industrial and Public Utility Real	34.0147	34.5600	35.6800	35.8131
General Business and Public Utility Personal	35.3000	35.7000	36.7000	36.7000
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				
Residential/Agricultural Real	14.0063	12.8000	12.8000	13.9141
Commercial/Industrial and Public Utility Real	14.3037	13.2300	13.0800	14.0060
General Business and Public Utility Personal	14.8500	14.0500	14.0500	14.0500
Special Taxing Districts (1)				
Residential/Agricultural Real	10.3637	9.3500	8.9500	9.7637
Commercial/Industrial and Public Utility Real	10.7300	9.7000	8.2100	9.8422
General Business and Public Utility Personal	11.2800	10.2800	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 the property tax revenue billed in that year.

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

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

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

2017	2016	2015	2014	2013	2012
\$1.9000	\$1.9000	\$1.9000	\$1.9000	\$1.9000	\$1.9000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
<u>\$2.2000</u>	<u>\$2.2000</u>	<u>\$2.2000</u>	<u>\$2.2000</u>	<u>\$2.2000</u>	<u>\$2.2000</u>
\$34.7329	\$34.1022	\$34.3753	\$34.5646	\$33.7028	\$32.9393
36.5959	36.1000	35.8000	36.0000	35.2000	34.0233
36.7000	36.1000	35.8000	36.0000	35.2000	34.9000
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
13.8802	13.8698	14.0500	14.0500	13.2200	13.1182
14.0124	14.0500	14.0195	13.9495	12.9968	12.7846
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	7.3649
9.3800	9.3800	9.3800	8.4800	7.5800	7.5800

City of Independence, 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
2021	\$3,556,583	\$3,439,820	96.72%	\$126,462
2020	3,260,725	3,025,569	92.79	22,638
2019	3,150,231	3,126,845	99.26	40,080
2018	2,688,656	2,936,178	109.21	46,071
2017	2,591,568	2,339,478	90.27	19,378
2016	4,118,067	2,339,522	56.81	36,769
2015	4,118,077	2,413,170	58.60	39,654
2014	3,605,250	2,039,162	56.56	175,193
2013	3,296,249	2,223,225	67.45	68,364
2012	2,959,604	2,046,598	69.15	79,049

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

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

<u>Total Tax Collections (1)</u>	<u>Percent of Total Tax Collections to Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
\$3,566,282	100.27%	\$38,916	1.09%
3,048,207	93.48	181,742	5.57
3,166,925	100.53	64,020	2.03
2,982,249	110.92	108,441	4.03
2,358,856	91.02	112,177	4.33
2,376,291	57.70	1,484,093	50.77
2,452,824	59.56	1,281,155	43.89
2,214,355	61.42	1,072,868	37.09
2,291,589	69.52	970,830	29.45
2,125,647	71.82	837,915	28.31

City of Independence, Ohio
Principal Real Property Taxpayers
 2021 and 2012

<u>2021</u>		
<u>Taxpayer</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Park Center Plaza LP	\$17,482,500	3.77 %
Cleveland - Cuyahoga County Port Authority	16,170,010	3.49
American Transmission System	13,661,400	2.95
Cleveland Electric Illuminating Company	13,431,230	2.90
Summit Cleveland Realty LP	10,817,230	2.33
AHIP OH Cleveland Properties LLC	10,205,440	2.20
Rockside - 77 Properties LLC	10,202,120	2.20
Corporate Plaza LP	8,190,010	1.77
City of Independence	7,485,340	1.61
East Ohio Gas	7,409,450	1.60
Total	\$115,054,730	24.82 %
Total Real Property Assessed Valuation	\$463,541,590	

<u>2012</u>		
<u>Taxpayer</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Duke Realty Ohio	\$22,462,380	4.83 %
Cleveland Clinic	13,708,040	2.95
Investors Warranty of America Inc.	12,938,500	2.78
Cleveland - Cuyahoga County Port Authority	12,075,000	2.60
Rockside - 77 Properties LLC	11,365,520	2.45
Cleveland Electric Illuminating Company	10,166,360	2.19
City of Independence	7,483,020	1.61
AP/AM Independence Suites LLC	6,064,450	1.31
JDI Oak Tree Holdings LLC	5,982,410	1.29
Independence Research	5,474,080	1.18
Total	\$107,719,760	23.19 %
Total Real Property Assessed Valuation	\$464,606,440	

Source: Cuyahoga County Fiscal Officer

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

<u>Tax Year</u>	<u>Tax Rate (1)</u>	<u>Total Tax Collected (2)</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2021	2.00%	\$34,967,308	\$29,799,389	85.22%	\$3,562,033	10.19%	\$1,605,886	4.59%
2020	2.00	33,573,510	29,031,738	86.47	3,052,661	9.09	1,489,111	4.44
2019	2.00	33,313,603	28,235,391	84.75	3,776,444	11.34	1,301,768	3.91
2018	2.00	34,444,017	29,122,416	84.55	4,140,171	12.02	1,181,430	3.43
2017	2.00	31,470,365	26,872,545	85.39	3,553,004	11.29	1,044,816	3.32
2016	2.00	30,809,785	26,293,071	85.34	3,395,238	11.02	1,121,476	3.64
2015	2.00	28,691,285	24,396,200	85.03	3,110,135	10.84	1,184,950	4.13
2014	2.00	24,615,423	21,248,033	86.32	2,424,619	9.85	942,771	3.83
2013	2.00	26,429,663	22,393,040	84.73	3,107,726	11.76	928,897	3.51
2012	2.00	25,743,991	21,957,050	85.29	2,777,777	10.79	1,009,164	3.92

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

(2) Accrual basis.

City of Independence, Ohio
Income Tax Filers by Income Level
Tax Years 2021 and 2013

Tax Year 2021 (1)				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	943	33.17 %	\$209,899,380	74.77 %
75,001-100,000	284	9.99	24,710,794	8.80
50,001-75,000	373	13.12	23,100,113	8.23
25,000-50,000	413	14.53	15,448,394	5.50
Under 25,000	830	29.19	7,574,659	2.70
Total	<u>2,843</u>	<u>100.00 %</u>	<u>\$280,733,340</u>	<u>100.00 %</u>

Tax Year 2013 (2)				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	718	26.30 %	\$138,774,288	65.42 %
75,001-100,000	280	10.26	24,350,480	11.48
50,001-75,000	385	14.10	23,875,472	11.25
25,000-50,000	448	16.41	16,629,198	7.84
Under 25,000	899	32.93	8,513,305	4.01
Total	<u>2,730</u>	<u>100.00 %</u>	<u>\$212,142,743</u>	<u>100.00 %</u>

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

(1) Represents tax returns filed for tax year 2020

(2) Information prior to 2013 is not available.

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

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

Year	Gross Bonded Debt	Estimated Actual Values of Taxable Property	Ratio of Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt per Capita
2021	\$18,895,154	\$1,361,271,623	1.39%	\$2,512
2020	24,436,536	1,329,208,705	1.84	3,406
2019	8,241,033	1,308,222,209	0.63	1,149
2018	13,530,802	1,270,634,198	1.06	1,891
2017	15,274,188	1,243,511,502	1.23	2,144
2016	16,972,574	1,261,971,993	1.34	2,386
2015	18,620,960	1,276,000,766	1.46	2,583
2014	20,253,380	1,273,754,660	1.59	2,825
2013	21,540,762	1,274,340,952	1.69	3,019
2012	22,706,384	1,344,052,960	1.69	3,206

Note: Population is presented on page S25.

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

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

Fiscal Year	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	OWDA Loans	Notes Payable
2021	\$18,895,154	\$3,044,575	\$3,137,142	\$0	\$0
2020	24,436,536	3,138,890	3,466,329	0	0
2019	8,241,033	3,233,205	3,576,058	0	0
2018	13,530,802	3,297,520	3,795,516	0	0
2017	15,274,188	0	4,014,974	0	0
2016	16,972,574	0	4,234,432	0	5,717,998
2015	18,620,960	0	4,349,786	11,177	3,950,000
2014	20,253,380	0	196,875	22,005	4,300,000
2013	21,540,762	0	211,509	32,494	4,712,069
2012	22,706,384	0	229,526	42,676	4,510,800

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

Total	Percentage of Personal Income	Per Capita
\$25,076,871	6.34 %	\$3,333
31,041,755	8.01	4,326
15,050,296	4.28	2,098
20,623,838	6.67	2,882
19,289,162	6.55	2,708
26,925,004	10.16	3,785
26,931,923	10.46	3,757
24,772,260	10.02	3,471
26,496,834	11.45	3,741
27,489,386	11.08	3,854

City of Independence, Ohio

Legal Debt Margin

Last Ten Years

	2021	2020	2019	2018
Total Assessed Property Value	\$495,984,620	\$484,364,810	\$475,643,560	\$459,545,250
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	\$52,078,385	\$50,858,305	\$49,942,574	\$48,252,251
Debt Outstanding:				
General Obligation Bonds	17,120,000	22,310,000	7,785,000	12,785,000
Special Assessment Bonds	2,950,000	3,040,000	3,130,000	3,190,000
OPWC Loans	3,137,142	3,466,329	3,576,058	3,795,516
OWDA Loan	0	0	0	0
Notes	0	0	17,375,000	12,300,000
Total Gross Indebtedness	23,207,142	28,816,329	31,866,058	32,070,516
Less:				
General Obligation Bonds	(2,740,000)	(3,000,000)	(3,255,000)	(3,740,000)
Special Assessment Bonds	(2,950,000)	(3,040,000)	(3,130,000)	(3,190,000)
OPWC Loans	(3,137,142)	(3,466,329)	(3,576,058)	(3,795,516)
Total Net Debt Applicable to Debt Limit	14,380,000	19,310,000	21,905,000	21,345,000
Legal Debt Margin Within 10 ½ % Limitations	\$37,698,385	\$31,548,305	\$28,037,574	\$26,907,251
Legal Debt Margin as a Percentage of the Debt Limit	72.39%	62.03%	56.14%	55.76%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	\$27,279,154	\$26,640,065	\$26,160,396	\$25,274,989
Gross Indebtedness	23,207,142	28,816,329	31,866,058	32,070,516
Less:				
General Obligation Bonds	(2,740,000)	(3,000,000)	(3,255,000)	(3,740,000)
Special Assessment Bonds	(2,950,000)	(3,040,000)	(3,130,000)	(3,190,000)
OPWC Loans	(3,137,142)	(3,466,329)	(3,576,058)	(3,795,516)
Net Debt Within 5 ½ % Limitations	14,380,000	19,310,000	21,905,000	21,345,000
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$12,899,154	\$7,330,065	\$4,255,396	\$3,929,989
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	47.29%	27.52%	16.27%	15.55%

Source: City Financial Records

2017	2016	2015	2014	2013	2012
<u>\$448,792,810</u>	<u>\$453,851,680</u>	<u>\$458,014,830</u>	<u>\$456,374,110</u>	<u>\$455,719,670</u>	<u>\$479,219,710</u>
<u>\$47,123,245</u>	<u>\$47,654,426</u>	<u>\$48,091,557</u>	<u>\$47,919,282</u>	<u>\$47,850,565</u>	<u>\$50,318,070</u>
14,450,000	16,070,000	17,640,000	19,190,000	20,620,000	21,720,000
0	0	0	0	0	0
4,014,974	4,234,432	4,349,786	196,875	211,509	229,526
0	0	11,177	22,005	32,494	42,676
<u>12,150,000</u>	<u>12,550,000</u>	<u>4,300,000</u>	<u>4,700,000</u>	<u>5,450,000</u>	<u>6,800,000</u>
30,614,974	32,854,432	26,300,963	24,108,880	26,314,003	28,792,202
(3,740,000)	(3,980,000)	(4,215,000)	(4,445,000)	(4,605,000)	(4,785,000)
0	0	0	0	0	0
<u>(4,014,974)</u>	<u>(4,234,432)</u>	<u>(4,349,786)</u>	<u>(196,875)</u>	<u>(211,509)</u>	<u>(229,526)</u>
<u>22,860,000</u>	<u>24,640,000</u>	<u>17,736,177</u>	<u>19,467,005</u>	<u>21,497,494</u>	<u>23,777,676</u>
<u>\$24,263,245</u>	<u>\$23,014,426</u>	<u>\$30,355,380</u>	<u>\$28,452,277</u>	<u>\$26,353,071</u>	<u>\$26,540,394</u>
51.49%	48.29%	63.12%	59.38%	55.07%	52.75%
<u>\$24,683,605</u>	<u>\$24,961,842</u>	<u>\$25,190,816</u>	<u>\$25,100,576</u>	<u>\$25,064,582</u>	<u>\$26,357,084</u>
30,614,974	32,854,432	26,300,963	24,108,880	26,314,003	28,792,202
(3,740,000)	(3,980,000)	(4,215,000)	(4,445,000)	(4,605,000)	(4,785,000)
0	0	0	0	0	0
<u>(4,014,974)</u>	<u>(4,234,432)</u>	<u>(4,349,786)</u>	<u>(196,875)</u>	<u>(211,509)</u>	<u>(229,526)</u>
<u>22,860,000</u>	<u>24,640,000</u>	<u>17,736,177</u>	<u>19,467,005</u>	<u>21,497,494</u>	<u>23,777,676</u>
<u>\$1,823,605</u>	<u>\$321,842</u>	<u>\$7,454,639</u>	<u>\$5,633,571</u>	<u>\$3,567,088</u>	<u>\$2,579,408</u>
7.39%	1.29%	29.59%	22.44%	14.23%	9.79%

City of Independence, Ohio
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2021*

	Debt Attributable to Governmental Activities	Percentage Applicable to City (1)	Amount of Direct and Overlapping Debt
Direct Debt:			
City of Independence			
General Obligation Bonds	\$18,895,154	100.00 %	\$18,895,154
Special Assessment Bonds	3,044,575	100.00	3,044,575
OPWC Loan	3,137,142	100.00	3,137,142
<i>Total Direct Debt</i>	<u>25,076,871</u>		<u>25,076,871</u>
Overlapping Debt:			
Independence Local School District			
General Obligation Bonds	7,935,000	100.00	7,935,000
Cuyahoga County			
General Obligation Bonds	265,599,988	1.65	4,382,400
Revenue Bonds	452,186,168	1.65	7,461,072
Certificates of Participation	197,622,397	1.65	3,260,770
Loans Payable	1,434,868	1.65	23,675
Capital Lease Obligations	260,966,852	1.65	4,305,953
Greater Cleveland Regional Transit Authority			
General Obligation Bonds	114,218,677	1.65	1,884,608
<i>Total Overlapping Debt</i>	<u>1,299,963,950</u>		<u>29,253,478</u>
<i>Total Direct and Overlapping Debt</i>	<u>\$1,325,040,821</u>		<u>\$54,330,349</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 2021 collection year.

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

Year	Population (1)	Total Personal Income (2)	Personal Income Per Capita (2)	Median Family Income (1)	Unemployment Rate (3)		City Square Miles (4)
					Cuyahoga County	State of Ohio	
2021	7,523	\$395,687,231	\$52,597	\$105,107	8.3%	8.1%	9.73
2020	7,175	387,586,325	54,019	100,278	8.3	8.1	9.73
2019	7,175	351,417,150	48,978	95,341	4.2	4.1	9.73
2018	7,156	309,231,352	43,213	86,360	5.3	4.6	9.73
2017	7,124	294,697,450	41,367	84,900	4.8	4.8	9.73
2016	7,114	265,053,412	37,258	75,566	5.4	4.9	9.73
2015	7,209	257,570,361	35,729	74,411	5.0	4.9	9.73
2014	7,169	247,258,810	34,490	67,471	5.5	5.1	9.73
2013	7,136	231,484,704	32,439	73,403	7.2	7.1	9.73
2012	7,083	248,117,490	35,030	70,432	6.6	6.8	9.73

(1) Years 2012-2021 - City estimates

(2) City estimates

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

(4) City Records

City of Independence, Ohio
Principal Employers
 2021 and 2012

2021			
Employer	Nature of Activity	Employees	Percentage of Total City Employment
Cleveland Clinic Foundation	Health Care	2,294	10.81 %
Airgas USA LLC	Gas Industry	472	2.22
City of Independence	Municipality	395	1.86
Apple American Group LLC	Restaurant Franchisee Group	394	1.85
Farmers Group Incorporated	Insurance Company	371	1.75
CBIZ Operations	Financial and Insurance	353	1.66
Independence Excavating Inc.	Construction Company	299	1.41
Nations Lending Corporation	Mortgage Company	284	1.34
Dayton Heidelberg Distributing	Beverage Distribution	260	1.23
Sirva Inc.	Relocation and Moving	241	1.14
Total		<u>5,363</u>	<u>25.27 %</u>
Total Employment within the City		<u>21,222</u>	

2012			
Employer	Nature of Activity	Employees	Percentage of Total City Employment
Cleveland Clinic Foundation	Health Care	2,136	11.74 %
City of Independence	Municipality	477	2.62
L D Kichler Co	Lighting Products	416	2.29
Farmers Group Incorporated	Insurance Company	300	1.65
Sirva Incorporated	Moving Company	267	1.47
Travelers Indemnity Company	Insurance Company	237	1.30
Dayton Heidelberg Distributing	Distribution	236	1.29
ADP Incorporated	Payroll Processing	220	1.21
Nations Lending Corporation	Mortgage Company	178	0.98
Proficio Mortgage Ventures LLC	Mortgage Company	177	0.97
Total		<u>4,644</u>	<u>25.52 %</u>
Total Employment within the City		<u>18,196</u>	

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

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

Function/Program	2021	2020	2019	2018
General Government				
Council	4.50	4.50	4.50	4.50
Mayor	2.50	1.50	1.00	1.50
Finance	3.50	3.50	3.50	4.00
Purchasing	1.00	1.00	1.00	1.00
Mayor's Court	1.00	2.00	3.50	3.50
Technology	1.00	1.50	1.00	2.00
Engineering	6.00	5.00	5.50	5.50
Administrative Support	6.00	5.00	4.00	4.00
Security of Persons and Property				
Police	40.00	39.00	39.00	48.50
Fire	29.50	30.00	32.50	29.50
Leisure Time Activities				
Recreation Center	72.00	33.00	46.00	53.00
Community Services	41.00	7.00	24.00	28.00
Community Environment				
Building Inspection	5.00	4.50	3.50	4.00
Transportation				
Service and Technical Service	40.50	39.00	38.50	34.00
Totals:	<u>253.50</u>	<u>176.50</u>	<u>207.50</u>	<u>223.00</u>

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

Source: City Records

2017	2016	2015	2014	2013	2012
4.50	4.50	4.50	4.50	4.50	5.00
1.50	1.50	3.50	3.50	2.50	2.50
4.00	3.00	3.50	3.00	3.50	3.50
1.00	1.00	1.00	1.00	1.00	1.50
3.50	3.50	3.00	3.00	3.00	3.00
2.00	2.00	2.00	2.00	2.00	2.00
5.00	5.00	5.50	4.50	4.00	4.00
4.00	4.00	7.50	5.00	5.00	4.50
48.50	47.00	46.50	47.50	47.50	48.00
28.00	27.50	28.00	24.50	24.50	26.50
52.50	54.50	51.50	50.00	50.00	45.00
17.50	18.00	17.00	14.00	14.00	15.00
4.00	3.00	4.50	5.00	4.00	5.50
39.00	40.00	40.00	41.00	42.00	45.00
<u>215.00</u>	<u>214.50</u>	<u>218.00</u>	<u>208.50</u>	<u>207.50</u>	<u>211.00</u>

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

Function/Program	2021	2020	2019	2018
General Government				
Square Footage of Building (1)	35,200	35,200	35,200	35,200
Building Department Vehicles	5	5	2	2
Other Department Vehicles	12	11	11	8
Police				
Stations	1	1	1	1
Square Footage of Building (1)	35,200	35,200	35,200	35,200
Vehicles	30	29	44	46
Fire				
Stations	1	1	1	1
Square Footage of Building	19,350	19,350	19,350	19,350
Vehicles	12	12	12	13
Service Department				
Streets (miles)	55	55	52	52
Vehicles	48	40	49	51
Recreation				
Recreation Centers	2	2	2	2
New Recreation Center Square Footage (2)	82,000	82,000	82,000	82,000
Old Recreation Facility Square Footage	7,570	7,570	7,570	7,570
Number of Parks	1	1	1	1
Number of Baseball Diamonds	6	6	6	6
Number of Playgrounds	2	2	2	2
Number of Tennis Courts	4	4	4	4
Number of Pickle Ball Courts	6	6	6	6
Number of Horse Shoe Pitts	6	6	6	6
Number of Bocce Ball Courts	3	3	3	3
Number of Full Sized Soccer Fields	3	3	3	3
Vehicles	6	5	5	4
Community Services				
Community Services Center Square Footage (2)	82,000	82,000	82,000	82,000
Vehicles	6	6	7	9

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

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

Source: City Records

2017	2016	2015	2014	2013	2012
35,200	35,200	35,200	35,200	35,200	35,200
2	15	15	4	4	4
7	8	7	5	5	5
1	1	1	1	1	1
35,200	35,200	35,200	35,200	35,200	35,200
35	31	35	39	39	39
1	1	1	1	1	1
19,350	19,350	19,350	19,350	19,350	19,350
13	13	13	13	13	13
52	52	52	52	52	52
43	45	43	53	53	53
2	2	2	2	2	2
82,000	82,000	82,000	82,000	82,000	82,000
7,570	7,570	7,570	7,570	7,570	7,570
1	1	1	1	1	1
6	6	6	6	6	6
2	2	2	2	2	2
4	4	4	5	5	5
6	6	6	0	0	0
6	6	6	0	0	0
3	3	3	0	0	0
3	3	3	3	3	3
4	4	4	3	3	3
82,000	82,000	82,000	82,000	82,000	82,000
10	9	7	7	7	6

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

Function/Program	2021	2020	2019	2018
General Government				
Law Expenditures (in thousands)	\$438	\$373	\$218	\$223
Engineering Expenditures (in thousands)	579	554	543	522
Finance Expenditures (in thousands)	495	525	454	515
Mayor's Office Expenditures (in thousands)	436	369	352	328
Council Expenditures (in thousands)	372	368	337	333
Security of Persons and Property				
Police Expenditures (in thousands)	\$5,284	\$5,004	\$5,429	\$5,368
Total Arrests	266	1,170	3,928	4,127
OVI Arrests	42	35	36	44
Prisoners	109	240	261	365
Motor Vehicle Accidents	396	298	558	481
Calls for Service	17,885	18,008	23,689	25,857
Incidents per Citizen	2.3774	2.5098	3.3016	3.6133
Cost per Citizen	\$702.38	\$697.42	\$756.66	\$750.14
Fire Expenditures (in thousands)	\$3,794	\$3,569	\$3,524	\$3,370
Emergency Responses	2,192	1,967	2,189	1,979
Fire Safety Inspections	621	394	831	577
Fire Protection Systems Inspected	204	320	272	326
Building Fire Protection Plans Reviewed	7	8	6	20
Percentage of Business Inspected	66%	20%	86%	74%
Number of Community Programs	19	19	19	20
Emergency Responses per Citizen	0.2890	0.2741	0.3051	0.2766
Cost per Citizen	\$504.32	\$497.42	\$491.15	\$470.93
Fire Safety Education - Business	8	13	13	13
Street Lights Expenditures (in thousands)	\$294	\$242	\$261	\$268

2017	2016	2015	2014	2013	2012
\$200	\$286	\$282	\$239	\$244	\$250
540	485	452	448	360	244
470	475	439	452	400	388
317	317	481	506	546	510
296	285	263	246	221	260
\$5,057	\$4,973	\$4,688	\$4,650	\$4,483	\$4,495
3,651	3,086	2,838	3,204	3,023	2,257
41	76	77	83	151	65
364	319	363	378	393	353
457	542	575	597	547	578
27,510	24,797	22,073	25,531	29,342	22,434
3.8616	3.4857	3.0619	3.5613	4.1400	3.1600
\$709.85	\$699.04	\$650.30	\$648.63	\$631.34	\$634.62
\$3,286	\$3,179	\$3,026	\$3,009	\$2,851	\$2,796
1,971	2,001	1,919	1,902	1,658	1,714
850	705	591	860	459	601
300	474	796	584	209	237
21	53	452	177	19	67
98%	98%	98%	75%	63%	96%
20	20	20	20	20	14
0.2767	0.2813	0.2662	0.2666	0.2210	0.2420
\$461.26	\$446.87	\$419.75	\$421.84	\$401.59	\$394.75
13	14	8	3	5	6
\$258	\$279	\$295	\$256	\$220	\$236

(continued)

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

Function/Program	2021	2020	2019	2018
Leisure Time Activities				
Recreational Expenditures (in thousands)	\$2,202	\$1,886	\$2,105	\$2,243
Civic Center Expenditures (in thousands)	1,076	737	846	855
Totals	\$3,278	\$2,623	\$2,951	\$3,098
Cost per Citizen	\$435.73	\$365.57	\$411.29	\$432.92
Civic Center Square Feet	82,000	82,000	82,000	82,000
Square Feet per Citizen	10.90	11.43	11.43	11.46
Total Recreational Revenue (in thousands)	\$239	\$144	\$389	\$350
Civic Center Members	6,118	4,319	6,915	7,227
Total Participations	49,980	46,744	128,229	148,678
Participations of Members Over Age 60	17,085	14,096	28,233	27,226
Community Environment				
Building Department Expenditures (in thousands)	\$418	\$334	\$339	\$308
Cost per Citizen	\$55.56	\$46.55	\$47.25	\$43.04
Building Permits - Residential	98	93	87	80
Dollar Value of Permits (in thousands)	\$10,619	\$9,560	\$12,103	\$6,872
Building Permits - Commercial	45	35	36	64
Dollar Value of Permits (in thousands)	\$9,238	\$11,240	\$15,581	\$37,363
Transportation				
Service Department Expenditures (in thousands)	\$4,690	\$4,945	\$4,066	\$4,279
Street Construction Maintenance and Repair Expenditures (in thousands)	\$1,307	\$757	\$680	\$930
Snow and Ice Removal Expenditures (in thousands)	\$336	\$189	\$316	\$396
Leaves, grass, chipped material (in cubic yards)	12,420	9,232	9,328	6,317

Source: City Records

2017	2016	2015	2014	2013	2012
\$1,397	\$1,950	\$1,979	\$2,002	\$1,948	\$1,969
1,325	972	912	848	855	828
\$2,722	\$2,922	\$2,891	\$2,850	\$2,803	\$2,797
\$382.09	\$410.74	\$401.03	\$397.55	\$394.71	\$394.89
82,000	82,000	82,000	82,000	82,000	82,000
11.51	11.53	11.37	11.44	11.55	11.58
\$582	\$412	\$715	\$676	\$519	\$631
7,034	7,376	9,898	7,243	7,208	2,740
144,842	153,546	149,001	152,187	103,243	170,399
23,823	23,017	19,834	20,792	20,513	21,236
\$300	\$318	\$350	\$343	\$338	\$464
\$42.11	\$44.70	\$48.55	\$47.84	\$47.59	\$65.51
88	51	68	50	65	61
\$11,836	\$4,391	\$6,493	\$4,734	\$5,839	\$2,500
45	48	59	57	45	47
\$4,797	\$27,133	\$25,884	\$12,627	\$8,082	\$8,000
\$3,980	\$3,218	\$3,349	\$3,529	\$3,295	\$3,198
\$914	\$841	\$750	\$739	\$654	\$547
\$153	\$174	\$340	\$433	\$421	\$237
8,512	10,489	8,603	9,598	10,295	12,428

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF INDEPENDENCE

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/29/2022

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