

Comprehensive Annual Financial Report

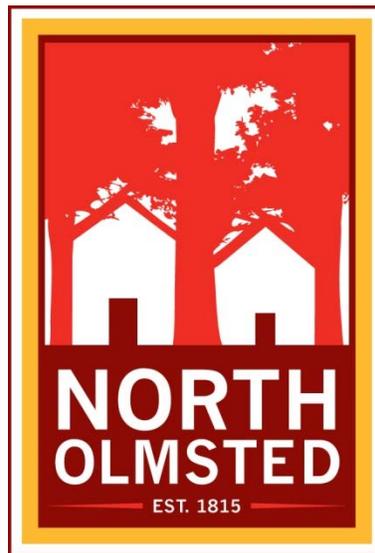
# NORTH OLMSTED, OHIO

For the Year Ended December 31, 2018



**INTRODUCTORY  
SECTION**

**City of North Olmsted, Ohio**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended**  
**December 31, 2018**



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

# City of North Olmsted, Ohio

## Comprehensive Annual Financial Report For the Year Ended December 31, 2018

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June 28, 2019

Honorable Kevin M. Kennedy  
Citizens of North Olmsted, Ohio  
And Members of City Council

Ohio Administrative Code Section 117-2-03 requires that all cities file annual financial reports prepared on a GAAP (Generally Accepted Accounting Principles) basis. Ohio Revised Code Section 117.38 requires the annual financial report be filed with the Auditor of State within 150 days of the close of each fiscal year. This report is published to fulfill those requirements for the fiscal year ended December 31, 2018.

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

The Auditor of the State of Ohio, Keith Faber, an independent auditor, has issued an unmodified (“clean”) opinion on the City of North Olmsted’s financial statements for the year ended December 31, 2018. The Independent Auditor’s Report is located at the front of the financial section of this report.

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

## PROFILE OF THE GOVERNMENT

### Basic Information

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

In 1908, the residents voted to incorporate, becoming a village. In 1951, North Olmsted became a city because it had a population of over 5,000 people. The rapid growth was attributed to returning World War II veterans looking to provide a suburban living for their families. At one time the City was considered the fastest growing city in Ohio because it more than doubled in size from 1950 to 1960 and doubled again in 1970. Since the 1970 census, the population of North Olmsted has stayed relatively constant. The 2010 census was 32,718, which represents a four percent decline from the 2000 census.

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

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

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

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

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

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

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

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

### **Component Unit**

The North Olmsted Commission on Paratransit, Inc. (N.O.C.O.P.) has been presented as a discretely presented component unit of the primary government, based on the significant services and resources provided by the City. Effective September 1, 2013, Olmsted Township terminated its membership with N.O.C.O.P. and effective January 1, 2014, the City of North Olmsted and the City of Olmsted Falls each entered into individual contracts with Senior Transportation Connection, and no longer shared the transportation costs on a pro-rated basis. The N.O.C.O.P. ceased operations in 2018 and the remaining assets were disbursed. A complete discussion of the City's reporting entity is provided in Notes 1 and 21 of the basic financial statements.

### **Budgetary Process**

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

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

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Summary of Local Economy**

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

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

Based on employer payments of business profits and employee wage and salary withholding income taxes, one taxpayer accounted for approximately 9.74% of the City income taxes collected in Fiscal Year 2018. No other taxpayer contributed more than 5% of the City income taxes collected in Fiscal Year 2018. Additionally, the City, which currently offers residents 100% credit on up to two percent for municipal income taxes paid to their workplace city, can adjust that credit through an ordinance of Council.

While the City and region have been slower than other regions to recover from the 2008 global recession, several promising economic indicators occurred in 2018.

- Municipal income tax collections remained consistent to the prior year with both employee withholdings and business net profit increases offset by a decline in individual contributions.
- The number of residential property sales increased by 4.6% to 597, which is the highest volume since 2006. In addition, the average sales price of residential properties increased 0.5% to \$143,000, though it is still 3.3% lower than the 2007 pre-recession average prices.
- The average yearly unemployment rate in the county increased only slightly to 5.2% during 2018; the State unemployment rate decreased 0.4% to 4.6%; the US rate declined to 3.9%; though this statistic does not account for those persons who are unemployed, but no longer looking for work.

## **Relevant Financial Policies**

### ***Internal Control***

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

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

### ***Basis of Accounting***

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

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

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

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

### ***Debt Administration***

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

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

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

### **Major Initiatives and Capital Improvements**

The City entered into a Community Reinvestment Area (CRA) agreement with Omni Senior Living, LLC for the development of a senior living facility with 88 independent living apartments, 64 assisted living and memory care units, and 9 independent villas. Under the CRA agreement, Omni Senior Living, LLC will make a total investment of \$33.7 million (plus or minus 10%) in construction, furniture and fixtures, and land acquisition. By the end of 2022, there will be a minimum of 50 jobs created with an annual payroll of approximately \$2.2 million. In return, Omni Senior Living, LLC will receive a real estate tax abatement for 15 years in the amount of 50% of the tax on the facility.

A \$10 million new traffic signal system project will continue to improve the traffic flow along Lorain Road in two phases, the first of which was completed in 2018 and focused on 30 of the City's 52 signaled intersections. The new system allows the signal operations to be modified as needed to accommodate weekend traffic, holiday traffic as well as normal weekday rush to reduce congestion. The Ohio Department of Transportation is managing the project that is funded mostly by federal monies. The City will contribute 20% of the construction costs and the cost of engineering for both phases.

A multi-phase project, which began in 2016, to implement the Springvale Master Plan improving the nearly 100-year-old Springvale Ballroom and Golf facilities continued in 2018 with the construction of a full commercial kitchen that can serve 600 guests in the ballroom and the addition of a pavilion with improved patio areas capable of serving 200 to 400 guests. The second phase of Springvale Master Plan which will include a new roof and HVAC system was designed in 2018 with construction expected during 2019.

The Police Department purchased a revolutionary laser scanner that allows them to capture and analyze data from crime or crash scenes in millions of data points. The data points provide an accurate 3D rendering of the scene with detail on skid marks, vehicle positioning, blood splatter, or items in the surrounding area. Having this ability allows them to speed up the collection of evidence and return the accident scene back to normal much quicker. Data then can be analyzed back at the police department and used to create 2D and 3D diagrams, animations, and walk-throughs of the scene which can ultimately be used in court as evidence.

2018 was the first year of the City's Sidewalk Program, which was established to regularly inspect, repair or reconstruct damaged sidewalks. The goal is to provide safe sidewalks for pedestrians travel throughout the city. In total for 2018, 324 properties were included in the program. Of those, 180 property owners had blocks replaced by the City's contractor totaling 10,270 square feet of sidewalk. Property owners using the City's contractor were invoiced for the amount of inspections and repairs after the work was completed. The remaining 144 property owners hired their own contractors to perform the work. The City is divided into zones and the program will continue, zone by zone, until the entire city has been included.

The City's annual street rating program identifies the roads needing the most repair. The City resurfaced 11 residential streets during 2018, including Ashton Circle, Broxbourne Road, and Christman Drive. MacKenzie Road was also resurfaced in a jointly funded project with Cuyahoga County where the County contributed \$250,000 towards the nearly \$600,000 spent on construction. In total, over 420,000 square feet of road was improved citywide in 2018. It was also the first year of the City's rejuvenation program which focuses on pavement maintenance so roads will not need to be completely resurfaced as often.

### **Long-term Financial Planning**

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

The City, through Council ordinance, has established a reserve balance account for the purpose of budget stabilization. The amount reserved may not exceed 5% of the General Fund's revenues in the prior year. Council may appropriate expenditures out of the reserve account to stabilize the City's budget. The City has also established both separation and 27<sup>th</sup> pay funds to reduce the spikes in an operating budget when these benefits are paid out in future years. The 2018 budget included continued funding of these reserves.

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

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

## **AWARDS AND ACKNOWLEDGEMENTS**

### **GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Olmsted for its comprehensive annual financial report for the fiscal year ended December 31, 2017. This was the nineteenth consecutive year that the city has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgments**

The 2018 Comprehensive Annual Financial Report was prepared by the Finance Department with cooperation from all city departments. We would like to express our appreciation to Ciuni & Panichi, Inc. for their guidance in the preparation of this report.

We would also like to thank the Mayor and members of City Council for supporting the preparation of this report, which expresses their commitment to financial integrity. In closing, we are grateful to the residents and taxpayers of the City of North Olmsted for entrusting us with the fiscal administration of their local government.

Respectfully submitted,

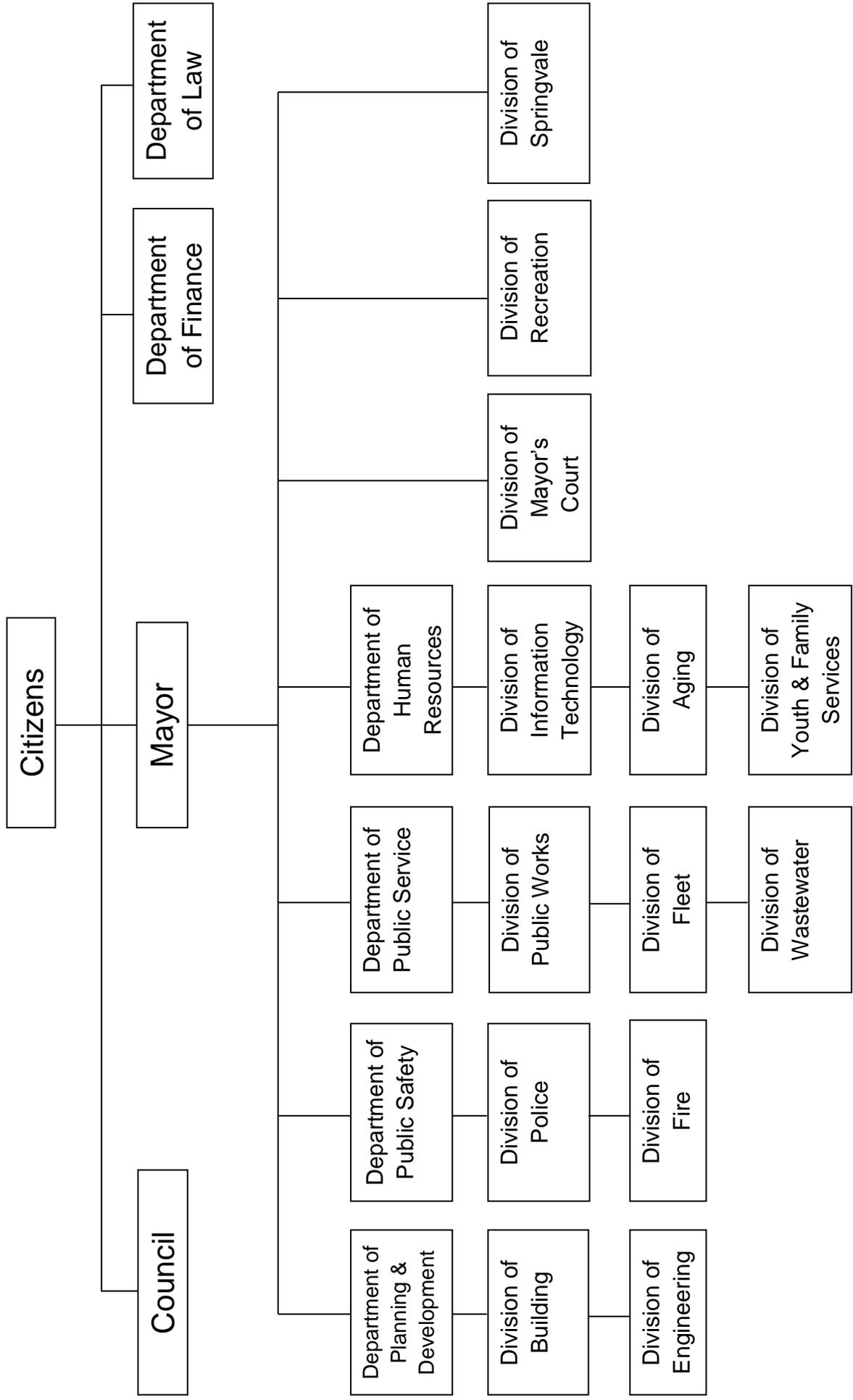


Carrie B. Copfer, CPA  
Director of Finance



Keith Sperling  
Assistant Director of Finance

# CITY OF NORTH OLMSTED ORGANIZATIONAL CHART



# City of North Olmsted, Ohio

## Principal City Officials

**December 31, 2018**

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### Elected Officials

Kevin M. Kennedy .....	Mayor
Michael R. Gareau, Jr.....	Director of Law
Carrie B. Copfer.....	Director of Finance
Nicole Dailey Jones.....	President of Council
Louis Brossard .....	Council Ward 1
Chris Glassburn.....	Council Ward 2
Paul Schumann.....	Council Ward 3
Mary Ellen Hemann .....	Council Ward 4
Kevin G. Kearney.....	Council-At-Large
Duane H. Limpert.....	Council-At-Large
Angela Williamson.....	Council-At-Large

### Appointed Officials

Marie Gallo .....	Director of Human Resources
Donald Glauner .....	Director of Public Safety and Service
Kimberly Wenger.....	Director of Planning Development



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of North Olmsted  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morvill*

Executive Director/CEO

**FINANCIAL  
SECTION**

# OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12<sup>th</sup> Floor  
615 Superior Avenue, NW  
Cleveland, Ohio 44113-1801  
(216) 787-3665 or (800) 626-2297  
NortheastRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT

City of North Olmsted  
Cuyahoga County  
5200 Dover Center Road  
North Olmsted, Ohio 44070

To the City Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of North Olmsted, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Olmsted, Cuyahoga County, Ohio, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 3 to the financial statements, during 2018, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. We did not modify our opinion regarding this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

#### *Supplementary and Other Information*

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2019, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State

Columbus, Ohio

June 28, 2019

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# City of North Olmsted

## *Management's Discussion and Analysis (Unaudited)*

*For the Fiscal Year Ended December 31, 2018*

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The Management's Discussion and Analysis of the City of North Olmsted's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2018. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

### **Financial Highlights**

◆ Key financial highlights for 2018 are as follows:

- For the year ended December 31, 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The implementation of this statement resulted in the restatement of net position as of December 31, 2017 for the governmental activities and business-type activities. See Note 3 for additional information regarding the restatement.
- The total assets and deferred outflows of resources of the City exceeded total liabilities and deferred inflows of resources at the close of 2018 by \$32,011,311. This is an increase of \$263,798 over the restated 2017 net position. Net position of the City's governmental activities decreased \$1,246,075 from restated 2017, while net position of the business-type activities increased \$1,509,873.
- Total assets increased by \$1,064,924 and deferred outflows of resources decreased by \$1,886,163. The main factor affecting the total assets was the increase in equity in pooled cash and cash equivalents (up \$3,077,969), which was offset by a decrease in capital assets (down \$2,103,322). The main fluctuation in deferred outflows of resources related to net pension/OPEB (down \$1,849,995).
- Total liabilities decreased by \$6,088,365 and deferred inflows of resources increased by \$5,003,328 from 2017. The main factors affecting the total liabilities was a decrease in debt (down \$4,019,442) and net pension liability (down \$5,443,989), offset by an increase in the net OPEB liability (up \$3,245,914) during 2018. The deferred inflows of resources were up in 2018 with deferred inflows of resources and other financing sources related to pension and OPEB being the biggest contributors (up \$4,086,933).
- The General Fund reported a fund balance of \$8,582,240 at the end of the 2018, which is an increase of \$51,761 from 2017. The General Fund expenditures and other financing uses increased \$1,229,731 from 2017 to 2018 and revenues and other financing sources increased \$720,167.

### **Using This Comprehensive Annual Financial Report (CAFR)**

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

## City of North Olmsted

*Management's Discussion and Analysis (Unaudited)*

*For the Fiscal Year Ended December 31, 2018*

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

### **Reporting the City of North Olmsted as a Whole**

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

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole considers all financial transactions and measures how the City did financially during fiscal year 2018. The *Statement of Net Position* includes assets, deferred outflows of resources, liabilities and deferred inflows of resources and the *Statement of Activities* includes revenues and expenses; however, they both use the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

**City of North Olmsted**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended December 31, 2018*

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**Reporting the City of North Olmsted's Most Significant Funds**

***Fund Financial Statements***

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

***Governmental Funds***

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

***Proprietary Funds***

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

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found beginning on page 31 of this report.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources are not available to support the City's own programs. The City of North Olmsted has three agency funds to report within the fiduciary fund category. Agency funds are reported on a full accrual basis and only present a Statement of Fiduciary Assets and Liabilities.

**City of North Olmsted**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended December 31, 2018*

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**Notes to the Basic Financial Statements**

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 36 of this report.

**Other Information**

In addition to the basic financial statements and the accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the combining statements referred to earlier in connection with non-major governmental funds are presented, as well as individual detailed budgetary comparisons for all funds. This information can be found starting on page 109 of this report.

**City of North Olmsted**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended December 31, 2018*

**The City of North Olmsted as a Whole**

The *Statement of Net Position* looks at the City as a whole. Table 1 provides a summary of the City's net position for 2018 compared to 2017.

Table 1  
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Assets:</b>						
Current and other assets	\$ 49,256,844	\$ 46,095,954	\$ 10,077,973	\$ 10,151,752	\$ 59,334,817	\$ 56,247,706
Capital assets, net	46,644,859	48,057,160	71,149,479	71,840,500	117,794,338	119,897,660
Net pension asset	<u>102,183</u>	<u>40,631</u>	<u>32,535</u>	<u>12,952</u>	<u>134,718</u>	<u>53,583</u>
<i>Total assets</i>	<u>96,003,886</u>	<u>94,193,745</u>	<u>81,259,987</u>	<u>82,005,204</u>	<u>177,263,873</u>	<u>176,198,949</u>
<b>Deferred outflows of resources:</b>						
Loss on refunding	105,459	128,280	40,041	53,388	145,500	181,668
Pension	4,609,012	7,907,964	599,244	1,379,916	5,208,256	9,287,880
OPEB	<u>2,233,697</u>	<u>104,073</u>	<u>121,623</u>	<u>21,618</u>	<u>2,355,320</u>	<u>125,691</u>
<i>Total deferred outflows of resources</i>	<u>6,948,168</u>	<u>8,140,317</u>	<u>760,908</u>	<u>1,454,922</u>	<u>7,709,076</u>	<u>9,595,239</u>
<b>Liabilities:</b>						
Current liabilities	1,778,159	1,784,374	1,162,631	1,027,264	2,940,790	2,811,638
Long-term liabilities:						
Due within one year	5,343,434	5,254,035	3,291,836	2,943,105	8,635,270	8,197,140
Other amounts due in more than one year	18,379,269	19,703,039	52,908,161	56,041,963	71,287,430	75,745,002
Net pension liability	27,561,247	31,912,423	2,358,633	3,451,446	29,919,880	35,363,869
Net OPEB liability	<u>23,791,308</u>	<u>20,653,287</u>	<u>1,652,709</u>	<u>1,544,816</u>	<u>25,444,017</u>	<u>22,198,103</u>
<i>Total liabilities</i>	<u>76,853,417</u>	<u>79,307,158</u>	<u>61,373,970</u>	<u>65,008,594</u>	<u>138,227,387</u>	<u>144,315,752</u>
<b>Deferred inflows of resources:</b>						
Property taxes	10,019,607	9,040,527	-	-	10,019,607	9,040,527
Payments in lieu of taxes	192,273	254,958	-	-	192,273	254,958
Pension	2,993,086	405,620	585,490	29,818	3,578,576	435,438
OPEB	<u>813,947</u>	<u>-</u>	<u>129,848</u>	<u>-</u>	<u>943,795</u>	<u>-</u>
<i>Total deferred inflows of resources</i>	<u>14,018,913</u>	<u>9,701,105</u>	<u>715,338</u>	<u>29,818</u>	<u>14,734,251</u>	<u>9,730,923</u>
<b>Net position:</b>						
Net investment in capital assets	28,803,658	28,401,591	15,530,540	14,882,798	44,334,198	43,284,389
Restricted	21,367,564	19,888,065	-	-	21,367,564	19,888,065
Unrestricted	<u>(38,091,498)</u>	<u>(34,963,857)</u>	<u>4,401,047</u>	<u>3,538,916</u>	<u>(33,690,451)</u>	<u>(31,424,941)</u>
<i>Total net position</i>	<u>\$ 12,079,724</u>	<u>\$ 13,325,799</u>	<u>\$ 19,931,587</u>	<u>\$ 18,421,714</u>	<u>\$ 32,011,311</u>	<u>\$ 31,747,513</u>

## City of North Olmsted

*Management's Discussion and Analysis (Unaudited)*

*For the Fiscal Year Ended December 31, 2018*

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The net pension liability (NPL) is one of the larger liabilities reported by the City at December 31, 2018 and is reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. For 2018, the City adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension/OPEB, the net pension/OPEB liability to the reported net position and subtracting deferred outflows related to pension/OPEB and the net pension asset.

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

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

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

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

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

## City of North Olmsted

*Management's Discussion and Analysis (Unaudited)*

*For the Fiscal Year Ended December 31, 2018*

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

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

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred outflows/inflows of resources related to OPEB on the accrual basis of accounting. This implementation had the effect of restating net position at December 31, 2017, from \$33,875,013 to \$13,325,799 for governmental activities and from \$19,944,912 to \$18,421,714 for business-type activities.

Net position may serve over time as a useful indicator of a government's financial position. For the City of North Olmsted, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$32,011,311 as of December 31, 2018, which is a \$263,798 increase from the prior year. At the end of the current year, the City of North Olmsted is able to report positive balances in the net investment in capital assets and restricted net position. Unrestricted net position is negative as a result of GASB 68 and GASB 75.

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

Total assets for 2018 increased \$1,064,924 when compared to 2017 and total liabilities decreased by \$6,088,365. The main factor affecting the total assets was the increase in equity in pooled cash and cash equivalents (up \$3,077,969), which was offset by a decrease in capital assets (down \$2,103,322). Increase in equity in pooled cash and cash equivalents was due to note proceeds issued in the current year. Capital assets decreased due to additions being offset by annual depreciation. The main factors affecting the total liabilities was a decrease in debt (down \$4,019,442) and the net pension liability (down \$5,443,989), which were offset by an increase in the net OPEB liability (up \$3,245,914) during 2018.

**City of North Olmsted**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended December 31, 2018*

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

Table 2  
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services and sales	\$ 6,543,865	\$ 5,959,969	\$ 12,030,666	\$ 12,764,000	\$ 18,574,531	\$ 18,723,969
Operating grants and contributions	1,950,646	1,852,500	-	-	1,950,646	1,852,500
Capital grants and contributions	<u>155,067</u>	<u>36,573</u>	<u>105,103</u>	<u>63,424</u>	<u>260,170</u>	<u>99,997</u>
Total program revenues	<u>8,649,578</u>	<u>7,849,042</u>	<u>12,135,769</u>	<u>12,827,424</u>	<u>20,785,347</u>	<u>20,676,466</u>
General revenues:						
Property taxes and other taxes	9,781,544	9,813,776	-	-	9,781,544	9,813,776
Municipal income taxes	15,357,622	16,311,456	-	-	15,357,622	16,311,456
Grants and entitlements	2,006,231	2,363,717	-	-	2,006,231	2,363,717
Other	<u>685,834</u>	<u>256,013</u>	<u>-</u>	<u>-</u>	<u>685,834</u>	<u>256,013</u>
Total general revenues	<u>27,831,231</u>	<u>28,744,962</u>	<u>-</u>	<u>-</u>	<u>27,831,231</u>	<u>28,744,962</u>
Total revenues	<u>36,480,809</u>	<u>36,594,004</u>	<u>12,135,769</u>	<u>12,827,424</u>	<u>48,616,578</u>	<u>49,421,428</u>
Program expenses:						
General government	5,375,605	5,512,075	-	-	5,375,605	5,512,075
Security of persons and property	17,388,852	15,348,078	-	-	17,388,852	15,348,078
Public health and welfare	686,988	692,738	-	-	686,988	692,738
Transportation	8,093,205	8,240,799	-	-	8,093,205	8,240,799
Basic utility services	2,142,175	2,192,149	-	-	2,142,175	2,192,149
Leisure time activities	3,083,618	3,171,864	-	-	3,083,618	3,171,864
Economic development	494,603	376,806	-	-	494,603	376,806
Interest and fiscal charges	514,478	669,103	-	-	514,478	669,103
Springvale Golf Course and Ballroom	-	-	1,823,985	2,019,106	1,823,985	2,019,106
Sewer	<u>-</u>	<u>-</u>	<u>8,749,271</u>	<u>8,857,451</u>	<u>8,749,271</u>	<u>8,857,451</u>
Total program expenses	<u>37,779,524</u>	<u>36,203,612</u>	<u>10,573,256</u>	<u>10,876,557</u>	<u>48,352,780</u>	<u>47,080,169</u>
Change in net position before transfers	(1,298,715)	390,392	1,562,513	1,950,867	263,798	2,341,259
Transfers	<u>52,640</u>	<u>52,640</u>	<u>(52,640)</u>	<u>(52,640)</u>	<u>-</u>	<u>-</u>
Change in net position	(1,246,075)	443,032	1,509,873	1,898,227	263,798	2,341,259
Net position, beginning of year	<u>13,325,799</u>	<u>n/a</u>	<u>18,421,714</u>	<u>n/a</u>	<u>31,747,513</u>	<u>n/a</u>
Net position, end of year	\$ <u>12,079,724</u>	\$ <u>13,325,799</u>	\$ <u>19,931,587</u>	\$ <u>18,421,714</u>	\$ <u>32,011,311</u>	\$ <u>31,747,513</u>

**City of North Olmsted**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended December 31, 2018*

**Effects of GASB 75**

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$104,073 in the governmental activities and \$21,618 in the business-type activities computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred outflows/inflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$1,859,038 in the governmental activities and \$137,736 in the business-type activities. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Total 2018 program expenses under GASB 75	\$ 37,779,524	\$ 10,573,256
OPEB expense under GASB 75	(1,859,038)	(137,736)
2018 Contractually required contribution	<u>36,694</u>	<u>-</u>
Adjusted 2018 program expenses	35,957,180	10,435,520
Total 2017 program expenses under GASB 45	<u>36,203,612</u>	<u>10,876,557</u>
Decrease in program expenses not related to OPEB	\$ <u><u>(246,432)</u></u>	\$ <u><u>(441,037)</u></u>

**Governmental Activities**

Overall, total governmental activities revenues decreased by \$113,195. Program revenues represent 23.7% of the total governmental activities revenues. This includes charges for services and sales and both operating and capital grants. Program revenues increased in 2018 by \$800,536, primarily as a result of an increase in charges for services and sales of \$583,896. The increase in charges for services and sales is primarily due to an increase in court fees and fines.

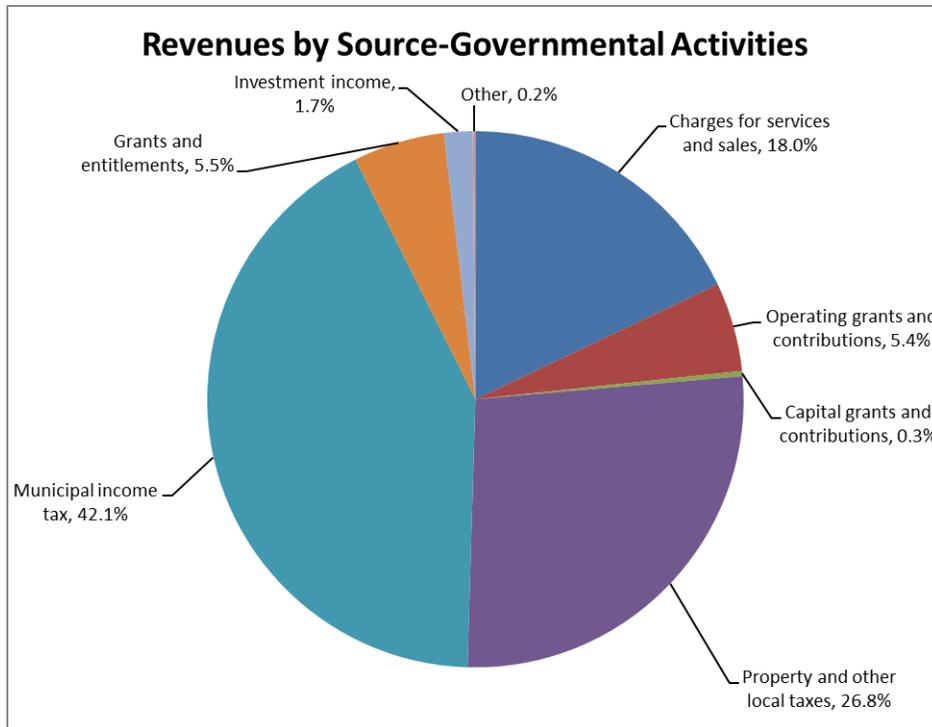
General revenues represent the other 76.3% of total governmental activities with municipal income taxes at 42.1%, property and other local taxes at 26.8% and grants, entitlements and other miscellaneous revenues representing 7.4%. General revenues decreased in 2018 by \$913,731, a result of a decrease in municipal income tax.

Municipal income tax revenue, which comprises the City's largest source of general revenues, decreased \$953,834 from 2017, which is a decrease of approximately 5.8%. The decrease in income taxes is due to change in the receivable estimate provided by the Regional Income Tax Agency.

## City of North Olmsted

Management's Discussion and Analysis (Unaudited)

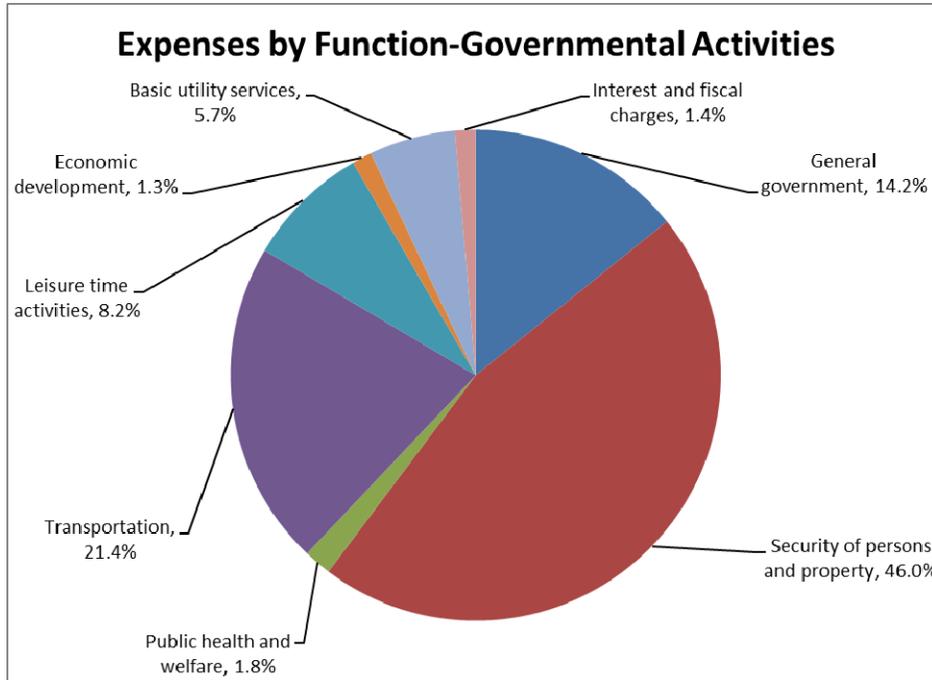
For the Fiscal Year Ended December 31, 2018



In total, the City's governmental activities experienced an increase in expenses of \$1,575,912. The majority of the increase was due to increased pension/OPEB expenses as a result of the actuarial estimate of the net pension/OPEB liability for OPERS and OP&F.

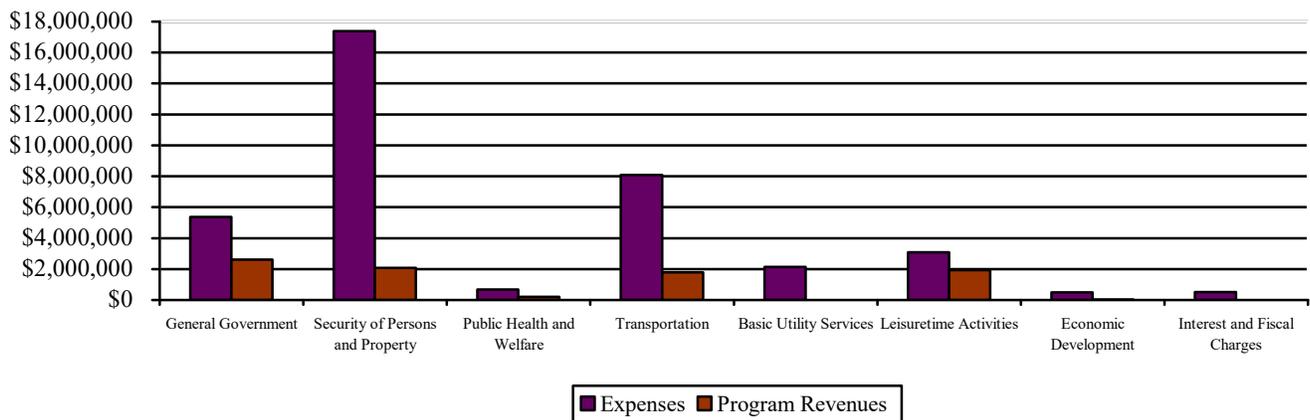
The City's expenses are categorized by function. Security of persons and property is the City's largest program function and represented 46.0% of program expenses in 2018. This includes the cost of providing police, dispatch, fire, and paramedic services. The second largest program function is transportation, which represents 21.4% of program expenses in 2018. This includes the cost of providing all public works services such as street and storm channel maintenance and improvements, public property maintenance, snow removal, brush removal and equipment maintenance. General government represents 14.2% of program expenses. This includes all the general governmental expenses used by the entire City such as council, mayor, administration, finance, law, human resources, information technologies, building, engineering, etc.

**City of North Olmsted**  
*Management's Discussion and Analysis (Unaudited)*  
 For the Fiscal Year Ended December 31, 2018



As can be seen in the chart below, all programs have a heavy reliance on general revenues, with 76.3% of total 2018 revenues coming from general revenues.

**Expenses and Program Revenues Governmental Activities**



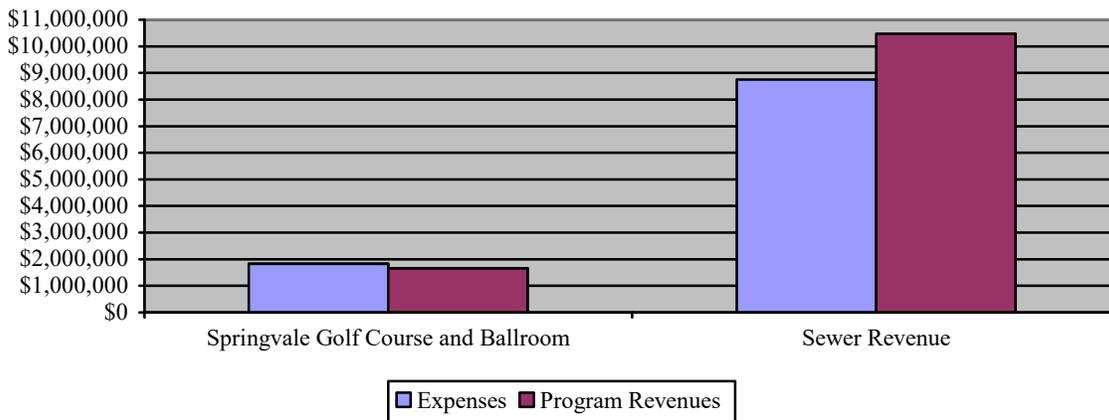
**City of North Olmsted**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended December 31, 2018*

**Business-Type Activities**

Overall, total business-type activities revenue decreased \$691,655 in 2018. Charges for services and sales are the primary source of program revenues for the business-type activities. The Springvale Golf Course and Ballroom (Springvale) has both golf and event revenues. The sewer plant and collection system operations (WWTP) represent the largest share of the charges for services and sales. Sewer charges for services and sales decreased by 6.28%, which was caused by a change in estimate in a prior year due to an adjustment in collection periods. Springvale charges for services and sales decreased in 2018 by 2.3%, which was primarily due to decreased rounds of golf played mostly because of inclement weather.

Business-type activities expense decreased in 2018 by \$303,301, from the prior year. Sewer expenses decreased by 1.2% while the Springvale expenses decreased by 9.7% in 2018. The decrease in Sewer expenses was primarily due to a decrease in interest expense. The decrease in Springvale expenses was due to decreases in debt issuance costs and engineering costs.

**Expenses and Program Revenues Business-Type Activities**



**Financial Analysis of the City's Funds**

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

**Governmental Funds**

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

## City of North Olmsted

*Management's Discussion and Analysis (Unaudited)*

*For the Fiscal Year Ended December 31, 2018*

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As of December 31, 2018, the City's governmental funds reported combined ending fund balances of \$29,819,207. Of that amount, \$28,195,454 constitutes fund balances in a spendable form. The remaining \$1,623,753 fund balance is reported as nonspendable to indicate that it is not available for spending because it cannot be used to liquidate future liabilities because it will not be in a spendable form in the next year.

All governmental funds had total revenues of \$37,260,235 and expenditures of \$36,368,487, resulting in revenues over expenditures of \$891,748. After consideration of \$1,786,772 in net other financing sources, the current year net change in fund balance was \$2,678,520.

The General Fund is the most significant fund as it is the source for providing a significant portion of major governmental activities such as police, fire, service, legislative and administrative functions. In 2018, the General Fund had total revenues of \$22,660,228 and expenditures of \$22,454,167, resulting in an increase in fund balance of \$51,761 after consideration of \$154,300 in net other financing sources, for an ending fund balance at December 31, 2018 of \$8,582,240. General Fund revenues and other financing sources increased \$720,167 from 2017, while expenditures and other financing uses increased by \$1,229,731. The increase in General Fund revenues was due to an increase in interest income. The increase in General Fund expenditures was due to an increase in security of persons, and property and transportation expense due to an increase in personnel costs. Expenditures also increased as this was the first year the City had to make payments related to its Job Creation and Jobs Retention programs.

The Permanent Improvements Fund accounts for 15% of the municipal income tax receipts and is used for the permanent improvement of streets and storm sewer system. In 2018, the Permanent Improvements Fund had total revenues of \$2,410,220 and expenditures of \$1,860,907, resulting in an increase in fund balance of \$644,907 after consideration of \$95,594 in net other financing sources, for an ending fund balance at December 31, 2018 of \$4,803,330. Revenues and other financing sources decreased by \$1,125,644 from the prior year which was primarily due to a decrease in funds due to bond issuance in 2017. Expenditures and other financing uses decreased from the prior year by \$2,057,226 which was primarily due to a decrease in principal expenditures for debt in 2018.

The General Obligation Bond Retirement Fund accounts for resources that are used for payments of principal and interest and fiscal charges on general obligation debt. In 2018, the General Obligation Bond Retirement Fund had total revenues of \$1,359,397 and expenditures of \$2,518,537 resulting in an increase in fund balance of \$549,448 after consideration of \$1,708,588 in net other financing sources, for an ending fund balance at December 31, 2018 of \$8,293,914. The General Obligation Bond Retirement Fund revenues and other financing sources decreased \$842,139 in 2018, due to a decrease in funds due to bond issuance in 2017. The expenditures are set by the bond, note and loan payments and increased from the prior year based on the amortizations schedules of the City's debt.

**City of North Olmsted**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended December 31, 2018*

**General Fund Budgeting Highlights**

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. The City amended its General Fund budget at various times throughout fiscal year 2018. All recommendations for budget amendments are initially presented to the Finance Committee of City Council for review before they are presented to the whole City Council for Ordinance enactment on the change. Budgetary modifications between the legal level of control categories may only be made by resolution of the City Council. The City allows intra-department budget modifications if they are within the same legal level of control category. The General Fund supports many of the City's major activities such as the police, fire and service departments, as well as most legislative and administrative activities. The General Fund is monitored closely, looking for possible revenue shortfalls or potential overspending by individual departments.

For the General Fund, the original budgeted revenues and other financing sources were \$21,574,040. The final budgeted revenues and other financing sources were \$21,819,040. The City actually received \$22,914,138 in 2018. While the excess was a result of greater than anticipated revenues across several revenue types, the more significant variances were municipal income tax and charge for services and sales. The City's revenues were greater than expected due to the City receiving \$459,923 and \$259,770 more in municipal income taxes and charge for services and sales, respectively.

The original appropriations, including other financing uses for the General Fund were \$25,117,004. The final appropriations, including other financing uses, were \$25,310,271. Actual expenditures, including other financing uses ended \$1,756,651 below the final budgeted amount. Security of persons and property expenditures were less than budgeted across all areas in 2018, but the greatest variance was for salaries and benefits. Expenditures exceeded revenues by \$221,471 before \$418,011 in net other financing uses. This resulted in a net decrease of the General Fund balance of \$639,482.

**Capital Assets and Debt Administration**

**Capital Assets**

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	\$ 4,610,992	\$ 4,610,992	\$ 2,340,714	\$ 2,340,714	\$ 6,951,706	\$ 6,951,706
Construction in progress	3,466,910	3,183,086	3,524,394	2,457,533	6,991,304	5,640,619
Other non-depreciable assets	23,000	23,000	-	-	23,000	23,000
Land improvements	1,311,753	1,149,665	2,470,521	2,615,058	3,782,274	3,764,723
Buildings and improvements	14,970,408	15,231,317	29,835,204	29,957,196	44,805,612	45,188,513
Furniture and fixtures	79,586	87,896	10,556	11,338	90,142	99,234
Vehicles and equipment	3,522,586	2,924,198	25,269,480	26,457,808	28,792,066	29,382,006
Infrastructure	18,659,624	20,847,006	7,698,610	8,000,853	26,358,234	28,847,859
Total	\$ <u>46,644,859</u>	\$ <u>48,057,160</u>	\$ <u>71,149,479</u>	\$ <u>71,840,500</u>	\$ <u>117,794,338</u>	\$ <u>119,897,660</u>

**City of North Olmsted**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended December 31, 2018*

Total governmental activities capital assets, net of depreciation, as of December 31, 2018, were \$46,644,859, which was \$1,412,301 lower than December 31, 2017. The most significant additions were in roads of \$1,007,493 and vehicles and equipment of \$1,061,318. The capital asset additions were offset by annual depreciation expense of \$4,518,148.

Business-type activities net capital assets decreased by \$691,021 from 2017. The most significant additions were in construction in progress of \$1,936,033. The capital asset additions were offset by annual depreciation expense of \$2,954,121. Additional information concerning the City's capital assets can be found in Notes 8 to the basic financial statements.

***Debt and Other Long-Term Obligations***

As of December 31, 2018, the City of North Olmsted had \$135,286,597 in total debt and other long-term obligations outstanding with \$8,635,270 due within one year.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General obligation bonds	\$ 16,646,808	\$ 19,838,209	\$ 5,769,317	\$ 6,446,570	\$ 22,416,125	\$ 26,284,779
OWDA loan	-	-	49,945,823	52,065,290	49,945,823	52,065,290
Police pension liability	66,331	70,291	-	-	66,331	70,291
Long-term notes	1,720,000	-	-	-	1,720,000	-
Compensated absences	4,934,362	4,673,528	483,044	470,533	5,417,406	5,144,061
Claims payable	331,420	339,718	-	-	331,420	339,718
Capital lease payable	23,782	35,328	1,813	2,675	25,595	38,003
Net pension liability	27,561,247	31,912,423	2,358,633	3,451,446	29,919,880	35,363,869
Net OPEB liability	<u>23,791,308</u>	<u>20,653,287</u>	<u>1,652,709</u>	<u>1,544,816</u>	<u>25,444,017</u>	<u>22,198,103</u>
Total	\$ <u>75,075,258</u>	\$ <u>77,522,784</u>	\$ <u>60,211,339</u>	\$ <u>63,981,330</u>	\$ <u>135,286,597</u>	\$ <u>141,504,114</u>

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

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

The State of Ohio statute limits the amount of general obligation debt a governmental entity may issue to 10.5% of the total assessed valuation. The City's overall legal debt margin was \$76,502,313 at December 31, 2018. This represents the aggregate principal amount of additional voted and unvoted debt which the City may issue over and above what the City currently has outstanding without exceeding the limitation. This calculation does not take into account the City's ability to repay such debt levels within current resources. Additional information concerning the City's long-term obligations can be found in Notes 9, 10, 12, 13 and 14 to the basic financial statements.

## **City of North Olmsted**

*Management's Discussion and Analysis (Unaudited)*

*For the Fiscal Year Ended December 31, 2018*

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### **Economic Factors and Next Year's Budget**

The City of North Olmsted, as well as the rest of our region, continued to see some positive economic indicators in 2018. County and State unemployment rates both saw decreases in 2018, down 0.7% and 0.4%, respectively. Municipal income tax collections have increased, specifically in the net profit collections which went up 15.4%. The housing market remained strong with increases in both the volume of homes sold and the average sales price. The number of sales increased 4.6% to 597, while the average sale price increased 0.51% to \$143,000. This is the highest average sales price in the past 10 years. The valuation of the building permitted projects decreased from 2017 and the number of permits decreased by 7.5% to 1,539 which was expected due to the large school project being completed in 2018. In 2019's budget the City continued efforts to address the rising cost of health care while maintaining city services, capital replacement, and funding reserves by adding additional divisions to the City's health care savings account program. Additionally, physical building infrastructure improvement projects for roofs and HVAC systems are planned and information technology infrastructure is being invested in to increase the security of the City's databases as well as develop redundancy in the network for disaster recovery and efficiency.

### **Requests for Information**

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

# City of North Olmsted, Ohio

## Statement of Net Position

**December 31, 2018**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	North Olmsted Commission on Paratransit, Inc.
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 25,770,533	\$ 13,684,784	\$ 39,455,317	\$ -
Accounts receivable	405,898	-	405,898	-
Accrued interest receivable	30,322	-	30,322	-
Materials and supplies inventory	389,875	227,457	617,332	-
Prepaid items	132,740	79,439	212,179	-
Internal balances	5,841,634	(5,841,634)	-	-
Intergovernmental receivable	1,941,469	1,927,927	3,869,396	-
Income taxes receivable	4,327,867	-	4,327,867	-
Taxes receivable - property and other	10,416,506	-	10,416,506	-
Non-depreciable capital assets	8,100,902	5,865,108	13,966,010	-
Depreciable capital assets, net	38,543,957	65,284,371	103,828,328	-
Net pension asset	102,183	32,535	134,718	-
<b>Total assets</b>	<b>96,003,886</b>	<b>81,259,987</b>	<b>177,263,873</b>	<b>-</b>
<b>Deferred outflows of resources:</b>				
Deferred loss on refunding	105,459	40,041	145,500	-
Pension	4,609,012	599,244	5,208,256	-
OPEB	2,233,697	121,623	2,355,320	-
<b>Total deferred outflows or resources</b>	<b>6,948,168</b>	<b>760,908</b>	<b>7,709,076</b>	<b>-</b>
<b>Liabilities:</b>				
Accounts and contracts payable	677,898	169,968	847,866	-
Accrued wages and benefits	643,329	85,918	729,247	-
Intergovernmental payable	10,371	87,253	97,624	-
Retainage payable	101,812	180,831	282,643	-
Accrued interest payable	74,749	638,661	713,410	-
Notes payable	270,000	-	270,000	-
<b>Long-term liabilities:</b>				
Due within one year	5,343,434	3,291,836	8,635,270	-
Due in more than one year	18,379,269	52,908,161	71,287,430	-
Net pension liability	27,561,247	2,358,633	29,919,880	-
Net OPEB liability	23,791,308	1,652,709	25,444,017	-
<b>Total liabilities</b>	<b>76,853,417</b>	<b>61,373,970</b>	<b>138,227,387</b>	<b>-</b>
<b>Deferred inflows of resources:</b>				
Property taxes	10,019,607	-	10,019,607	-
Payments in lieu of taxes	192,273	-	192,273	-
Pension	2,993,086	585,490	3,578,576	-
OPEB	813,947	129,848	943,795	-
<b>Total deferred inflows of resources</b>	<b>14,018,913</b>	<b>715,338</b>	<b>14,734,251</b>	<b>-</b>
<b>Net position:</b>				
Net investment in capital assets	28,803,658	15,530,540	44,334,198	-
<b>Restricted for:</b>				
Debt service	9,929,253	-	9,929,253	-
Capital projects	5,084,730	-	5,084,730	-
Highways and streets	3,395,990	-	3,395,990	-
Public safety	493,398	-	493,398	-
Solid waste and recycling	2,036,908	-	2,036,908	-
Federal and other grants	427,285	-	427,285	-
Unrestricted	(38,091,498)	4,401,047	(33,690,451)	-
<b>Total net position</b>	<b>\$ 12,079,724</b>	<b>\$ 19,931,587</b>	<b>\$ 32,011,311</b>	<b>\$ -</b>

The accompanying notes are an integral part of these financial statements.

# City of North Olmsted, Ohio

## Statement of Activities

**For the Year Ended December 31, 2018**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 5,375,605	\$ 2,599,478	\$ 3,560	\$ -
Security of persons and property	17,388,852	1,777,970	300,643	5,397
Public health and welfare	686,988	8,494	53,055	149,670
Transportation	8,093,205	211,072	1,586,738	-
Basic utility services	2,142,175	-	5,000	-
Leisure time activities	3,083,618	1,927,823	-	-
Economic development	494,603	19,028	1,650	-
Interest and fiscal charges	514,478	-	-	-
Total governmental activities	<u>37,779,524</u>	<u>6,543,865</u>	<u>1,950,646</u>	<u>155,067</u>
Business-type activities:				
Springvale golf course and ballroom	1,823,985	1,666,414	-	-
Sewer revenue	<u>8,749,271</u>	<u>10,364,252</u>	<u>-</u>	<u>105,103</u>
Total business-type activities	<u>10,573,256</u>	<u>12,030,666</u>	<u>-</u>	<u>105,103</u>
Total primary government	<u>\$ 48,352,780</u>	<u>\$ 18,574,531</u>	<u>\$ 1,950,646</u>	<u>\$ 260,170</u>
Component unit:				
North Olmsted Commission on Paratransit, Inc.	\$ <u>40,105</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

General revenues:

- Property taxes levied for:
  - General purposes
  - Recreation
  - Fire pension
  - Police pension
  - Debt service
- Municipal income taxes levied for:
  - General purposes
  - Solid waste and recycling
  - Capital outlay
- Grants and entitlements not restricted to specific programs
- Investment income
- Miscellaneous
- Total general revenues

Transfers

- Total general revenues and transfers

Change in net position

Net position, beginning of year, restated

Net position, end of year

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business- Type Activities	Total	North Olmsted Commission on Paratransit, Inc.
\$ (2,772,567)	\$ -	\$ (2,772,567)	\$ -
(15,304,842)	-	(15,304,842)	-
(475,769)	-	(475,769)	-
(6,295,395)	-	(6,295,395)	-
(2,137,175)	-	(2,137,175)	-
(1,155,795)	-	(1,155,795)	-
(473,925)	-	(473,925)	-
(514,478)	-	(514,478)	-
<u>(29,129,946)</u>	<u>-</u>	<u>(29,129,946)</u>	<u>-</u>
-	(157,571)	(157,571)	-
-	1,720,084	1,720,084	-
-	1,562,513	1,562,513	-
<u>(29,129,946)</u>	<u>1,562,513</u>	<u>(27,567,433)</u>	<u>-</u>
-	-	-	<u>(40,105)</u>
6,290,736	-	6,290,736	-
843,719	-	843,719	-
210,915	-	210,915	-
180,196	-	180,196	-
2,255,978	-	2,255,978	-
10,750,336	-	10,750,336	-
2,303,643	-	2,303,643	-
2,303,643	-	2,303,643	-
2,006,231	-	2,006,231	-
629,054	-	629,054	-
56,780	-	56,780	-
27,831,231	-	27,831,231	-
52,640	(52,640)	-	-
27,883,871	(52,640)	27,831,231	-
(1,246,075)	1,509,873	263,798	(40,105)
13,325,799	18,421,714	31,747,513	40,105
\$ <u>12,079,724</u>	\$ <u>19,931,587</u>	\$ <u>32,011,311</u>	\$ <u>-</u>

# City of North Olmsted, Ohio

## Balance Sheet Governmental Funds

**December 31, 2018**

	<u>General</u>	<u>Permanent Improvements</u>	<u>General Obligation Bond Retirement</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 5,726,408	\$ 4,783,515	\$ 2,948,553	\$ 7,769,056	\$ 21,227,532
Income taxes receivable	3,029,507	649,180	-	649,180	4,327,867
Taxes receivable - property and other	6,446,511	-	1,372,798	2,597,197	10,416,506
Intergovernmental receivable	743,703	4,194	75,269	1,118,303	1,941,469
Accounts receivable	372,092	-	-	33,806	405,898
Materials and supplies inventory	270,640	-	-	119,235	389,875
Prepaid items	105,911	-	-	26,829	132,740
Accrued interest receivable	30,322	-	-	-	30,322
Non-current assets:					
Advances to other funds	<u>1,101,138</u>	<u>-</u>	<u>5,345,361</u>	<u>-</u>	<u>6,446,499</u>
Total assets	<u>\$ 17,826,232</u>	<u>\$ 5,436,889</u>	<u>\$ 9,741,981</u>	<u>\$ 12,313,606</u>	<u>\$ 45,318,708</u>
<b>Liabilities, deferred inflows of resources and fund balances:</b>					
<b>Liabilities:</b>					
Accounts and contracts payable	\$ 242,360	\$ 210,866	\$ -	\$ 219,072	\$ 672,298
Accrued wages and benefits	590,262	-	-	53,067	643,329
Retainage payable	-	-	-	101,812	101,812
Intergovernmental payable	1,707	-	-	3,962	5,669
Notes payable	-	168,500	-	101,500	270,000
Accrued interest payable	<u>-</u>	<u>2,897</u>	<u>-</u>	<u>1,745</u>	<u>4,642</u>
Total liabilities	<u>834,329</u>	<u>382,263</u>	<u>-</u>	<u>481,158</u>	<u>1,697,750</u>
<b>Deferred inflows or resources:</b>					
Property taxes	6,254,797	-	1,281,015	2,483,795	10,019,607
Payments in lieu of taxes	-	-	-	192,273	192,273
Unavailable revenues	<u>2,154,866</u>	<u>251,296</u>	<u>167,052</u>	<u>1,016,657</u>	<u>3,589,871</u>
Total deferred inflows of resources	<u>8,409,663</u>	<u>251,296</u>	<u>1,448,067</u>	<u>3,692,725</u>	<u>13,801,751</u>
<b>Fund balances:</b>					
Nonspendable	1,477,689	-	-	146,064	1,623,753
Restricted	-	4,803,330	8,293,914	7,572,339	20,669,583
Committed	101,884	-	-	421,320	523,204
Assigned	4,433,189	-	-	-	4,433,189
Unassigned	<u>2,569,478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,569,478</u>
Total fund balances	<u>8,582,240</u>	<u>4,803,330</u>	<u>8,293,914</u>	<u>8,139,723</u>	<u>29,819,207</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,826,232</u>	<u>\$ 5,436,889</u>	<u>\$ 9,741,981</u>	<u>\$ 12,313,606</u>	<u>\$ 45,318,708</u>

The accompanying notes are an integral part of these financial statements.

# City of North Olmsted, Ohio

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

**December 31, 2018**

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Total governmental fund balances \$ 29,819,207

*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. 46,644,859

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

Property and other taxes	\$ 369,913	
Municipal income taxes	1,647,346	
Intergovernmental	1,390,046	
Charges for services and sales	<u>182,566</u>	
Total		3,589,871

In the Statement of Activities, interest is accrued on outstanding long-term obligations, whereas in governmental funds, an interest expenditure is reported when due. (70,107)

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

Police pension liability	(66,331)	
General obligation bonds	(16,646,808)	
Long-term notes	(1,720,000)	
Deferred charge on refunding	105,459	
Capital leases payable	(23,782)	
Compensated absences	<u>(4,934,362)</u>	
Total		(23,285,824)

Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

Net position	4,201,279	
Internal balances	<u>(604,865)</u>	
Total		3,596,414

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

Net pension asset	102,183	
Deferred outflows	4,609,012	
Net pension liability	(27,561,247)	
Deferred inflows	<u>(2,993,086)</u>	
Total		(25,843,138)

(Continued)

The accompanying notes are an integral part of these financial statements.

**City of North Olmsted, Ohio**

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities  
(continued)

**December 31, 2018**

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The net OPEB liability is not due in the current period; therefore, the liability and related deferred outflows / inflows are not reported in governmental funds.

Deferred outflows	2,233,697	
Net OPEB liability	(23,791,308)	
Deferred inflows	<u>(813,947)</u>	
Total		<u>(22,371,558)</u>
<i>Net position of governmental activities</i>		\$ <u>12,079,724</u>

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	<u>General</u>	<u>Permanent Improvements</u>	<u>General Obligation Bond Retirement</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property and other local taxes	\$ 5,786,812	\$ -	\$ 1,188,735	\$ 2,755,088	\$ 9,730,635
Municipal income taxes	11,205,816	2,401,246	-	2,401,246	16,008,308
Payments in lieu of taxes	-	-	-	598,242	598,242
Charges for services and sales	1,689,384	587	-	2,458,436	4,148,407
Fines, licenses and permits	1,570,000	-	-	463,943	2,033,943
Intergovernmental	1,815,997	8,387	150,538	2,067,108	4,042,030
Investment	579,677	-	20,124	10,233	610,034
Miscellaneous	12,542	-	-	76,094	88,636
Total revenues	<u>22,660,228</u>	<u>2,410,220</u>	<u>1,359,397</u>	<u>10,830,390</u>	<u>37,260,235</u>
Expenditures:					
Current:					
General government	4,486,553	-	-	62,273	4,548,826
Security of persons and property	13,732,672	-	-	1,706,171	15,438,843
Public health and welfare	531,998	-	-	111,621	643,619
Transportation	3,155,051	1,843,733	-	1,591,448	6,590,232
Basic utility services	-	-	-	2,144,646	2,144,646
Leisure time activities	38,016	-	-	2,641,360	2,679,376
Economic development	492,960	-	-	18,028	510,988
Capital outlay	-	-	-	135,554	135,554
Debt service:					
Principal	12,620	-	2,070,000	992,886	3,075,506
Interest and fiscal charges	4,297	2,897	442,863	128,729	578,786
Issuance costs	-	14,277	5,674	2,160	22,111
Total expenditures	<u>22,454,167</u>	<u>1,860,907</u>	<u>2,518,537</u>	<u>9,534,876</u>	<u>36,368,487</u>
Excess (deficiency) of revenues over expenditures	<u>206,061</u>	<u>549,313</u>	<u>(1,159,140)</u>	<u>1,295,514</u>	<u>891,748</u>
Other financing sources (uses):					
Issuance of notes	-	1,560,000	-	160,000	1,720,000
Premium on issuance of notes	-	-	13,632	-	13,632
Sale of assets	500	-	-	-	500
Transfers - in	60,200	-	1,694,956	215,000	1,970,156
Transfers - out	<u>(215,000)</u>	<u>(1,464,406)</u>	<u>-</u>	<u>(238,110)</u>	<u>(1,917,516)</u>
Total other financing sources (uses)	<u>(154,300)</u>	<u>95,594</u>	<u>1,708,588</u>	<u>136,890</u>	<u>1,786,772</u>
Net change in fund balances	51,761	644,907	549,448	1,432,404	2,678,520
Fund balances, beginning of year	<u>8,530,479</u>	<u>4,158,423</u>	<u>7,744,466</u>	<u>6,707,319</u>	<u>27,140,687</u>
Fund balances, end of year	\$ <u>8,582,240</u>	\$ <u>4,803,330</u>	\$ <u>8,293,914</u>	\$ <u>8,139,723</u>	\$ <u>29,819,207</u>

The accompanying notes are an integral part of these financial statements.

# City of North Olmsted, 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, 2018**

Net change in fund balances - total governmental funds \$ 2,678,520

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

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

Capital outlay	\$ 3,105,847	
Depreciation expense	<u>(4,518,148)</u>	
Total		(1,412,301)

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

Property and local taxes	50,909	
Municipal income taxes	(650,686)	
Charges for services and sales	(24,383)	
Intergovernmental	<u>(169,398)</u>	
Total		(793,558)

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

Long-term notes issued		(1,720,000)
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Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

General obligation bonds	3,060,000	
Police pension liability	3,960	
Capital leases	<u>11,546</u>	
Total		3,075,506

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

Accrued interest on bonds	(22,161)	
Compensated absences	(260,834)	
Amortization of premium	131,401	
Amortization of deferred loss on refunding	<u>(22,821)</u>	
Total		(174,415)

(Continued)

The accompanying notes are an integral part of these financial statements.

# City of North Olmsted, Ohio

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

### **For the Year Ended December 31, 2018**

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

Change in net position	456,458	
Internal balances	<u>(60,251)</u>	
Total		396,207

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

2,500,620

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

(5,796,654)

Change in net position of governmental activities

\$ (1,246,075)

The accompanying notes are an integral part of these financial statements.

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Municipal income taxes	\$ 10,645,000	\$ 10,645,000	\$ 11,104,923	\$ 459,923
Property and other local taxes	5,701,834	5,701,834	5,863,023	161,189
Charges for services and sales	1,427,325	1,427,325	1,687,095	259,770
Fees, licenses and permits	1,266,100	1,266,100	1,265,229	(871)
Fines and forfeitures	234,000	279,000	297,419	18,419
Intergovernmental	1,548,781	1,548,781	1,659,859	111,078
Investment income	310,000	510,000	606,464	96,464
Miscellaneous	<u>26,000</u>	<u>26,000</u>	<u>22,337</u>	<u>(3,663)</u>
Total revenues	<u>21,159,040</u>	<u>21,404,040</u>	<u>22,506,349</u>	<u>1,102,309</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	4,977,093	5,043,360	4,678,435	364,925
Security of persons and property	13,934,436	13,934,436	13,199,740	734,696
Public health and welfare	552,332	552,332	507,773	44,559
Transportation	4,421,969	4,401,980	3,800,093	601,887
Basic utility services	19,728	39,717	34,233	5,484
Economic development	<u>385,646</u>	<u>512,646</u>	<u>507,546</u>	<u>5,100</u>
Total expenditures	<u>24,291,204</u>	<u>24,484,471</u>	<u>22,727,820</u>	<u>1,756,651</u>
(Deficiency) excess of revenues over expenditures	<u>(3,132,164)</u>	<u>(3,080,431)</u>	<u>(221,471)</u>	<u>2,858,960</u>
<b>Other financing sources (uses):</b>				
Sales of assets	15,000	15,000	7,789	(7,211)
Advances - in	150,000	150,000	150,000	-
Transfers - in	250,000	250,000	250,000	-
Transfers - out	<u>(825,800)</u>	<u>(825,800)</u>	<u>(825,800)</u>	<u>-</u>
Total other financing sources (uses)	<u>(410,800)</u>	<u>(410,800)</u>	<u>(418,011)</u>	<u>(7,211)</u>
Net change in fund balance	(3,542,964)	(3,491,231)	(639,482)	2,851,749
Prior year encumbrances	586,928	586,928	586,928	-
Fund balance, beginning of year	<u>3,904,942</u>	<u>3,904,942</u>	<u>3,904,942</u>	<u>-</u>
Fund balance, end of year	\$ <u>948,906</u>	\$ <u>1,000,639</u>	\$ <u>3,852,388</u>	\$ <u>2,851,749</u>

The accompanying notes are an integral part of these financial statements.

# City of North Olmsted, Ohio

## Statement of Fund Net Position Proprietary Funds

**December 31, 2018**

	Business-Type Activities – Enterprise Funds			Governmental Activities
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and equivalents	\$ 514,226	\$ 13,170,558	\$ 13,684,784	\$ 4,543,001
Materials and supplies inventory	40,631	186,826	227,457	-
Prepaid items	10,407	69,032	79,439	-
Intergovernmental receivable	-	1,927,927	1,927,927	-
Total current assets	<u>565,264</u>	<u>15,354,343</u>	<u>15,919,607</u>	<u>4,543,001</u>
Non-current assets:				
Non-depreciable capital assets	5,525,287	339,821	5,865,108	-
Depreciable capital assets, net	2,210,402	63,073,969	65,284,371	-
Net pension asset	7,275	25,260	32,535	-
Total non-current assets	<u>7,742,964</u>	<u>63,439,050</u>	<u>71,182,014</u>	<u>-</u>
Total assets	<u>8,308,228</u>	<u>78,793,393</u>	<u>87,101,621</u>	<u>4,543,001</u>
<b>Deferred outflows or resources:</b>				
Deferred loss on refunding	40,041	-	40,041	-
Pension	134,010	465,234	599,244	-
OPEB	27,195	94,428	121,623	-
Total deferred outflows or resources	<u>201,246</u>	<u>559,662</u>	<u>760,908</u>	<u>-</u>
<b>Liabilities:</b>				
Current:				
Accounts and contracts payable	22,332	147,636	169,968	5,600
Accrued wages and benefits	12,816	73,102	85,918	-
Intergovernmental payable	172	87,081	87,253	4,702
Retainage payable	163,955	16,876	180,831	-
Accrued interest payable	12,642	626,019	638,661	-
Claims payable	-	-	-	308,805
Accrued compensated absences	23,091	160,930	184,021	-
Capital lease payable	-	922	922	-
General obligation bond payable	540,000	130,000	670,000	-
OWDA loan payable	-	2,436,893	2,436,893	-
Total current liabilities	<u>775,008</u>	<u>3,679,459</u>	<u>4,454,467</u>	<u>319,107</u>
Long-term liabilities (net of current portion):				
Advances from other funds	5,077,555	1,368,944	6,446,499	-
Claims payable	-	-	-	22,615
Accrued compensated absences	32,658	266,365	299,023	-
Capital lease payable	-	891	891	-
General obligation bonds payable	4,392,683	706,634	5,099,317	-
OWDA loan payable	-	47,508,930	47,508,930	-
Net pension liability	527,395	1,831,238	2,358,633	-
Net OPEB liability	369,550	1,283,159	1,652,709	-
Total long-term liabilities	<u>10,399,841</u>	<u>52,966,161</u>	<u>63,366,002</u>	<u>22,615</u>
Total liabilities	<u>11,174,849</u>	<u>56,645,620</u>	<u>67,820,469</u>	<u>341,722</u>
<b>Deferred inflows of resources:</b>				
Pension	132,337	453,153	585,490	-
OPEB	29,034	100,814	129,848	-
Total deferred inflows of resources	<u>161,371</u>	<u>553,967</u>	<u>715,338</u>	<u>-</u>
<b>Net position:</b>				
Net investment in capital assets	2,976,362	12,554,178	15,530,540	-
Unrestricted (deficit)	(5,803,108)	9,599,290	3,796,182	4,201,279
Total net position	<u>\$ (2,826,746)</u>	<u>\$ 22,153,468</u>	<u>19,326,722</u>	<u>\$ 4,201,279</u>

Net position reported for business-type activities in the Statement of Net Position are different because they include accumulated overpayments to the internal service funds:

	604,865
Net position business-type activities	<u>\$ 19,931,587</u>

The accompanying notes are an integral part of these financial statements.

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Business-Type Activities – Enterprise Funds			Governmental Activities
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Operating revenues:				
Charges for services and sales	\$ 1,666,414	\$ 10,364,252	\$ 12,030,666	\$ 3,763,849
Miscellaneous	-	-	-	17,494
Total operating revenues	<u>1,666,414</u>	<u>10,364,252</u>	<u>12,030,666</u>	<u>3,781,343</u>
Operating expenses:				
Salaries	507,415	1,733,901	2,241,316	-
Benefits	198,252	980,378	1,178,630	-
Contractual services	383,777	1,824,331	2,208,108	610,897
Materials and supplies	348,921	444,591	793,512	-
Claims	-	-	-	2,713,988
Depreciation	230,568	2,723,553	2,954,121	-
Total operating expenses	<u>1,668,933</u>	<u>7,706,754</u>	<u>9,375,687</u>	<u>3,324,885</u>
Operating (loss) income	(2,519)	2,657,498	2,654,979	456,458
Non-operating (expenses) revenues:				
Interest and fiscal charges	<u>(163,124)</u>	<u>(1,094,696)</u>	<u>(1,257,820)</u>	<u>-</u>
(Loss) income before capital contributions and transfers	(165,643)	1,562,802	1,397,159	-
Capital contributions	-	105,103	105,103	-
Transfers - out	<u>(4,280)</u>	<u>(48,360)</u>	<u>(52,640)</u>	<u>-</u>
Change in net position	(169,923)	1,619,545	1,449,622	456,458
Net position, beginning of year, restated	<u>(2,656,823)</u>	<u>20,533,923</u>		<u>3,744,821</u>
Net position, end of year	\$ <u><u>(2,826,746)</u></u>	\$ <u><u>22,153,468</u></u>		\$ <u><u>4,201,279</u></u>
Some amounts reported for business-type activities in the Statement of Activities are different because a portion of the net expense of the internal service funds are reported with business-type activities:			<u>60,251</u>	
Change in net position business-type activities			\$ <u><u>1,509,873</u></u>	

The accompanying notes are an integral part of these financial statements.

# City of North Olmsted, Ohio

## Statement of Cash Flows Proprietary Funds

**For the Year Ended December 31, 2018**

	Business-Type Activities – Enterprise Funds			Governmental
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Cash flows from operating activities:				
Receipts from customers and users	\$ 1,666,414	\$ 10,811,135	\$ 12,477,549	\$ 3,781,343
Cash paid for goods and services	(501,941)	(1,820,266)	(2,322,207)	(655,975)
Cash paid for materials and supplies	(357,053)	(489,602)	(846,655)	-
Cash paid for employee services and benefits	(613,803)	(2,425,726)	(3,039,529)	-
Cash paid for claims	-	-	-	(2,722,286)
Net cash provided by operating activities	<u>193,617</u>	<u>6,075,541</u>	<u>6,269,158</u>	<u>403,082</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(1,499,674)	(517,179)	(2,016,853)	-
Contributed capital	-	105,103	105,103	-
Capital lease principal paid	-	(862)	(862)	-
Capital lease interest paid	-	(164)	(164)	-
Loan principal paid - OWDA	-	(2,119,467)	(2,119,467)	-
Loan interest paid	-	(1,132,490)	(1,132,490)	-
General obligation bonds principal paid	(525,000)	(125,000)	(650,000)	-
General obligation bonds interest paid	(171,500)	(31,100)	(202,600)	-
Net cash used by capital and related financing activities	<u>(2,196,174)</u>	<u>(3,821,159)</u>	<u>(6,017,333)</u>	<u>-</u>
Cash flows from noncapital financing activities:				
Advances - in	377,104	-	377,104	-
Transfers - out	(4,280)	(48,360)	(52,640)	-
Net cash provided (used) by noncapital financing activities	<u>372,824</u>	<u>(48,360)</u>	<u>324,464</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalents	(1,629,733)	2,206,022	576,289	403,082
Cash and cash equivalents, beginning of year	<u>2,143,959</u>	<u>10,964,536</u>	<u>13,108,495</u>	<u>4,139,919</u>
Cash and cash equivalents, end of year	\$ <u>514,226</u>	\$ <u>13,170,558</u>	\$ <u>13,684,784</u>	\$ <u>4,543,001</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

# City of North Olmsted, Ohio

## Statement of Cash Flows (Continued) Proprietary Funds

**For the Year Ended December 31, 2018**

	Business-Type Activities – Enterprise Funds			Governmental
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Reconciliation of operating (loss) income to net cash from operating activities:				
Operating (loss) income	\$ (2,519)	\$ 2,657,498	\$ 2,654,979	\$ 456,458
Adjustments:				
Depreciation	230,568	2,723,553	2,954,121	-
Changes in assets and liabilities:				
Materials and supplies inventory	(4,153)	(24,241)	(28,394)	-
Intergovernmental receivable	-	362,375	362,375	-
Prepaid items	(122)	(644)	(766)	-
Net pension asset	(4,367)	(15,216)	(19,583)	-
Deferred outflows - pension	175,781	604,891	780,672	-
Deferred outflows - OPEB	(22,361)	(77,644)	(100,005)	-
Accounts and contracts payable	(122,146)	(12,994)	(135,140)	(46,050)
Accrued wages and benefits	1,602	4,620	6,222	-
Intergovernmental payable	125	81,441	81,566	972
Claims payable	-	-	-	(8,298)
Accrued compensated absences	9,861	2,650	12,511	-
Net pension liability	(247,452)	(845,361)	(1,092,813)	-
Net pension OPEB	24,125	83,768	107,893	-
Deferred inflows - pension	125,641	430,031	555,672	-
Deferred inflows - OPEB	29,034	100,814	129,848	-
Net cash provided by operating activities	\$ <u>193,617</u>	\$ <u>6,075,541</u>	\$ <u>6,269,158</u>	\$ <u>403,082</u>
Non-cash capital financing activities:				
Capital assets purchased on credit	\$ 170,905	\$ 75,342	\$ 246,247	\$ -
Amortization of premium on bonds classified as interest expense	(20,073)	(7,180)	(27,253)	-
Amortization of deferred loss on refunding classified as interest expense	13,347	-	13,347	-

The accompanying notes are an integral part of these financial statements.

**City of North Olmsted, Ohio**

Statement of Fiduciary Assets and Liabilities  
Agency Funds

**December 31, 2018**

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Assets:	
Equity in pooled cash and cash equivalents	\$ <u>1,003,523</u>
Liabilities:	
Deposits held and due to others	\$ <u>1,003,523</u>

# City of North Olmsted, Ohio

## Notes to the Basic Financial Statements

### **For the Year Ended December 31, 2018**

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#### **Note 1: Description of the City and Reporting Entity**

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

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading.

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes.

A discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize it is legally separated from the City.

North Olmsted Commission on Paratransit, Inc. (N.O.C.O.P.) was formed to provide transportation to the residents of the City of North Olmsted, the City of Olmsted Falls and Olmsted Township who were 60 years of age or older or disabled. N.O.C.O.P. was formed in 1992 and was governed by a Board of Trustees which consisted of nine members. The following four members were automatic members of the Board of Trustees: The Mayor of the City of North Olmsted or designee, the Finance Director of the City of North Olmsted or designee, a member of the Finance Committee of the North Olmsted City Council as designated by the Chairman of the Committee and the President of the North Olmsted City Council. The remaining members of the Board of Trustees were elected by the membership as provided in its by-laws. N.O.C.O.P. utilized the services of a third-party provider, Senior Transportation Connection, to provide transportation services to the residents. Fares were collected by the provider based on the destination and frequency that the service was used. The three communities shared costs or deficits on a prorated agreement based on each community’s population. Effective September 1, 2013, Olmsted Township terminated its membership with N.O.C.O.P. In 2013, the formula was as follows for January through August: the City of North Olmsted contributed 65.46%, the City of Olmsted Falls contributed 10.39% and Olmsted Township contributed 24.15%. As of September 1, 2013, the City of North Olmsted contributed 86.3% and the City of Olmsted Falls contributed 13.7%. Effective January 1, 2014, the City of North Olmsted and the City of Olmsted Falls each entered into individual contracts with Senior Transportation Connection, and no longer shared the transportation costs on a pro-rated basis. N.O.C.O.P. operates on a fiscal year ending December 31. The N.O.C.O.P. ceased operations in 2018. Complete financial statements for N.O.C.O.P. may be obtained by writing the North Olmsted Commission on Paratransit, Inc., 5200 Dover Center Road, North Olmsted, Ohio 44070.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2018**

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### **Note 1: Description of the City and Reporting Entity (continued)**

Information in the following notes to the basic financial statements is applicable to the primary government. Information relative to the component unit is presented in Note 21.

The City is associated with one jointly governed organization, the West Shore Council of Governments. This organization is presented in Note 18 to the basic financial statements.

### **Note 2: Summary of Significant Accounting Policies**

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

#### ***A. Basis of Presentation***

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

#### ***Government-wide Financial Statements***

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

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

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2018**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### **A. Basis of Presentation (continued)**

##### *Fund Financial Statements*

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

#### **B. Fund Accounting**

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

##### *Governmental Funds*

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

*General Fund* – The General Fund is the operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City of North Olmsted and/or the general laws of Ohio.

*Permanent Improvements Fund* – The Permanent Improvements Capital Projects Fund accounts for 15% of the municipal income tax receipts and expenditures for the permanent improvement of streets and the storm sewer system.

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

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2018**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***B. Fund Accounting (continued)***

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

#### *Proprietary Funds*

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

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

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

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

*Internal Service Funds* – Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. One internal service fund accounts for a self-insurance program for employee medical, dental and vision benefits. The other internal service fund accounts for assets set aside for claim settlements and related liabilities associated with the workers’ compensation self-insurance program.

#### *Fiduciary Funds*

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City’s own programs. The City has no trust funds. Agency funds are purely custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations. The City’s agency funds account for the activities of the Mayor’s Court and for deposits from contractors, developers and individuals to ensure compliance with City ordinances.

#### ***C. Measurement Focus***

##### *Government-wide Financial Statements*

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

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

**For the Year Ended December 31, 2018**

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## **Note 2: Summary of Significant Accounting Policies (continued)**

### **C. Measurement Focus (continued)**

#### *Fund Financial Statements*

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Fund Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

### **D. Basis of Accounting**

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

#### *Revenues - Exchange and Nonexchange Transactions*

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within 60 days of year-end.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2018**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***D. Basis of Accounting (continued)***

##### *Revenues - Exchange and Nonexchange Transactions (continued)*

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

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

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

##### *Unearned Revenue*

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned. At December 31, 2018, the City does not have unearned revenue.

##### *Deferred Outflows/Inflows of Resources*

In addition to assets, the financial statements may report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2018, the City had deferred outflows of resources for deferred losses on refunding, pension and OPEB (other postemployment benefits) plans reported in the government-wide Statement of Net Position and the proprietary funds Statement of Fund Net Position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the financial statements may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be a recognized as inflow of resources (revenue) until that time.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2018**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***D. Basis of Accounting (continued)***

##### *Deferred Outflows/Inflows of Resources (continued)*

For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, unavailable revenue and amounts for pension and OPEB plans. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance fiscal year 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental funds Balance Sheet. Unavailable revenue is reported only on the governmental funds Balance Sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, charges for services and sales and intergovernmental revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position and in the proprietary funds Statement of Fund Net Position.

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

##### *Expenses/Expenditures*

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

#### ***E. Budgetary Data***

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

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2018**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***E. Budgetary Data (continued)***

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

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

#### ***F. Pooled Cash and Cash Equivalents***

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents". During 2018, investments were limited to STAR Ohio, negotiable certificates of deposit, money market accounts, and U.S. agency securities.

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

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

For the year ended 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2018 amounted to \$579,677, which includes \$487,895 assigned from other City funds.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2018**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***F. Pooled Cash and Cash Equivalents (continued)***

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

#### ***G. Materials and Supplies Inventory***

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

#### ***H. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2018 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

#### ***I. Capital Assets***

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

Purchased capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

All capital assets are depreciated except for land, art, and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2018**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***I. Capital Assets (continued)***

Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	5 to 40 years
Buildings and improvements	8 to 40 years
Furniture and fixtures	10 to 20 years
Vehicles and equipment	2 to 25 years
Roads	10 to 30 years
Bridges and culverts	35 to 50 years
Sanitary sewer lines	50 years

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

#### ***J. Interfund Balances***

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

#### ***K. Compensated Absences***

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

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

#### ***L. Accrued Liabilities and Long-Term Obligations***

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

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2018**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***L. Accrued Liabilities and Long-Term Obligations (continued)***

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

#### ***M. Fund Balance***

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

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

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

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

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

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2018**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***M. Fund Balance (continued)***

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

***Unassigned:*** Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

The City, through Council ordinance, has established a reserve balance account for the purpose of budget stabilization in accordance with Ohio Revised Code Section 5705.13. The amount reserved may not exceed 5% of the General Fund's revenues in the prior year. Council may appropriate expenditures out of the reserve account to stabilize the City's budget. As the required circumstances determining when the balance can be appropriated are not sufficiently detailed, the balance of \$873,000 is reported as unassigned fund balance.

#### ***N. Net Position***

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide Statement of Net Position reports \$21,367,564 of restricted net position, none of which is restricted by enabling legislation.

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

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2018**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***O. Operating Revenues and Expenses***

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

#### ***P. Deferred Loss on Refunding***

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

#### ***Q. Bond Premiums***

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

#### ***R. Contributions of Capital***

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction. The City had \$105,103 contributions of capital for the year ended December 31, 2018.

#### ***S. Interfund Activity***

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2018**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***T. Pensions/Other Postemployment Benefits (OPEB)***

For purposes of measuring the net pension liability/OPEB 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 systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB systems report investments at fair value.

#### ***U. Estimates***

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

#### ***V. Comparative Data/Reclassifications***

Prior year data presented in Management's Discussion and Analysis have been reclassified in order to be comparative and provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2017 financial statements in order to conform to the 2018 presentation.

### **Note 3: Change in Accounting Principles**

In 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, Statement No. 81, *Irrevocable Split-Interest Agreements*, Statement No. 86, *Certain Debt Extinguishment Issues*, and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and OPEB). These changes were incorporated in the City's 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 81 seeks to improve accounting and financial reporting for irrevocable split-interest agreements created through trusts or other legally enforceable agreements whereby a donor irrevocably transfers resources to an intermediary. The City is not a beneficiary of any irrevocable split-interest agreements and thus implementation of this standard has had no effect on the City's financial statements or disclosures.

GASB 86, seeks to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions involved in the extinguishment of debt including, prepaid insurance and note disclosures for in-substance defeasance of debt. Implementation of this standard has had no effect on the City's financial statements or disclosures.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

### Note 3: Change in Accounting Principles (continued)

For the year ended December 31, 2018, the City implemented the Governmental Accounting Standards Board, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. GASB 75 established standards for measuring and recognizing postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense.

The implementation of this pronouncement had the following effect on beginning net position as reported as of December 31, 2017:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net position at December 31, 2017, as previously reported	\$ 33,875,013	\$ 19,944,912	\$ 53,819,925
Deferred outflow – payments subsequent to measurement date	104,073	21,618	125,691
Net OPEB liability	<u>(20,653,287)</u>	<u>(1,544,816)</u>	<u>(22,198,103)</u>
Restated net position at December 31, 2017	\$ <u>13,325,799</u>	\$ <u>18,421,714</u>	\$ <u>31,747,513</u>
	<u>Springvale Golf Course and Ballroom</u>	<u>Waste Water Treatment Plant</u>	<u>Enterprise Total</u>
Net position at December 31, 2017, as previous reported	\$ (2,316,232)	\$ 21,716,530	\$ 19,400,298
Deferred outflow – payments subsequent to measurement date	4,834	16,784	21,618
Net OPEB liability	<u>(345,425)</u>	<u>(1,199,391)</u>	<u>(1,544,816)</u>
Restated net position at December 31, 2017	\$ <u>(2,656,823)</u>	\$ <u>20,533,923</u>	\$ <u>17,877,100</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

GASB Statements and guidance to be implemented in future reporting periods include GASB Statement No. 83, *Certain Asset Retirement Obligations*, GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, and GASB Statement No. 87, *Leases*. The City is currently evaluating the impact that these Statements will have on its financial statements and disclosures.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

### Note 4: Fund Balances

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

<u>Fund Balances</u>	<u>General</u>	<u>Permanent Improvements</u>	<u>General Obligation Bond Retirement</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Long-term advances	\$ 1,101,138	\$ -	\$ -	\$ -	\$ 1,101,138
Inventory	270,640	-	-	119,235	389,875
Prepays	<u>105,911</u>	<u>-</u>	<u>-</u>	<u>26,829</u>	<u>132,740</u>
Total nonspendable	<u>1,477,689</u>	<u>-</u>	<u>-</u>	<u>146,064</u>	<u>1,623,753</u>
Restricted for:					
Community diversion	-	-	-	535	535
Recreation	-	-	-	240,604	240,604
Court computer	-	-	-	14,376	14,376
Alcohol education	-	-	-	28,777	28,777
Drug and law enforcement	-	-	-	91,314	91,314
Police and fire pension	-	-	-	13,047	13,047
Emergency medical services	-	-	-	302,095	302,095
Motor vehicle license tax	-	-	-	141,178	141,178
State highway	-	-	-	291,510	291,510
Street maintenance	-	-	-	447,953	447,953
Public way management	-	-	-	22,921	22,921
Sidewalk improvement	-	-	-	155,826	155,826
Solid waste and recycling	-	-	-	1,785,612	1,785,612
Great Northern TIF	-	-	-	1,900,610	1,900,610
Endowments and grants	-	-	-	239,302	239,302
CDBG	-	-	-	6,586	6,586
Title III grant	-	-	-	41,037	41,037
Fair capacity housing	-	-	-	104,176	104,176
FEMA grant	-	-	-	18,500	18,500
Federal grants	-	-	-	15,044	15,044
Debt service payments	-	-	8,293,914	1,400,221	9,694,135
Permanent improvements	-	4,803,330	-	-	4,803,330
Capital improvements	<u>-</u>	<u>-</u>	<u>-</u>	<u>311,115</u>	<u>311,115</u>
Total restricted	<u>-</u>	<u>4,803,330</u>	<u>8,293,914</u>	<u>7,572,339</u>	<u>20,669,583</u>

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

### Note 4: Fund Balances (continued)

<u>Fund Balances</u>	<u>General</u>	<u>Permanent Improvements</u>	<u>General Obligation Bond Retirement</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Committed to:					
Casualty loss	-	-	-	19,795	19,795
Economic development	-	-	-	41,569	41,569
Senior center	-	-	-	11,572	11,572
Clague Park	-	-	-	3,065	3,065
Hotel/motel tax	-	-	-	203,072	203,072
STOP program	-	-	-	142,247	142,247
Purchases on order	<u>101,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,884</u>
Total committed	<u>101,884</u>	<u>-</u>	<u>-</u>	<u>421,320</u>	<u>523,204</u>
Assigned to:					
Separation pay	1,408,558	-	-	-	1,408,558
27 <sup>th</sup> pay	228,000	-	-	-	228,000
Year 2019 appropriations	2,590,610	-	-	-	2,590,610
Purchases on order	<u>206,021</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>206,021</u>
Total assigned	<u>4,433,189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,433,189</u>
Unassigned	<u>2,569,478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,569,478</u>
Total fund balance	\$ <u>8,582,240</u>	\$ <u>4,803,330</u>	\$ <u>8,293,914</u>	\$ <u>8,139,723</u>	\$ <u>29,819,207</u>

### Note 5: Budgetary Basis of Accounting

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

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

- 1) Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- 2) Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP).
- 3) Encumbrances are treated as expenditures (budgetary) rather than as restricted, committed, or assigned fund balance (GAAP).

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

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### **Note 5: Budgetary Basis of Accounting (continued)**

- 4) Short-term note proceeds, short-term note principal retirements, advances-in, and advances-out for governmental funds are operating transactions (budgetary) as opposed to balance sheet transactions (GAAP).
- 5) Investments are reported at fair value (GAAP) rather than cost (budgetary).

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

	<u>Net Change in Fund Balance</u>
GAAP basis	\$ <u>General</u> 51,761
Increase (decrease) due to:	
Revenue accruals	(65,651)
Advances - in	150,000
Expenditure accruals	(795,689)
Outstanding encumbrances	(406,523)
Fair value adjustment for investments	169,061
To reclassify the net change in fund balance for funds combined with the General Fund for GASB 54	<u>257,559</u>
Budget basis	\$ <u><u>(639,482)</u></u>

### **Note 6: Deposits and Investments**

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

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

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

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

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2018**

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### **Note 6: Deposits and Investments (continued)**

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, bills, bonds, 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, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40% of the interim monies available for investment at any one time if training requirements have been met; and
8. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short-selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

### Note 6: Deposits and Investments (continued)

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

#### *Deposits*

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

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by establishing and pledging to the Treasurer of State a single pool of collateral for the benefit of every public depositor. The total market value of the securities pledged must meet either of the following:

One hundred two percent of the total amount of all uninsured public deposits; or

An amount determined by rules adopted by the treasurer of state that set forth the criteria for determining the aggregate market value of the pool of eligible securities pledged by a public depository.

At year-end, the carrying amount of the City's deposits was \$9,075,601 and the bank balance was \$9,683,986. Of the bank balance \$1,157,145 was covered by the Federal Depository Insurance Corporation and \$8,526,841 was uninsured and collateralized through the Ohio Pooled Collateral System. The City also has cash on hand of \$4,550.

#### *Investments*

As of December 31, 2018, the City had the following investments:

	<u>Fair Value</u>	<u>Maturities (in years) Less than 1</u>	<u>Maturities (in years) More than 1</u>
Money market	\$ 1,305,751	\$ 1,305,751	\$ -
U.S. agency securities:			
Federal Home Loan Bank	506,920	-	506,920
Federal Home Loan Mortgage Corporation	1,314,511	248,728	1,065,783
Federal National Mortgage Association	901,980	271,796	630,184
Negotiable certificates of deposit	4,193,531	1,454,901	2,738,630
STAR Ohio	<u>23,155,996</u>	<u>23,155,996</u>	<u>-</u>
Total	\$ <u>31,378,689</u>	\$ <u>26,437,172</u>	\$ <u>4,941,517</u>

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

## City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

### **For the Year Ended December 31, 2018**

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#### **Note 6: Deposits and Investments (continued)**

##### ***Investments (continued)***

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of December 31, 2018:

- Money market is based on Level 1 inputs and is valued at amortized costs, which approximates fair value.
- U.S. agency securities are valued based on Level 2 inputs using matrix pricing techniques.
- Negotiable certificates of deposit are measure based on Level 2 inputs, using a matrix or model pricing method.
- STAR Ohio is measured based on amortized cost.

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

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

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

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2018**

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### **Note 6: Deposits and Investments (continued)**

#### ***Investments (continued)***

*Concentration of Credit Risk* is defined by the Governmental Accounting Standards Board as 5% or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City's allocation as of December 31, 2018:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Money market	4.2%
U.S. agency securities:	
Federal Home Loan Bank	1.6%
Federal Home Loan Mortgage Corporation	4.2%
Federal National Mortgage Association	2.9%
Negotiable certificates of deposit	13.4%
STAR Ohio	73.7%

### **Note 7: Receivables**

Receivables at December 31, 2018, consisted primarily of municipal income taxes, property and other taxes, accounts (billings for user charged services and court fines), and intergovernmental receivables arising from grants, entitlements and shared revenues.

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

#### **A. Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2018 for real and public utility property taxes represents collections of the 2017 taxes.

Real property taxes are levied after October 1, 2018, on the assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35% of appraised market value. 2018 real property taxes are collected in and intended to finance 2019. Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2018 public utility property taxes which became a lien on December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2018**

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### **Note 7: Receivables (continued)**

#### **A. Property Taxes (continued)**

The full tax rate for all City operations for the year ended December 31, 2018, was \$13.30 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2018 property tax receipts were based as follows:

Real estate	
Residential/Agriculture	\$ 529,976,700
Commercial/Industrial/Mineral	240,480,860
Public utility tangible personal property	<u>18,534,760</u>
Total valuation	\$ <u>788,992,320</u>

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

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of North Olmsted. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2018 and for which there is an enforceable legal claim. In the General Fund; Recreation, Fire Pension and Police Pension Special Revenue Funds; and General Obligation Bond Retirement, Library Bond Retirement and Fire Station Bond Retirement Debt Service Funds; the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2018 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, delinquent property taxes have been recorded as revenue while the remainder of the receivable is offset by deferred inflows of resources.

#### **B. Income Taxes**

The City levies and collects an income tax of 2% on all income earned within the City as well as income of residents earned outside the City. The City allows a credit of 100% of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file an annual return.

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

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2018**

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### **Note 7: Receivables (continued)**

#### ***C. Intergovernmental Receivables***

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental activities:	
Local government	\$ 304,422
Homestead and rollback	588,871
Gasoline tax	550,039
Permissive tax	114,424
Auto registration	107,450
Miscellaneous	56,179
Peace officer training reimbursement	10,000
Title III (C) grant	3,811
Drug use prevention grant	14,000
Payments in lieu of taxes	<u>192,273</u>
Total governmental activities	1,941,469
Business-type activities:	
Sewer charges	<u>1,927,927</u>
Total business-type activities	<u>1,927,927</u>
Total	\$ <u><u>3,869,396</u></u>

# City of North Olmsted, Ohio

## Notes to the Basic Financial Statements (Continued)

### For the Year Ended December 31, 2018

#### Note 8: Capital Assets

A summary of changes in capital assets during 2018 follows:

	Balance <u>12/31/17</u>	Additions	Disposals	Balance <u>12/31/18</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,610,992	\$ -	\$ -	\$ 4,610,992
Art	23,000	-	-	23,000
Construction in progress	<u>3,183,086</u>	<u>904,760</u>	<u>(620,936)</u>	<u>3,466,910</u>
Total capital assets not being depreciated	<u>7,817,078</u>	<u>904,760</u>	<u>(620,936)</u>	<u>8,100,902</u>
Capital assets, being depreciated:				
Land improvements	2,235,159	249,528	-	2,484,687
Buildings and improvements	34,201,007	503,684	-	34,704,691
Furniture and fixtures	604,579	-	-	604,579
Vehicles and equipment	11,354,919	1,061,318	(109,354)	12,306,883
Infrastructure:				
Roads	143,586,645	1,007,493	-	144,594,138
Bridges and culverts	<u>3,547,719</u>	<u>-</u>	<u>-</u>	<u>3,547,719</u>
Total capital assets, being depreciated	<u>195,530,028</u>	<u>2,822,023</u>	<u>(109,354)</u>	<u>198,242,697</u>
Less accumulated depreciation:				
Land improvements	(1,085,494)	(87,440)	-	(1,172,934)
Buildings and improvements	(18,969,690)	(764,593)	-	(19,734,283)
Furniture and fixtures	(516,683)	(8,310)	-	(524,993)
Vehicles and equipment	(8,430,721)	(462,930)	109,354	(8,784,297)
Infrastructure:				
Roads	(124,182,322)	(3,111,662)	-	(127,293,984)
Bridges and culverts	<u>(2,105,036)</u>	<u>(83,213)</u>	<u>-</u>	<u>(2,188,249)</u>
Total accumulated depreciation	<u>(155,289,946)</u>	<u>(4,518,148)</u>	<u>109,354</u>	<u>(159,698,740)</u>
Total capital assets, being depreciated, net	<u>40,240,082</u>	<u>(1,696,125)</u>	<u>-</u>	<u>38,543,957</u>
Total governmental capital assets, net	\$ <u>48,057,160</u>	\$ <u>(791,365)</u>	\$ <u>(620,936)</u>	\$ <u>46,644,859</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 429,383
Security of persons and property	457,421
Transportation	3,383,630
Public health and welfare	9,833
Leisure time activities	233,621
Economic development	<u>4,260</u>
Total depreciation expense	\$ <u>4,518,148</u>

# City of North Olmsted, Ohio

## Notes to the Basic Financial Statements (Continued)

### For the Year Ended December 31, 2018

#### Note 8: Capital Assets (continued)

	Balance 12/31/17	Additions	Disposals	Balance 12/31/18
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,340,714	\$ -	\$ -	\$ 2,340,714
Construction in progress	<u>2,457,533</u>	<u>1,936,033</u>	<u>(869,172)</u>	<u>3,524,394</u>
Total capital assets not being depreciated	<u>4,798,247</u>	<u>1,936,033</u>	<u>(869,172)</u>	<u>5,865,108</u>
Capital assets, being depreciated:				
Land improvements	4,194,146	18,037	-	4,212,183
Buildings and improvements	45,305,299	880,524	-	46,185,823
Furniture and fixtures	81,047	-	-	81,047
Vehicles and equipment	34,056,085	269,763	(38,594)	34,287,254
Sanitary sewer lines	<u>18,305,664</u>	<u>27,915</u>	<u>-</u>	<u>18,333,579</u>
Total capital assets, being depreciated	<u>101,942,241</u>	<u>1,196,239</u>	<u>(38,594)</u>	<u>103,099,886</u>
Less accumulated depreciation:				
Land improvements	(1,579,088)	(162,574)	-	(1,741,662)
Buildings and improvements	(15,348,103)	(1,002,516)	-	(16,350,619)
Furniture and fixtures	(69,709)	(782)	-	(70,491)
Vehicles and equipment	(7,598,277)	(1,458,091)	38,594	(9,017,774)
Sanitary sewer lines	<u>(10,304,811)</u>	<u>(330,158)</u>	<u>-</u>	<u>(10,634,969)</u>
Total accumulated depreciation	<u>(34,899,988)</u>	<u>(2,954,121)</u>	<u>38,594</u>	<u>(37,815,515)</u>
Total capital assets, being depreciated, net	<u>67,042,253</u>	<u>(1,757,882)</u>	<u>-</u>	<u>65,284,371</u>
Total business-type capital assets, net	\$ <u>71,840,500</u>	\$ <u>178,151</u>	\$ <u>(869,172)</u>	\$ <u>71,149,479</u>

#### Note 9: Defined Benefit Pension Plans

##### A. Net Pension Liability

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

## City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

### **For the Year Ended December 31, 2018**

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#### **Note 9: Defined Benefit Pension Plans (continued)**

##### **A. Net Pension/OPEB Liability (continued)**

The net pension/OPEB liabilities 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 calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

GASB 68 and 75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for OPEB benefits including primarily health care. In most cases, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium.

State statute requires the retirement systems to amortize unfunded pension/OPEB liabilities within 30 years. If the pension/OPEB amortization period exceeds 30 years, each retirement system's board must propose corrective action to the state legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide health care to eligible benefit recipients.

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

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

Plan Description – City employees, other than full-time police and fire, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed plan is a defined contribution plan and the Combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g., City employees) may elect the Member-Directed plan, substantially all employee members are in OPERS' Traditional or Combined plans; therefore, the following disclosure focuses on the Traditional and Combined plans.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

### Note 9: Defined Benefit Pension Plans (continued)

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

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. Final average salary (FAS) represents the average of the three highest years of earnings over the member's career for Groups A and B. Group C is based on the average of the five highest years of earning over a member's career. Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

The Traditional plan is a defined benefit plan in which a member's retirement benefits are calculated on a formula that considers years of service and FAS. Pension benefits are funded by both member and employer contributions and investment earnings on those contributions.

The following table provides age and service requirements for retirement and the retirement formula applied to the FAS for the three member groups under the Traditional plan (see OPERS CAFR referenced above for additional information):

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

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

## City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

### **For the Year Ended December 31, 2018**

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#### **Note 9: Defined Benefit Pension Plans (continued)**

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

When a benefit recipient retiring under the Traditional pension plan has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided on the member's base benefit. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%. Additionally, a death benefit of \$500-\$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional pension plan.

The Combined plan is a defined benefit plan with elements of a defined contribution plan. Members earn a formula benefit similar to, but at a factor less than the Traditional pension plan benefit. This defined benefit is funded by employer contributions and associated investment earnings. Member contributions are deposited into a defined contribution account in which the member self-directs the investment. Upon retirement, the member may choose a defined contribution distribution that is equal to the member's contributions to the plan and investment earnings (or losses). Members may also elect to use their defined contribution account balances to purchase a defined benefit annuity administered by OPERS.

Benefits in the Combined plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined plan is the same as the Traditional pension plan.

Members retiring under the combined plan receive a 3% COLA on the defined benefit portion of their benefit. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

Additionally, a death benefit of \$500 – \$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the combined plan.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

### Note 9: Defined Benefit Pension Plans (continued)

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

The subsequent table provides age and service requirements for retirement and the retirement formula applied to the FAS for the three member groups under the Combined plan (see OPERS CAFR referenced above for additional information):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Formula:</b> 1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Formula:</b> 1.0% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

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

## City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

### **For the Year Ended December 31, 2018**

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#### **Note 9: Defined Benefit Pension Plans (continued)**

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

The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0% for 2018. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. In 2018, the City's contractually required contribution, net of postemployment health care benefits, was \$1,213,846. Of this amount, \$124,209 is reported as accrued wages and benefits at December 31, 2018.

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

Plan Description - the City's full-time police and fire participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer 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](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

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

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

### Note 9: Defined Benefit Pension Plans (continued)

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 19.5% of covered payroll for police employer units and 24.0% for fire employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 12.25% of covered payroll for police and fire. The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer’s contribution allocated to health care was 0.5% for 2018. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

In 2018, the City’s contractually required contribution, net of postemployment health care benefits, was \$1,543,225. Of this amount, \$177,162 is reported as accrued wages and benefits at December 31, 2018.

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

The net pension liability for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F’s total pension liability was measured as of December 31, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The City’s proportion of the net pension liability 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:

	<u>OPERS Traditional</u>	<u>OPERS Combined</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.062881%	0.096272%	0.332886%	
Proportion of the net pension liability/asset current measurement date	<u>0.062255%</u>	<u>0.098962%</u>	<u>0.328291%</u>	
Change in Proportionate Share	(0.000626%)	0.002690%	(0.004595%)	
Proportionate share of the net pension liability	\$ 9,766,604	\$ -	\$ 20,153,276	\$ 29,919,880
Proportionate share of the net pension asset	\$ -	\$ 134,718	\$ -	\$ 134,718
Pension expense	\$ 2,120,534	\$ 22,550	\$ 2,311,626	\$ 4,454,710

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

### Note 9: Defined Benefit Pension Plans (continued)

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

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional	OPERS Combined	OP&F	Total
<b>Deferred outflow of resources</b>				
City contributions subsequent to the measurement date	\$ 1,159,869	\$ 53,977	\$ 1,543,225	\$ 2,757,071
Differences in employer contributions and change in proportionate share	71,752	6,752	-	78,504
Difference between expected and actual experience	9,974	-	305,770	315,744
Change in assumptions	<u>1,167,180</u>	<u>11,772</u>	<u>877,985</u>	<u>2,056,937</u>
Total deferred outflow of resources	\$ <u>2,408,775</u>	\$ <u>72,501</u>	\$ <u>2,726,980</u>	\$ <u>5,208,256</u>
<b>Deferred inflow of resources</b>				
Differences in employer contributions and change in proportionate share	\$ 66,110	\$ 1,942	\$ 426,466	\$ 494,518
Net difference between projected and actual earnings on pension plan investments	2,096,761	21,255	696,990	2,815,006
Difference between expected and actual experience	<u>192,468</u>	<u>40,134</u>	<u>36,450</u>	<u>269,052</u>
Total deferred inflow of resources	\$ <u>2,355,339</u>	\$ <u>63,331</u>	\$ <u>1,159,906</u>	\$ <u>3,578,576</u>

The \$2,757,071 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional	OPERS Combined	OP&F	Total
Fiscal Year Ending December 31:				
2019	\$ 906,324	\$ (5,956)	\$ 411,185	\$ 1,311,553
2020	(227,872)	(6,538)	227,940	(6,470)
2021	(923,302)	(11,300)	(493,975)	(1,428,577)
2022	(861,583)	(10,797)	(345,064)	(1,217,444)
2023	-	(3,334)	179,717	176,383
2024-2027	<u>-</u>	<u>(6,882)</u>	<u>44,046</u>	<u>37,164</u>
	\$ <u>(1,106,433)</u>	\$ <u>(44,807)</u>	\$ <u>23,849</u>	\$ <u>(1,127,391)</u>

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

### Note 9: Defined Benefit Pension Plans (continued)

#### *E. Actuarial Assumptions - OPERS*

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The active member population which consists of members in the Traditional and Combined plans is assumed to remain constant. For purposes of financing the unfunded actuarial accrued liabilities, total payroll is assumed to grow at the wage inflation rate indicated below.

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Mortality rates were based on the RP-2014 Health Annuitant Mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2018**

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### **Note 9: Defined Benefit Pension Plans (continued)**

#### ***E. Actuarial Assumptions – OPERS (continued)***

The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables were determined by applying the MP-2015 Mortality Improvement Scale to the above described tables.

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional plan, the defined benefit component of the Combined plan and the annuitized accounts of the Member-Directed plan. The money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for changing amounts actually invested for the Defined Benefit portfolio was 16.82% for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board 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 table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other Investments	18.00	5.26
Total	<u>100.00%</u>	<u>5.66%</u>

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2018**

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### **Note 9: Defined Benefit Pension Plans (continued)**

#### *E. Actuarial Assumptions – OPERS (continued)*

**Discount Rate** The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5%) or one-percentage-point higher (8.5%) than the current rate:

	1% Decrease <u>(6.5%)</u>	Discount Rate <u>(7.5%)</u>	1% Increase <u>(8.5%)</u>
City's proportionate share of the net pension liability – Traditional	\$ 17,342,998	\$ 9,766,604	\$ 3,450,172
City's proportionate share of the net pension asset – Combined	\$ 73,232	\$ 134,718	\$ 177,142

**Changes between Measurement Date and Report Date** In October 2018, the OPERS Board voted to lower the investment return assumption for its defined benefit fund from 7.5% to 7.2%. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net position is not known.

#### *F. Actuarial Assumptions – OP&F*

OP&F's total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

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### Note 9: Defined Benefit Pension Plans (continued)

#### F. Actuarial Assumptions – OP&F (continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, are presented below:

Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Salary increases	3.75% - 10.50%
Payroll growth	Inflation rate of 2.75% plus productivity increase rate of 0.5%
Cost of living adjustments	3.00% simple; 2.2% simple for increases based on the lesser of the increase in CPI and 3.00%

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

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

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

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

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

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

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### Note 9: Defined Benefit Pension Plans (continued)

#### *F. Actuarial Assumptions – OP&F (continued)*

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 OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00%	0.00%
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income*	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Real Assets	5.00	6.87
Master Limited Partnerships	8.00	7.36

\*Levered 2x

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 1.2 times due to the application of leverage in certain fixed income asset classes.

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

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

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### **Note 9: Defined Benefit Pension Plans (continued)**

#### *F. Actuarial Assumptions – OP&F (continued)*

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

	<u>1% Decrease</u> <u>(7.00%)</u>	<u>Discount Rate</u> <u>(8.00%)</u>	<u>1% Increase</u> <u>(9.00%)</u>
City’s proportionate share of the net pension liability	\$ 27,931,383	\$ 20,153,276	\$ 13,801,212

### **Note 10: Postemployment Benefits**

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

Plan Description – the Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed plan, a defined contribution plan; and the Combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. While members (e.g., City employees) may elect the Member-Directed plan, substantially all employee members are in OPERS’ Traditional or Combined plans; therefore, the following disclosure focuses on the Traditional and Combined plans.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional pension and the Combined plans.

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. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an OPEB as described in GASB Statement 75. See OPERS’ CAFR referenced below for additional information.

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

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

## City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

### **For the Year Ended December 31, 2018**

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#### **Note 10: Postemployment Benefits (continued)**

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0% of earnable salary. This is 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. The portion of employer contributions allocated to health care for members in the Traditional pension plan and Combined plan was 1.0% during calendar year 2017. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0% percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. In 2018, the City did not make any contributions to the health care plans.

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

Plan Description – the City’s full-time police and fire participate in the OP&F sponsored health care program, a cost-sharing, multiple-employer defined postemployment 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. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an OPEB as described in GASB Statement No. 75.

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

## City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

### **For the Year Ended December 31, 2018**

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#### **Note 10: Postemployment Benefits (continued)**

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

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](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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 \$36,694 for 2018. Of this amount, \$4,187 is reported as accrued wages and benefits at December 31, 2018.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, 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, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

### Note 10: Postemployment Benefits (continued)

#### *C. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)*

The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.063332%	0.332886%	
Proportion of the net OPEB liability current measurement date	<u>0.063020%</u>	<u>0.328291%</u>	
Change in Proportionate Share	(0.000312%)	(0.004595%)	
Proportionate share of the net OPEB liability	\$ 6,843,509	\$ 18,600,508	\$ 25,444,017
OPEB expense	\$ 570,334	\$ 1,426,440	\$ 1,996,774

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred outflow of resources</b>			
City contributions subsequent to the measurement date	\$ -	\$ 36,694	\$ 36,694
Difference between expected and actual experience	5,331	-	5,331
Change in assumptions	<u>498,281</u>	<u>1,815,014</u>	<u>2,313,295</u>
Total deferred outflow of resources	\$ <u>503,612</u>	\$ <u>1,851,708</u>	\$ <u>2,355,320</u>
<b>Deferred inflow of resources</b>			
Difference between expected and actual experience	\$ -	\$ 93,813	\$ 93,813
Differences in employer contributions and change in proportionate share	27,878	189,871	217,749
Net difference between projected and actual earnings on OPEB plan investments	<u>509,796</u>	<u>122,437</u>	<u>632,233</u>
Total deferred inflow of resources	\$ <u>537,674</u>	\$ <u>406,121</u>	\$ <u>943,795</u>

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

### Note 10: Postemployment Benefits (continued)

#### *C. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)*

The \$36,694 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31:	OPERS	OP&F	Total
2019	\$ 100,000	\$ 193,269	\$ 293,269
2020	100,000	193,269	293,269
2021	(106,614)	193,269	86,655
2022	(127,448)	193,269	65,821
2023	-	223,879	223,879
2024-2025	-	411,938	411,938
	\$ <u>(34,062)</u>	\$ <u>1,408,893</u>	\$ <u>1,374,831</u>

#### *D. Actuarial Assumptions - OPERS*

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. 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:

Health Care Costs Trend Rate	7.5%, initial 3.25%, ultimate in 2028
Actuarial Cost Method	Individual Entry Age
Investment Rate of Return	6.50%
Municipal Bond Rate	3.31%
Wage Inflation	3.25%
Projected Salary Increases, including 3.25% inflation	3.25% to 10.75%
Single Discount Rate:	
Current measurement date	3.85%
Prior measurement date	4.23%

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2018**

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### **Note 10: Postemployment Benefits (continued)**

#### ***D. Actuarial Assumptions – OPERS (continued)***

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. 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 long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional pension plan, Combined plan and Member-Directed plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2% for 2017.

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

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

### Note 10: Postemployment Benefits (continued)

#### D. Actuarial Assumptions – OPERS (continued)

The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00%	1.88%
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other Investments	17.00	5.39
Total	100.00%	4.98%

**Discount Rate** A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23% was used to measure the OPEB liability on the measurement date of December 31, 2016. 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 6.50% and a municipal bond rate of 3.31%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

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

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85%, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85%) or one-percentage-point higher (4.85%) than the current rate:

	1% Decrease (2.85%)	Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$ 9,091,892	\$ 6,843,509	\$ 5,024,585

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

### Note 10: Postemployment Benefits (continued)

#### D. Actuarial Assumptions – OPERS (continued)

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

	<u>1% Decrease</u>	<u>Cost Trend Rate</u>	<u>1% Increase</u>
City’s proportionate share of the net OPEB liability	\$ 6,547,778	\$ 6,843,509	\$ 7,148,989

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 2018 is 7.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

**Changes between Measurement Date and Report Date** In October 2018, the OPERS Board voted to lower the investment return assumption for its health care investment portfolio from 6.5% to 6.0%. This change will be effective for the 2018 valuation. The exact amount of the impact to the City’s net position is not known.

#### E. Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

### Note 10: Postemployment Benefits (continued)

#### *E. Actuarial Assumptions – OP&F (continued)*

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

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

Actuarial cost method	Entry age normal
Single discount rate:	
Current measurement date	3.24%
Prior measurement date	3.79%
Investment rate of return	8.00%
Salary increases	3.75% - 10.50%
Payroll growth	Inflation rate of 2.75% plus productivity increase rate of 0.5%
Cost of living adjustments	3.00% simple; 2.2% simple for increases based on the lesser of the increase in CPI and 3.00%

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

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

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

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

The most recent experience study was completed for the five-year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

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### **Note 10: Postemployment Benefits (continued)**

#### *E. Actuarial Assumptions – OP&F (continued)*

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00%	0.00%
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income*	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Real Assets	5.00	6.87
Master Limited Partnerships	8.00	7.36

\*Levered 2x

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

**Discount Rate** The total OPEB liability was calculated using the discount rate of 3.24%. 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 8.00%. 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 3.16% at December 31, 2017 and 3.71% at December 31, 2016, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 3.24%. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

### Note 10: Postemployment Benefits (continued)

#### *E. Actuarial Assumptions – OP&F (continued)*

***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 3.24%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24%), or one percentage point higher (4.24%) than the current rate.

	<u>1% Decrease</u> <u>(2.24%)</u>	<u>Discount Rate</u> <u>(3.24%)</u>	<u>1% Increase</u> <u>(4.24%)</u>
City’s proportionate share of the net OPEB liability	\$ 23,250,860	\$ 18,600,508	\$ 15,022,267

***Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate***  
 Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

<u>Year</u>	<u>Non-Medicare</u>	<u>Non-AARP</u>	<u>AARP</u>	<u>Rx Drug</u>	<u>Medicare Part B</u>
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and later	4.50%	4.50%	4.50%	4.50%	5.00%

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current health care cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
City’s proportionate share of the net OPEB liability	\$ 14,449,209	\$ 18,600,508	\$ 24,195,054

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

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### **Note 10: Postemployment Benefits (continued)**

#### *E. Actuarial Assumptions – OP&F (continued)*

**Changes between Measurement Date and Report Date** In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the City’s net OPEB liability is not known.

### **Note 11: Risk Management**

#### *A. Property and Liability*

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

#### *B. Health Insurance Benefits*

The City provides health, dental and vision insurance to its employees through a self-insurance plan. The City pays a monthly premium for the self-insurance plan. The City contracts with a third-party administrator to direct this program. During 2018, self-insurance was in effect for claims up to \$100,000 per covered individual and \$3,759,817 in aggregate. This aggregate includes both medical and drug coverage. Claims in excess of this aggregated amount are insured by private carriers.

The claims liability of \$240,958 as estimated by the third-party administrator and reported in the Hospitalization Internal Service Fund at December 31, 2018, is based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the Fund’s claims liability amount in 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Unpaid claims, beginning of year	\$ 282,011	\$ 484,046
Incurred claims and adjustments	2,587,649	2,531,794
Claims payments	<u>(2,628,702)</u>	<u>(2,733,829)</u>
Unpaid claims, end of year	<u>\$ 240,958</u>	<u>\$ 282,011</u>

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

### Note 11: Risk Management (continued)

#### C. Workers' Compensation Program

On January 1, 2009, the City was approved for self-insurance status by the Bureau of Workers' Compensation and began to administer its own workers' compensation program (the program). The City established the Workers' Compensation Self-Insurance Internal Service Fund to account for assets set aside for claim settlements and related liabilities associated with the program. Liabilities of the fund are reported when an employee injury has occurred, it is probable that a claim will be filed under the program, and the amount of the claim can be reasonably estimated. The City utilizes the services of Care Works Consultants, Inc., the third-party administrator, to review, process, and pay employee claims. The City also maintains excess insurance coverage which would pay the portion of claims that exceed \$500,000 per occurrence, up to a maximum of an additional \$1,000,000 per occurrence.

The claims liability of \$90,462 reported in the Workers' Compensation Self-Insurance Internal Service Fund is based on the requirements of Governmental Standards Board No. 30, which requires a liability for the unpaid claims costs, including estimates of costs relating to incurred but not report claims, be reported. Changes in the Fund's claims liability amount in 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Unpaid claims, beginning of year	\$ 57,707	\$ 35,540
Incurred claims and adjustments	126,339	87,160
Claims payments	<u>(93,584)</u>	<u>(64,993)</u>
Unpaid claims, end of year	<u>\$ 90,462</u>	<u>\$ 57,707</u>

### Note 12: Long-Term Obligations

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

	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
Governmental activities:				
General obligation bonds:				
Street improvement bonds	2010	2020	3.75-4.00%	\$ 3,715,000
Capital improvement and equipment bonds	2013	2023	2.00-2.125	4,770,000
Capital improvement and refunding bonds	2015	2030	3.00-3.50	6,120,000
Fire station improvement refunding bonds	2015	2025	3.00-3.25	2,260,000
Library improvement refunding bonds	2017	2020	2.00-4.00	3,065,000
Various purpose refunding, series 2017	2017	2037	2.00-4.00	571,000
Capital improvement bonds	2017	2037	2.00-4.00	4,735,000
Police pension	1968	2031	4.25	272,250
Long-term bond anticipation notes	2018	2019	2.50	1,720,000

# City of North Olmsted, Ohio

## Notes to the Basic Financial Statements (Continued)

### For the Year Ended December 31, 2018

#### Note 12: Long-Term Obligations (continued)

##### Business-type activities:

##### General obligation bonds:

Capital improvement and equipment bonds	2013	2021	2.00-2.125	380,000
Capital improvement and refunding bonds	2015	2020	3.00-3.50	240,000
Various purpose refunding, series 2017	2017	2037	2.00-4.00	2,489,000
Capital improvement bonds	2017	2037	2.00-4.00	3,970,000
OWDA sanitary sewer loan	2012	2034	2.80	9,448,575
OWDA sanitary sewer loan	2013	2035	2.44	45,900,266

Changes in long-term obligations during the year ended December 31, 2018, consisted of the following:

	<u>Balance</u> <u>12/31/17</u>		<u>Increase</u>		<u>Decrease</u>		<u>Balance</u> <u>12/31/18</u>	<u>Amounts Due</u> <u>in One Year</u>
Governmental activities:								
General obligation bonds:								
Street improvement bonds	\$ 1,175,000	\$	-	\$	490,000	\$	685,000	\$ 340,000
Premium on street improvement bonds	50,681		-		16,896		33,785	-
Capital improvement and equipment bonds	2,865,000		-		465,000		2,400,000	435,000
Premium on capital improvement and equipment bonds	72,237		-		12,038		60,199	-
Capital improvement and refunding bonds	5,320,000		-		575,000		4,745,000	665,000
Premium on capital improvement and refunding bonds	309,583		-		23,814		285,769	-
Fire station improvement refunding bonds	2,020,000		-		225,000		1,795,000	230,000
Premium on fire station improvement refunding bonds	129,087		-		16,138		112,949	-
Library improvements refunding bonds	2,320,000		-		765,000		1,555,000	775,000
Premium on library improvements refunding bonds	81,226		-		27,076		54,150	-
Various purpose refunding bonds	440,000		-		130,000		310,000	135,000
Premium on various purpose refunding bonds	16,223		-		5,023		11,200	-
Capital improvement bonds	4,735,000		-		410,000		4,325,000	430,000
Premium on capital improvement bonds	304,172		-		30,416		273,756	-
Total general obligation bonds	<u>19,838,209</u>		<u>-</u>		<u>3,191,401</u>		<u>16,646,808</u>	<u>3,010,000</u>

# City of North Olmsted, Ohio

## Notes to the Basic Financial Statements (Continued)

### For the Year Ended December 31, 2018

#### Note 12: Long-Term Obligations (continued)

	Balance <u>12/31/17</u>	<u>Increase</u>	<u>Decrease</u>	Balance <u>12/31/18</u>	Amounts Due <u>in One Year</u>
Police pension liability	70,291	-	3,960	66,331	4,130
Long-term notes	-	1,720,000	-	1,720,000	-
Capital lease payable	35,328	-	11,546	23,782	12,135
Claims payable	339,718	2,713,988	2,722,286	331,420	308,805
Compensated absences payable	4,673,528	964,651	703,817	4,934,362	2,008,364
Net pension liability	31,912,423	-	4,351,176	27,561,247	-
Net OPEB liability	<u>20,653,287</u>	<u>3,138,021</u>	-	<u>23,791,308</u>	-
Total governmental activities	\$ <u>77,522,784</u>	\$ <u>8,536,660</u>	\$ <u>10,984,186</u>	\$ <u>75,075,258</u>	\$ <u>5,343,434</u>
Business-type activities:					
General obligation bonds:					
Capital improvement and equipment bonds	\$ 150,000	\$ -	\$ 50,000	\$ 100,000	\$ 50,000
Capital improvement and refunding bonds	140,000	-	35,000	105,000	35,000
Premium on capital improvement and refunding bonds	6,976	-	2,325	4,651	-
Various purpose bonds refunding	2,005,000	-	500,000	1,505,000	515,000
Premium on various purpose bond refunding	66,244	-	17,203	49,041	-
Capital improvement bonds	3,970,000	-	65,000	3,905,000	70,000
Premium on capital improvement bonds	<u>108,350</u>	<u>-</u>	<u>7,725</u>	<u>100,625</u>	<u>-</u>
Total general obligation bonds	6,446,570	-	677,253	5,769,317	670,000
OWDA sanitary sewer loans	52,065,290	-	2,119,467	49,945,823	2,436,893
Capital lease payable	2,675	-	862	1,813	922
Compensated absences payable	470,533	111,407	98,896	483,044	184,021
Net pension liability	3,451,446	-	1,092,813	2,358,633	-
Net OPEB liability	<u>1,544,816</u>	<u>107,893</u>	<u>-</u>	<u>1,652,709</u>	<u>-</u>
Total business-type activities	\$ <u>63,981,330</u>	\$ <u>219,300</u>	\$ <u>3,989,291</u>	\$ <u>60,211,339</u>	\$ <u>3,291,836</u>

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

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

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

## City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

### **For the Year Ended December 31, 2018**

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#### **Note 12: Long-Term Obligations (continued)**

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

In January 2017, the City issued \$3,065,000 in library improvement refunding bonds, for the purpose of providing funds to refund the City's outstanding capital improvement bonds related to the 2001 library project. The bonds mature on December 1, 2020 and have an interest rate between 2.0% and 4.0%. The bonds were sold at a premium of \$108,302. Proceeds and premium of \$3,112,607 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the general obligation bonds. The refunded bonds were called and redeemed in full in February 2017. The City decreased its total debt service payments by \$205,238 as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old and new debt service payments) of \$199,083.

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

The notes are dated April 24, 2018 and are due on April 23, 2019 at an interest rate of 2.50%. These notes are reported as long-term obligations as they were refinanced on April 9, 2019 with capital improvement and equipment notes. See Note 22 for additional information.

The City's overall legal debt margin was \$76,502,313 at December 31, 2018.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

### Note 12: Long-Term Obligations (continued)

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2018, are as follows:

Year	Governmental Activities			
	General Obligation Bonds		Police Pension	
	Principal	Interest	Principal	Interest
2019	\$ 3,010,000	\$ 480,800	\$ 4,130	\$ 2,776
2020	3,060,000	394,400	4,307	2,598
2021	1,965,000	301,013	4,492	2,413
2022	1,690,000	251,588	4,685	2,220
2023	1,690,000	208,863	4,886	2,019
2024-2028	4,075,000	407,963	27,765	6,761
2029-2031	325,000	17,150	16,066	1,032
Totals	\$ <u>15,815,000</u>	\$ <u>2,061,777</u>	\$ <u>66,331</u>	\$ <u>19,819</u>

Year	Governmental Activities (continued)	
	Total	
	Principal	Interest
2019	\$ 3,014,130	\$ 483,576
2020	3,064,307	396,998
2021	1,969,492	303,426
2022	1,694,685	253,808
2023	1,694,886	210,882
2024-2028	4,102,765	414,724
2029-2031	341,066	18,182
Totals	\$ <u>15,881,331</u>	\$ <u>2,081,596</u>

Year	Business-Type Activities			
	General Obligation Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest
2019	\$ 670,000	\$ 177,800	\$ 2,436,893	\$ 1,232,538
2020	685,000	152,200	2,498,254	1,171,177
2021	575,000	138,000	2,561,165	1,108,267
2022	225,000	126,500	2,625,665	1,043,767
2023	230,000	119,750	2,691,793	977,638
2024-2028	1,200,000	465,250	14,510,874	3,836,285
2029-2033	1,060,000	262,600	16,433,502	1,913,656
2034-2037	970,000	84,181	6,187,677	184,567
Totals	\$ <u>5,615,000</u>	\$ <u>1,526,281</u>	\$ <u>49,945,823</u>	\$ <u>11,467,895</u>

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

### Note 12: Long-Term Obligations (continued)

Year	Business-Type Activities (continued)	
	Total	
	Principal	Interest
2019	\$ 3,106,893	\$ 1,410,338
2020	3,183,254	1,323,377
2021	3,136,165	1,246,267
2022	2,850,665	1,170,267
2023	2,921,793	1,097,388
2024-2028	15,710,874	4,301,535
2029-2033	17,493,502	2,176,256
2034-2037	<u>7,157,677</u>	<u>268,748</u>
Totals	\$ <u>55,560,823</u>	\$ <u>12,994,176</u>

### Note 13: Lease Obligations

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

The original amounts capitalized for the capital leases and the book value as of December 31, 2018 follows:

	Governmental Activities	Business-Type Activities
Assets:		
Vehicles and equipment	\$ 60,299	\$ 4,543
Less: accumulated depreciation	<u>(48,239)</u>	<u>(3,634)</u>
Current book value	\$ <u>12,060</u>	\$ <u>909</u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2018.

Year	Governmental Activities	Business-Type Activities
2019	\$ 13,505	\$ 1,027
2020	<u>12,289</u>	<u>940</u>
Total minimum lease payments	25,794	1,967
Less: amount representing interest	<u>(2,012)</u>	<u>(154)</u>
Present value of minimum lease payments	\$ <u>23,782</u>	\$ <u>1,813</u>

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

### **Note 13: Lease Obligations (continued)**

The City entered into leases for certain equipment and office space. These leases do not meet the criteria of a capital lease in accordance with the “Leases” topic of Finance Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

The following is a schedule of the future minimum lease payments required under operating leases at year-end:

<u>Year</u>	<u>Business-type Activities</u>
2019	\$ 65,575
2020	65,575
2021	<u>65,575</u>
Total minimum lease payments	\$ <u><u>196,725</u></u>

The total cost for operating leases in 2018 was \$1,439 for governmental activities and \$65,575 for enterprise activities.

### **Note 14: Compensated Absences**

Vacation leave is earned at rates which vary depending upon length of service and standard work week. City employees are paid for earned, unused vacation leave at the time of termination of employment if the employee has acquired at least one year of service to the City. Sick leave is earned at the rate of 10 hours for each month worked. Each employee upon retirement is paid for a portion of the employee’s earned unused sick leave balances, from 900 hours to 1,500 hours, depending upon the union contract and termination with the City.

### **Note 15: Notes Payable**

A summary of the notes transactions for the year ended December 31, 2018, follows:

	<u>Balance 12/31/17</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/18</u>
Governmental activities:				
Various purpose improvement notes	\$ -	\$ <u>270,000</u>	\$ -	\$ <u>270,000</u>

The capital improvement and equipment notes were issued to improve the roads and to acquire and install telecommunications system equipment. The notes are dated April 24, 2018 and are due on April 23, 2019 at an interest rate of 2.50%. All of the notes are bond anticipation notes, and are backed by the full faith and credit of the City. The note liability is reflected in the fund which received the proceeds.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

### Note 16: Construction and Other Significant Commitments

At December 31, 2018, the City's significant contractual commitments consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid/Accrued</u>	<u>Remaining on Contract</u>
City-wide traffic signalization project	\$ 1,648,345	\$ 1,195,495	\$ 452,850
Country club boulevard middle phase	1,315,648	1,272,267	43,381
WWTP – east maintenance building	319,114	210,950	108,164
Springvale renovations phase I	<u>3,391,626</u>	<u>3,281,523</u>	<u>110,103</u>
Total commitments	<u>\$ 6,674,733</u>	<u>\$ 5,960,235</u>	<u>\$ 714,498</u>

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

	<u>Encumbrances</u>
General Fund	\$ 307,905
Permanent Improvements Fund	204,593
General Obligation Bond Retirement Fund	14,400
Other Governmental Funds	<u>384,757</u>
Total other significant commitments	<u>\$ 911,655</u>

### Note 17: Interfund Activity

#### A. Interfund Transfers

Interfund transfers for the year ended December 31, 2018 consisted of the following:

	<u>Transfer From</u>					<u>Total</u>
	<u>General Fund</u>	<u>Permanent Improvement Fund</u>	<u>Non-major Governmental Funds</u>	<u>Springvale Golf and Ballroom Fund</u>	<u>Sewer Revenue Fund</u>	
Transfer to:						
General Fund	\$ -	\$ -	\$ 7,560	\$ 4,280	\$ 48,360	\$ 60,200
General Obligation Bond Retirement Fund	-	1,464,406	230,550	-	-	1,694,956
Non-major Governmental Funds	<u>215,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>215,000</u>
Total	<u>\$ 215,000</u>	<u>\$ 1,464,406</u>	<u>\$ 238,110</u>	<u>\$ 4,280</u>	<u>\$ 48,360</u>	<u>\$ 1,970,156</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The transfers from the General Fund to the nonmajor governmental funds were made to provide resources for current operations. The transfers to the General Fund were made in accordance with Ohio Revised Code Section 5705.13(B). No transfers were inconsistent with the purpose of the fund making the transfer. In addition, the above transfers are in compliance with the Ohio Revised Code.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## For the Year Ended December 31, 2018

### Note 17: Interfund Activity (continued)

#### *B. Interfund Balances*

As of December 31, 2018, interfund balances were as follows:

	<u>Receivable</u>	<u>Payable</u>
	Advance to	Advance from
	<u>Other Funds</u>	<u>Other Funds</u>
Governmental Activities:		
General Fund	\$ 1,101,138	\$ -
General Obligation Bond Retirement Fund	5,345,361	-
Total Governmental Activities	<u>6,446,499</u>	<u>-</u>
Business-Type Activities:		
Springvale Golf Course and Ballroom Fund	-	5,077,555
Sewer Revenue Fund	<u>-</u>	<u>1,368,944</u>
Total Business-Type Activities	<u>-</u>	<u>6,446,499</u>
Total	<u>\$ 6,446,499</u>	<u>\$ 6,446,499</u>

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

### Note 18: Jointly Governed Organizations

#### *West Shore Council of Governments*

The West Shore Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Board is comprised of one member from each of the six participating entities. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the Board. Each city's degree of control is limited to its representation on the Board. In 2018, the City contributed \$68,235. Complete financial information can be obtained from the City of Bay Village 350 Dover Center Road, Bay Village, Ohio 44140.

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

## City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

### **For the Year Ended December 31, 2018**

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#### **Note 19: Contingent Liabilities**

The City is unaware of any un-asserted claims pending against it as of December 31, 2018. During the normal course of business, the City is subject to occasional legal proceedings, claims, and contract disputes. In the opinion of management, the eventual outcome of any current proceedings and claims against the City will not materially affect its financial condition or operations.

#### **Note 20: Tax Abatements**

As of December 31, 2018, the City provides tax incentives under two programs: the Community Reinvestment Area (CRA), known as the North Olmsted Community Reinvestment Area (NOCRA) and the Job Retention Grant Program.

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

Within the NOCRA, the percentage of tax exemption of the increase valuation resulting from improvements to commercial and industrial real property and the term of those exemptions are negotiated on a case-by-case basis in advance of signing the agreement. For residential properties, a tax exemption on the increase in the assessed valuation resulting from improvements shall be granted upon application by the property owner and certification of the Housing Officer for the following periods:

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

For the year ended December 31, 2018, the City abated property taxes totaling \$11,764 under this program.

# City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2018**

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### **Note 20: Tax Abatements (continued)**

The City created the Job Retention Grant Program. The purpose of the program is to maintain the City's competitiveness as a site for location of new businesses and the expansion of existing businesses. Pursuant to Article XVIII, Section 3 and Article VIII, Section 13 of the Ohio Constitution (Ordinance #2016-76), the City provides an incentive to the company based upon the company's gross annual payroll, the amount of income tax generated annually and the number of jobs created or retained by the business. The abatement is administered as a refund based upon the company's payroll taxes. Also, the time period of the incentive in years, is determined by how many new jobs are to be created by the company. The total amount of taxes abated under this program for the year ended December 31, 2018 was \$157,861.

### **Note 21: Component Unit**

#### **A. Summary of Significant Accounting Policies**

*Nature of Organization* - North Olmsted Commission on Paratransit, Inc. (N.O.C.O.P.) is a not-for-profit corporation that provided transportation to residents of the City of North Olmsted, the City of Olmsted Falls and Olmsted Township who were 60 years of age or older or disabled. N.O.C.O.P. utilized the services of a third-party provider, Senior Transportation Connection, to provide transportation services to the residents. Fares were collected by the provider based on the destination and frequency that the service was used. The three communities shared costs or deficits on a prorated agreement based on each community's population. Effective September 1, 2013, Olmsted Township terminated its membership with N.O.C.O.P. In 2013, the formula was as follows for January through August: the City of North Olmsted contributed 65.46%, the City of Olmsted Falls contributed 10.39% and Olmsted Township contributed 24.15%. As of September 1, 2013, the City of North Olmsted contributed 86.3% and the City of Olmsted Falls contributed 13.7%. Effective January 1, 2014, the City of North Olmsted and the City of Olmsted Falls each entered into individual contracts with Senior Transportation Connection, and no longer shared the transportation costs on a pre-rated basis. The N.O.C.O.P. has ceased business operations and the remaining assets were distributed to the participating communities. The N.O.C.O.P. is exempt under Internal Revenue Code Section 501(c) (3) from federal income tax. It is also currently exempt from federal unemployment tax and Ohio franchise, personal property, and sales taxes.

*Financial Statement Presentation* - The N.O.C.O.P. has prepared financial statements in conformity with general 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.

*Classification of Net Position* - Unrestricted net position is comprised of amounts upon which donors have placed no restriction on expenditure of these assets themselves or their investment income.

Temporarily restricted net position and investment income generated by these assets comprise those amounts the expenditure of which has been restricted by donors for use during a specific time period or for a particular purpose. When such a restriction expires; that is, when a stipulated time restriction ends or a program restriction is accomplished, temporarily restricted net position is released to unrestricted.

## City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

### **For the Year Ended December 31, 2018**

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#### **Note 21: Component Unit (continued)**

##### ***A. Summary of Significant Accounting Policies (continued)***

Permanently restricted net position comprises those assets contributed to the N.O.C.O.P. by donors who have indicated an intention that the assets are to remain in perpetuity as permanent endowments of the N.O.C.O.P.

*Use of Estimates* – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Note 22: Subsequent Events**

On April 9, 2019, the City issued \$6,775,000 in capital improvement and equipment notes, in anticipation of the issuance of bonds, for the purposes of improving designated streets, improvements to the City's municipal complex and Springvale Golf Course, to provide funds to acquire equipment for the City's Fire Department, and to provide funds for acquiring and installing telecommunications system and computer hardware and software equipment. A portion of the proceeds (\$1,720,000) were also used to retire previously issued notes which matured on April 23, 2019. The notes mature on April 20, 2020, and have an interest rate of 3.0%.

## City of North Olmsted, Ohio

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

### For the Last Five Years

	<u>2018(1)</u>	<u>2017(1)</u>	<u>2016(1)</u>	<u>2015(1)</u>	<u>2014(1)</u>
City's proportion of the net pension liability	0.062255%	0.062881%	0.061367%	0.062146%	0.062146%
City's proportionate share of the net pension liability	\$ 9,766,604	\$ 14,279,205	\$ 10,629,538	\$ 7,495,502	\$ 7,326,204
City's covered payroll	\$ 8,262,335	\$ 8,270,612	\$ 8,170,779	\$ 7,635,146	\$ 7,193,840
City's proportionate share of the net pension liability as a percentage of its covered payroll	118.21%	172.65%	130.09%	98.17%	101.84%
Plan fiduciary net position as a percentage of the total pension liability	84.66%	77.25%	81.08%	86.45%	n/a

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

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

## City of North Olmsted, Ohio

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

### For the Last Five Years

	<u>2018(1)</u>	<u>2017(1)</u>	<u>2016(1)</u>	<u>2015(1)</u>	<u>2014(1)</u>
City's proportion of the net pension asset	0.098962%	0.096272%	0.098960%	0.117384%	0.117384%
City's proportionate share of the net pension asset	\$ 134,718	\$ 53,583	\$ 48,157	\$ 45,196	\$ 12,318
City's covered payroll	\$ 402,822	\$ 380,227	\$ 385,862	\$ 413,399	\$ 339,946
City's proportionate share of the net pension asset as a percentage of its covered payroll	33.44%	14.09%	12.48%	10.93%	3.62%
Plan fiduciary net position as a percentage of the total pension asset	137.28%	116.55%	116.90%	114.83%	n/a

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

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

## City of North Olmsted, Ohio

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

### **For the Last Five Years**

	<u>2018(1)</u>	<u>2017(1)</u>	<u>2016(1)</u>	<u>2015(1)</u>	<u>2014(1)</u>
City's proportion of the net pension liability	0.328291%	0.332886%	0.337684%	0.341655%	0.341646%
City's proportionate share of the net pension liability	\$ 20,153,276	\$ 21,084,664	\$ 21,723,448	\$ 17,699,133	\$ 16,639,651
City's covered payroll	\$ 7,235,102	\$ 7,292,482	\$ 7,387,575	\$ 6,699,634	\$ 6,712,291
City's proportionate share of the net pension liability as a percentage of its covered payroll	278.55%	289.13%	294.05%	264.18%	247.90%
Plan fiduciary net position as a percentage of the total pension liability	70.91%	68.36%	66.77%	71.71%	n/a

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

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

## City of North Olmsted, Ohio

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

### For the Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually-required contribution	\$ 1,159,869	\$ 1,074,104	\$ 992,473	\$ 980,493	\$ 916,217
Contributions in relation to the contractually-required contribution	<u>(1,159,869)</u>	<u>(1,074,104)</u>	<u>(992,473)</u>	<u>(980,493)</u>	<u>(916,217)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered payroll	\$ 8,284,775	\$ 8,262,335	\$ 8,270,612	\$ 8,170,779	\$ 7,635,146
Contributions as a percentage of covered payroll	14.00%	13.00%	12.00%	12.00%	12.00%
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually-required contribution	\$ 935,199	\$ 690,331	\$ 655,112	\$ 582,690	\$ 583,577
Contributions in relation to the contractually-required contribution	<u>(935,199)</u>	<u>(690,331)</u>	<u>(655,112)</u>	<u>(582,690)</u>	<u>(583,577)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered payroll	\$ 7,193,840	\$ 6,903,306	\$ 6,551,122	\$ 6,474,335	\$ 6,865,616
Contributions as a percentage of covered payroll	13.00%	10.00%	10.00%	9.00%	8.50%

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

## City of North Olmsted, Ohio

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

### For the Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually-required contribution	\$ 53,977	\$ 52,367	\$ 45,627	\$ 46,303	\$ 49,608
Contributions in relation to the contractually-required contribution	<u>(53,977)</u>	<u>(52,367)</u>	<u>(45,627)</u>	<u>(46,303)</u>	<u>(49,608)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered payroll	\$ 385,547	\$ 402,822	\$ 380,227	\$ 385,862	\$ 413,399
Contributions as a percentage of covered payroll	14.00%	13.00%	12.00%	12.00%	12.00%
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually-required contribution	\$ 44,193	\$ 32,622	\$ 30,957	\$ 27,535	\$ 27,577
Contributions in relation to the contractually-required contribution	\$ <u>(44,193)</u>	\$ <u>(32,622)</u>	<u>(30,957)</u>	<u>(27,535)</u>	<u>(27,577)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered payroll	\$ 339,946	\$ 326,217	\$ 309,574	\$ 305,945	\$ 324,435
Contributions as a percentage of covered payroll	13.00%	10.00%	10.00%	9.00%	8.50%

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

## City of North Olmsted, Ohio

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

#### **For the Last Ten Years**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually-required contribution	\$ 1,543,225	\$ 1,522,576	\$ 1,534,192	\$ 1,552,780	\$ 1,413,097
Contributions in relation to the contractually-required contribution	<u>(1,543,225)</u>	<u>(1,522,576)</u>	<u>(1,534,192)</u>	<u>(1,552,780)</u>	<u>(1,413,097)</u>
Contribution deficiency (excess)	\$ <u>-</u>				
City covered payroll	\$ 7,338,794	\$ 7,235,102	\$ 7,292,482	\$ 7,387,575	\$ 6,699,634
Contributions as a percentage of covered payroll	21.03%	21.04%	21.04%	21.02%	21.09%
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually-required contribution	\$ 1,209,419	\$ 952,073	\$ 866,244	\$ 943,463	\$ 984,274
Contributions in relation to the contractually-required contribution	<u>(1,209,419)</u>	<u>(952,073)</u>	<u>(866,244)</u>	<u>(943,463)</u>	<u>(984,274)</u>
Contribution deficiency (excess)	\$ <u>-</u>				
City covered payroll	\$ 6,712,291	\$ 6,424,504	\$ 5,841,179	\$ 6,380,377	\$ 6,667,215
Contributions as a percentage of covered payroll	18.02%	14.82%	14.83%	14.79%	14.76%

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

## City of North Olmsted, Ohio

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

### For the Last Two Years

	<u>2018(1)</u>	<u>2017(1)</u>
City's proportion of the net OPEB liability	0.063020%	0.063332%
City's proportionate share of the net OPEB liability	\$ 6,843,509	\$ 6,396,753
City's covered payroll	\$ 8,951,607	\$ 8,904,621
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	76.45%	71.84%
Plan fiduciary net position as a percentage of the total OPEB liability	54.14%	n/a

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

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

## City of North Olmsted, Ohio

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

### For the Last Two Years

	<u>2018(1)</u>	<u>2017(1)</u>
City's proportion of the net OPEB liability	0.328291%	0.332886%
City's proportionate share of the net OPEB liability	\$ 18,600,508	\$ 15,801,350
City's covered payroll	\$ 7,235,102	\$ 7,292,483
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	257.09%	216.68%
Plan fiduciary net position as a percentage of the total OPEB liability	14.13%	n/a

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

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

## City of North Olmsted, Ohio

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

#### **For the Last Three Years (1)**

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	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually-required contribution	\$ -	\$ 89,516	\$ 178,092
Contributions in relation to the contractually-required contribution	<u>-</u>	<u>(89,516)</u>	<u>(178,092)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered payroll	\$ 8,966,207	\$ 8,951,607	\$ 8,904,621
Contributions as a percentage of covered payroll	0.00%	1.00%	2.00%

(1) Information prior to 2016 is not available.

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

## City of North Olmsted, Ohio

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

#### **For the Last Ten Years**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually-required contribution	\$ 36,694	\$ 36,175	\$ 36,462	\$ 36,938	\$ 33,498
Contributions in relation to the contractually-required contribution	<u>(36,694)</u>	<u>(36,175)</u>	<u>(36,462)</u>	<u>(36,938)</u>	<u>(33,498)</u>
Contribution deficiency (excess)	\$ <u>-</u>				
City covered payroll	\$ 7,338,794	\$ 7,235,102	\$ 7,292,483	\$ 7,387,575	\$ 6,699,634
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%	0.50%
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually-required contribution	\$ 242,985	\$ 433,654	\$ 394,280	\$ 430,675	\$ 450,037
Contributions in relation to the contractually-required contribution	<u>(242,985)</u>	<u>(433,654)</u>	<u>(394,280)</u>	<u>(430,675)</u>	<u>(450,037)</u>
Contribution deficiency (excess)	\$ <u>-</u>				
City covered payroll	\$ 6,712,291	\$ 6,424,504	\$ 5,841,179	\$ 6,380,377	\$ 6,667,215
Contributions as a percentage of covered payroll	3.62%	6.75%	6.75%	6.75%	6.75%

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

# City of North Olmsted, Ohio

## Notes to Required Supplementary Information

### For the Year Ended December 31, 2018

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#### **Note 1: Change in Assumptions – OPERS Traditional and Combined Pension Plans**

Amounts reported for 2017 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 2016 and prior are presented below:

	<u>2017</u>	<u>2016 and Prior</u>
Wage Inflation	3.25%	3.75%
Future Salary Increases, Including Inflation	3.25-10.75% (including wage inflation at 3.25%)	4.25-10.05% (including wage inflation)
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post-Jan 7, 2013 Retirees	3.00% Simple through 2018 then 2.15% Simple	3.00% Simple through 2018 then 2.8% Simple
Investment Rate of Return	7.50%	8.00%
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

For the prior valuation, mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% 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% of the disabled female mortality rates were used set forward two years. For females, 100% of the disabled female mortality rates were used.

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

#### **Note 2: Change in Assumptions – OP&F Pension Plan**

Amounts reported in 2018 reflect changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.25% down to 8.00%, for the defined benefit investments.

#### **Note 3: Change in Assumptions – OPERS OPEB Plan**

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

#### **Note 4: Change in Assumptions – OP&F OPEB Plan**

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

## City of North Olmsted, Ohio

### Combining Statements – Non-Major Funds Fund Descriptions

#### **For the Year Ended December 31, 2018**

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##### ***Non-Major Special Revenue Funds***

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

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

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

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

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

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

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

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

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

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

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

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

***Emergency Medical Services Fund*** – Until 2008, accounted for 25% of the resident emergency medical service's receipts. Expenditures are restricted to capital improvements for the Fire Division of the Department of Public Safety.

## City of North Olmsted, Ohio

Combining Statements – Non-Major Funds  
Fund Descriptions

### **For the Year Ended December 31, 2018**

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#### *Non-Major Special Revenue Funds (continued)*

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

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

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

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

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

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

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

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

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

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

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

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

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

## City of North Olmsted, Ohio

### Combining Statements – Non-Major Funds Fund Descriptions

#### **For the Year Ended December 31, 2018**

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##### *Non-Major Special Revenue Funds (continued)*

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

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

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

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

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

##### *Non-Major Debt Service Funds*

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

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

##### *Non-Major Capital Projects Funds*

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

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

##### *Non-Major Internal Service Funds*

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

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

# City of North Olmsted, Ohio

## Combining Balance Sheet Non-Major Governmental Funds

**December 31, 2018**

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 5,954,475	\$ 1,400,221	\$ 414,360	\$ 7,769,056
Income taxes receivable	649,180	-	-	649,180
Taxes receivable - property and other	1,425,142	1,172,055	-	2,597,197
Intergovernmental receivable	1,051,889	66,414	-	1,118,303
Accounts receivable	33,806	-	-	33,806
Inventories and supplies	119,235	-	-	119,235
Prepaid items	26,829	-	-	26,829
Total assets	<u>\$ 9,260,556</u>	<u>\$ 2,638,690</u>	<u>\$ 414,360</u>	<u>\$ 12,313,606</u>
<b>Liabilities, deferred inflows of resources and fund balances:</b>				
<b>Liabilities:</b>				
Accounts and contracts payable	\$ 219,072	\$ -	\$ -	\$ 219,072
Accrued wages and benefits	53,067	-	-	53,067
Intergovernmental payable	3,962	-	-	3,962
Retainage payable	101,812	-	-	101,812
Notes payable	-	-	101,500	101,500
Accrued interest payable	-	-	1,745	1,745
Total liabilities	<u>377,913</u>	<u>-</u>	<u>103,245</u>	<u>481,158</u>
<b>Deferred inflows of resources:</b>				
Property taxes	1,353,459	1,130,336	-	2,483,795
Payments in lieu of taxes	192,273	-	-	192,273
Unavailable revenues	908,524	108,133	-	1,016,657
Total deferred inflows of resources	<u>2,454,256</u>	<u>1,238,469</u>	<u>-</u>	<u>3,692,725</u>
<b>Fund balances:</b>				
Nonspendable	146,064	-	-	146,064
Restricted	5,861,003	1,400,221	311,115	7,572,339
Committed	421,320	-	-	421,320
Total fund balances	<u>6,428,387</u>	<u>1,400,221</u>	<u>311,115</u>	<u>8,139,723</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,260,556</u>	<u>\$ 2,638,690</u>	<u>\$ 414,360</u>	<u>\$ 12,313,606</u>

# City of North Olmsted, Ohio

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

### **For the Year Ended December 31, 2018**

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
<b>Revenues:</b>				
Property and other local taxes	\$ 1,706,218	\$ 1,048,870	\$ -	\$ 2,755,088
Municipal income taxes	2,401,246	-	-	2,401,246
Payments in lieu of taxes	598,242	-	-	598,242
Charges for services and sales	2,458,436	-	-	2,458,436
Fines, licenses and permits	463,943	-	-	463,943
Intergovernmental	1,934,280	132,828	-	2,067,108
Investment income	10,233	-	-	10,233
Miscellaneous	76,094	-	-	76,094
Total revenues	<u>9,648,692</u>	<u>1,181,698</u>	<u>-</u>	<u>10,830,390</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	51,676	-	10,597	62,273
Security of persons and property	1,706,171	-	-	1,706,171
Public health and welfare	111,621	-	-	111,621
Transportation	1,591,448	-	-	1,591,448
Basic utility services	2,144,646	-	-	2,144,646
Leisure time activities	2,641,360	-	-	2,641,360
Economic development	18,028	-	-	18,028
Capital outlay	101,812	-	33,742	135,554
<b>Debt service:</b>				
Principal	2,886	990,000	-	992,886
Interest and fiscal charges	471	126,513	1,745	128,729
Issuance costs	-	-	2,160	2,160
Total expenditures	<u>8,370,119</u>	<u>1,116,513</u>	<u>48,244</u>	<u>9,534,876</u>
Excess (deficiency) of revenues over expenditures	<u>1,278,573</u>	<u>65,185</u>	<u>(48,244)</u>	<u>1,295,514</u>
<b>Other financing sources (uses):</b>				
Issuance of notes	-	-	160,000	160,000
Transfers - in	215,000	-	-	215,000
Transfers - out	(238,110)	-	-	(238,110)
Total other financing sources (uses)	<u>(23,110)</u>	<u>-</u>	<u>160,000</u>	<u>136,890</u>
Net change in fund balances	1,255,463	65,185	111,756	1,432,404
Fund balances, beginning of year	<u>5,172,924</u>	<u>1,335,036</u>	<u>199,359</u>	<u>6,707,319</u>
Fund balances, end of year	<u>\$ 6,428,387</u>	<u>\$ 1,400,221</u>	<u>\$ 311,115</u>	<u>\$ 8,139,723</u>

# City of North Olmsted, Ohio

## Combining Balance Sheet Non-Major Special Revenue Funds

**December 31, 2018**

	<u>Casualty Loss</u>	<u>CDBG</u>	<u>Alcohol Education</u>	<u>Economic Development</u>	<u>FEMA Grant</u>	<u>Federal Grants</u>	<u>Sidewalk Improvement</u>
Assets:							
Equity in pooled cash and cash equivalents	\$ 19,795	\$ 6,586	\$ 28,602	\$ 42,967	\$ 18,500	\$ 15,044	\$ 165,050
Income taxes receivable	-	-	-	-	-	-	-
Taxes receivable - property and other	-	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	-	-
Accounts receivable	-	-	175	-	-	-	-
Inventories and supplies	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Total assets	\$ <u>19,795</u>	\$ <u>6,586</u>	\$ <u>28,777</u>	\$ <u>42,967</u>	\$ <u>18,500</u>	\$ <u>15,044</u>	\$ <u>165,050</u>
Liabilities, deferred inflows of resources and fund balances:							
Liabilities:							
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ 1,398	\$ -	\$ -	\$ 9,224
Accrued wages and benefits	-	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-	-
Retainage payable	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,398</u>	<u>-</u>	<u>-</u>	<u>9,224</u>
Deferred inflows of resources:							
Property taxes	-	-	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-	-
Unavailable revenues	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	6,586	28,777	-	18,500	15,044	155,826
Committed	<u>19,795</u>	<u>-</u>	<u>-</u>	<u>41,569</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>19,795</u>	<u>6,586</u>	<u>28,777</u>	<u>41,569</u>	<u>18,500</u>	<u>15,044</u>	<u>155,826</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>19,795</u>	\$ <u>6,586</u>	\$ <u>28,777</u>	\$ <u>42,967</u>	\$ <u>18,500</u>	\$ <u>15,044</u>	\$ <u>165,050</u>

<u>Motor Vehicle License Tax</u>	<u>Recreation</u>	<u>Clague Park</u>	<u>Hotel/ Motel Tax</u>	<u>Emergency Medical Services</u>	<u>State Highway</u>	<u>Street Maintenance</u>	<u>Great Northern TIF</u>
\$ 104,618	\$ 326,088	\$ 3,065	\$ 191,711	\$ 304,575	\$ 277,383	\$ 262,440	\$ 2,002,422
-	-	-	-	-	-	-	-
-	934,715	-	21,619	-	-	-	-
114,424	53,131	-	-	-	49,312	608,178	192,273
-	1,632	-	-	-	-	-	-
25,874	-	-	-	-	33,505	59,856	-
-	26,829	-	-	-	-	-	-
<u>\$ 244,916</u>	<u>\$ 1,342,395</u>	<u>\$ 3,065</u>	<u>\$ 213,330</u>	<u>\$ 304,575</u>	<u>\$ 360,200</u>	<u>\$ 930,474</u>	<u>\$ 2,194,695</u>
\$ 670	\$ 43,062	\$ -	\$ 10,258	\$ 2,480	\$ 1,612	\$ 4,845	\$ -
-	40,092	-	-	-	-	3,760	-
-	3,962	-	-	-	-	-	-
-	-	-	-	-	-	-	101,812
<u>670</u>	<u>87,116</u>	<u>-</u>	<u>10,258</u>	<u>2,480</u>	<u>1,612</u>	<u>8,605</u>	<u>101,812</u>
-	901,339	-	-	-	-	-	-
-	-	-	-	-	-	-	192,273
<u>77,194</u>	<u>86,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,573</u>	<u>414,060</u>	<u>-</u>
<u>77,194</u>	<u>987,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,573</u>	<u>414,060</u>	<u>192,273</u>
25,874	26,829	-	-	-	33,505	59,856	-
141,178	240,604	-	-	302,095	291,510	447,953	1,900,610
-	-	3,065	203,072	-	-	-	-
<u>167,052</u>	<u>267,433</u>	<u>3,065</u>	<u>203,072</u>	<u>302,095</u>	<u>325,015</u>	<u>507,809</u>	<u>1,900,610</u>
<u>\$ 244,916</u>	<u>\$ 1,342,395</u>	<u>\$ 3,065</u>	<u>\$ 213,330</u>	<u>\$ 304,575</u>	<u>\$ 360,200</u>	<u>\$ 930,474</u>	<u>\$ 2,194,695</u>

(Continued)

# City of North Olmsted, Ohio

## Combining Balance Sheet Non-Major Special Revenue Funds (Continued)

**December 31, 2018**

	<u>Court Computerization</u>	<u>Solid Waste and Recycling</u>	<u>Community Diversion</u>	<u>Drug Enforcement</u>	<u>Endowment and Grant</u>	<u>Fair Capacity Housing</u>
Assets:						
Equity in pooled cash and cash equivalents	\$ 13,549	\$ 1,515,355	\$ 1,150	\$ 17,335	\$ 242,676	\$ 104,176
Income taxes receivable	-	649,180	-	-	-	-
Taxes receivable - property and other	-	-	-	-	-	-
Intergovernmental receivable	-	4,194	-	-	-	-
Accounts receivable	827	-	-	-	-	-
Inventories and supplies	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	<u>\$ 14,376</u>	<u>\$ 2,168,729</u>	<u>\$ 1,150</u>	<u>\$ 17,335</u>	<u>\$ 242,676</u>	<u>\$ 104,176</u>
Liabilities, deferred inflows of resources and fund balances:						
Liabilities:						
Accounts and contracts payable	\$ -	\$ 131,821	\$ 105	\$ -	\$ 3,374	\$ -
Accrued wages and benefits	-	-	510	-	-	-
Intergovernmental payable	-	-	-	-	-	-
Retainage payable	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>131,821</u>	<u>615</u>	<u>-</u>	<u>3,374</u>	<u>-</u>
Deferred inflows of resources:						
Property taxes	-	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-
Unavailable revenues	-	251,296	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>251,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	14,376	1,785,612	535	17,335	239,302	104,176
Committed	-	-	-	-	-	-
Total fund balances	<u>14,376</u>	<u>1,785,612</u>	<u>535</u>	<u>17,335</u>	<u>239,302</u>	<u>104,176</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,376</u>	<u>\$ 2,168,729</u>	<u>\$ 1,150</u>	<u>\$ 17,335</u>	<u>\$ 242,676</u>	<u>\$ 104,176</u>

<u>Fire Pension</u>	<u>Law Enforcement</u>	<u>STOP Program</u>	<u>Police Pension</u>	<u>Senior Center</u>	<u>Title III</u>	<u>Public Way Management</u>	<u>Total</u>
\$ 6,523	\$ 83,854	\$ 119,334	\$ 6,524	\$ 11,920	\$ 40,312	\$ 22,921	\$ 5,954,475
-	-	-	-	-	-	-	649,180
234,404	-	-	234,404	-	-	-	1,425,142
13,283	-	-	13,283	-	3,811	-	1,051,889
-	-	31,172	-	-	-	-	33,806
-	-	-	-	-	-	-	119,235
-	-	-	-	-	-	-	26,829
<u>\$ 254,210</u>	<u>\$ 83,854</u>	<u>\$ 150,506</u>	<u>\$ 254,211</u>	<u>\$ 11,920</u>	<u>\$ 44,123</u>	<u>\$ 22,921</u>	<u>\$ 9,260,556</u>
\$ -	\$ 9,875	\$ -	\$ -	\$ 348	\$ -	\$ -	\$ 219,072
-	-	8,259	-	-	446	-	53,067
-	-	-	-	-	-	-	3,962
-	-	-	-	-	-	-	101,812
<u>-</u>	<u>9,875</u>	<u>8,259</u>	<u>-</u>	<u>348</u>	<u>446</u>	<u>-</u>	<u>377,913</u>
226,060	-	-	226,060	-	-	-	1,353,459
-	-	-	-	-	-	-	192,273
<u>21,627</u>	<u>-</u>	<u>-</u>	<u>21,627</u>	<u>-</u>	<u>2,640</u>	<u>-</u>	<u>908,524</u>
<u>247,687</u>	<u>-</u>	<u>-</u>	<u>247,687</u>	<u>-</u>	<u>2,640</u>	<u>-</u>	<u>2,454,256</u>
-	-	-	-	-	-	-	146,064
6,523	73,979	-	6,524	-	41,037	22,921	5,861,003
-	-	142,247	-	11,572	-	-	421,320
<u>6,523</u>	<u>73,979</u>	<u>142,247</u>	<u>6,524</u>	<u>11,572</u>	<u>41,037</u>	<u>22,921</u>	<u>6,428,387</u>
<u>\$ 254,210</u>	<u>\$ 83,854</u>	<u>\$ 150,506</u>	<u>\$ 254,211</u>	<u>\$ 11,920</u>	<u>\$ 44,123</u>	<u>\$ 22,921</u>	<u>\$ 9,260,556</u>

# City of North Olmsted, Ohio

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

**For the Year Ended December 31, 2018**

	<u>Casualty Loss</u>	<u>CDBG</u>	<u>Alcohol Education</u>	<u>Economic Development</u>	<u>FEMA Grant</u>	<u>Federal Grants</u>	<u>Sidewalk Improvement</u>
Revenues:							
Property and other							
local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	-	-	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-	-
Charges for services and sales	9,065	-	-	-	-	-	75,859
Fines, licenses and permits	-	-	2,036	-	-	-	-
Intergovernmental	-	149,670	-	-	-	7,597	-
Investment income	-	-	-	-	-	-	-
Miscellaneous	-	-	-	19,028	-	-	-
Total revenues	<u>9,065</u>	<u>149,670</u>	<u>2,036</u>	<u>19,028</u>	<u>-</u>	<u>7,597</u>	<u>75,859</u>
Expenditures:							
Current:							
General government	29,237	-	-	1,398	-	1,650	9,224
Security of persons and property	1,350	-	-	-	-	5,397	-
Public health and welfare	-	-	-	-	-	550	-
Transportation	-	-	-	-	-	-	110,809
Basic utility services	-	-	-	-	-	-	-
Leisure time activities	-	-	-	-	-	-	-
Economic development	-	12,425	-	5,603	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	<u>30,587</u>	<u>12,425</u>	<u>-</u>	<u>7,001</u>	<u>-</u>	<u>7,597</u>	<u>120,033</u>
Excess (deficiency) of revenues over expenditures	<u>(21,522)</u>	<u>137,245</u>	<u>2,036</u>	<u>12,027</u>	<u>-</u>	<u>-</u>	<u>(44,174)</u>
Other financing sources (uses):							
Transfers - in	15,000	-	-	-	-	-	200,000
Transfers - out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Net change in fund balances	(6,522)	137,245	2,036	12,027	-	-	155,826
Fund balances (deficit), beginning of year	<u>26,317</u>	<u>(130,659)</u>	<u>26,741</u>	<u>29,542</u>	<u>18,500</u>	<u>15,044</u>	<u>-</u>
Fund balance, end of year	\$ <u>19,795</u>	\$ <u>6,586</u>	\$ <u>28,777</u>	\$ <u>41,569</u>	\$ <u>18,500</u>	\$ <u>15,044</u>	\$ <u>155,826</u>

<u>Motor Vehicle License Tax</u>	<u>Recreation</u>	<u>Clague Park</u>	<u>Hotel/ Motel Tax</u>	<u>Emergency Medical Services</u>	<u>State Highway</u>	<u>Street Maintenance</u>	<u>Great Northern TIF</u>
\$ -	\$ 839,125	\$ -	\$ 447,559	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	1,920,015	-	-	428,275	-	-	598,242
-	-	-	-	-	-	-	-
228,920	106,262	-	-	-	99,675	1,250,524	-
2,572	-	-	-	-	4,794	2,804	-
-	-	-	-	-	-	-	-
<u>231,492</u>	<u>2,865,402</u>	<u>-</u>	<u>447,559</u>	<u>428,275</u>	<u>104,469</u>	<u>1,253,328</u>	<u>598,242</u>
-	-	-	-	-	-	-	-
-	-	-	317,515	466,317	-	-	-
-	-	-	-	-	-	-	33,948
273,391	-	-	-	-	123,406	1,083,842	-
-	-	-	-	-	-	-	-
-	2,634,587	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	101,812
-	1,616	-	-	-	-	-	-
-	271	-	-	-	-	-	-
<u>273,391</u>	<u>2,636,474</u>	<u>-</u>	<u>317,515</u>	<u>466,317</u>	<u>123,406</u>	<u>1,083,842</u>	<u>135,760</u>
<u>(41,899)</u>	<u>228,928</u>	<u>-</u>	<u>130,044</u>	<u>(38,042)</u>	<u>(18,937)</u>	<u>169,486</u>	<u>462,482</u>
-	-	-	-	-	-	-	-
-	(7,560)	-	-	(49,700)	-	-	(180,850)
-	(7,560)	-	-	(49,700)	-	-	(180,850)
(41,899)	221,368	-	130,044	(87,742)	(18,937)	169,486	281,632
<u>208,951</u>	<u>46,065</u>	<u>3,065</u>	<u>73,028</u>	<u>389,837</u>	<u>343,952</u>	<u>338,323</u>	<u>1,618,978</u>
\$ <u>167,052</u>	\$ <u>267,433</u>	\$ <u>3,065</u>	\$ <u>203,072</u>	\$ <u>302,095</u>	\$ <u>325,015</u>	\$ <u>507,809</u>	\$ <u>1,900,610</u>

(Continued)

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	<u>Court Computerization</u>	<u>Solid Waste and Recycling</u>	<u>Community Diversion</u>	<u>Drug Enforcement</u>	<u>Endowment and Grant</u>	<u>Fair Capacity Housing</u>
Revenues:						
Property and other local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	-	2,401,246	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-
Charges for services and sales	9,999	-	3,655	-	-	-
Fines, licenses and permits	-	-	-	-	-	-
Intergovernmental	-	13,387	10,000	-	-	-
Investment income	-	-	-	-	63	-
Miscellaneous	-	-	-	-	49,989	-
Total revenues	<u>9,999</u>	<u>2,414,633</u>	<u>13,655</u>	<u>-</u>	<u>50,052</u>	<u>-</u>
Expenditures:						
Current:						
General government	10,167	-	-	-	-	-
Security of persons and property	-	-	-	-	24,007	-
Public health and welfare	-	-	24,583	-	31,827	-
Transportation	-	-	-	-	-	-
Basic utility services	-	2,144,646	-	-	-	-
Leisure time activities	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>10,167</u>	<u>2,144,646</u>	<u>24,583</u>	<u>-</u>	<u>55,834</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(168)</u>	<u>269,987</u>	<u>(10,928)</u>	<u>-</u>	<u>(5,782)</u>	<u>-</u>
Other financing sources (uses):						
Transfers - in	-	-	-	-	-	-
Transfers - out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(168)	269,987	(10,928)	-	(5,782)	-
Fund balances (deficit), beginning of year	<u>14,544</u>	<u>1,515,625</u>	<u>11,463</u>	<u>17,335</u>	<u>245,084</u>	<u>104,176</u>
Fund balances, end of year	\$ <u>14,376</u>	\$ <u>1,785,612</u>	\$ <u>535</u>	\$ <u>17,335</u>	\$ <u>239,302</u>	\$ <u>104,176</u>

<u>Fire Pension</u>	<u>Law Enforcement</u>	<u>STOP Program</u>	<u>Police Pension</u>	<u>Senior Center</u>	<u>Title III</u>	<u>Public Way Management</u>	<u>Total</u>
\$ 209,767	\$ -	\$ -	\$ 209,767	\$ -	\$ -	\$ -	\$ 1,706,218
-	-	-	-	-	-	-	2,401,246
-	-	-	-	-	-	-	598,242
-	-	-	-	731	4,839	5,998	2,458,436
-	75,640	384,067	-	2,200	-	-	463,943
26,566	-	-	26,566	-	15,113	-	1,934,280
-	-	-	-	-	-	-	10,233
-	-	-	-	7,077	-	-	76,094
<u>236,333</u>	<u>75,640</u>	<u>384,067</u>	<u>236,333</u>	<u>10,008</u>	<u>19,952</u>	<u>5,998</u>	<u>9,648,692</u>
-	-	-	-	-	-	-	51,676
247,184	28,117	369,101	247,183	-	-	-	1,706,171
-	-	-	-	-	20,713	-	111,621
-	-	-	-	-	-	-	1,591,448
-	-	-	-	-	-	-	2,144,646
-	-	-	-	6,773	-	-	2,641,360
-	-	-	-	-	-	-	18,028
-	-	-	-	-	-	-	101,812
-	-	-	-	1,270	-	-	2,886
-	-	-	-	200	-	-	471
<u>247,184</u>	<u>28,117</u>	<u>369,101</u>	<u>247,183</u>	<u>8,243</u>	<u>20,713</u>	<u>-</u>	<u>8,370,119</u>
<u>(10,851)</u>	<u>47,523</u>	<u>14,966</u>	<u>(10,850)</u>	<u>1,765</u>	<u>(761)</u>	<u>5,998</u>	<u>1,278,573</u>
-	-	-	-	-	-	-	215,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(238,110)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,110)</u>
(10,851)	47,523	14,966	(10,850)	1,765	(761)	5,998	1,255,463
<u>17,374</u>	<u>26,456</u>	<u>127,281</u>	<u>17,374</u>	<u>9,807</u>	<u>41,798</u>	<u>16,923</u>	<u>5,172,924</u>
\$ <u><u>6,523</u></u>	\$ <u><u>73,979</u></u>	\$ <u><u>142,247</u></u>	\$ <u><u>6,524</u></u>	\$ <u><u>11,572</u></u>	\$ <u><u>41,037</u></u>	\$ <u><u>22,921</u></u>	\$ <u><u>6,428,387</u></u>

# City of North Olmsted, Ohio

## Combining Balance Sheet Non-Major Debt Service Funds

**December 31, 2018**

	Library Bond <u>Retirement</u>	Fire Station Bond <u>Retirement</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 795,446	\$ 604,775	\$ 1,400,221
Taxes receivable – property and other	859,484	312,571	1,172,055
Intergovernmental receivable	<u>48,704</u>	<u>17,710</u>	<u>66,414</u>
Total assets	\$ <u>1,703,634</u>	\$ <u>935,056</u>	\$ <u>2,638,690</u>
Liabilities, deferred inflows of resources and fund balances:			
Deferred inflows of resources:			
Property taxes	\$ 828,890	\$ 301,446	\$ 1,130,336
Unavailable revenues	<u>79,298</u>	<u>28,835</u>	<u>108,133</u>
Total deferred inflows of resources	<u>908,188</u>	<u>330,281</u>	<u>1,238,469</u>
Fund balances:			
Restricted	<u>795,446</u>	<u>604,775</u>	<u>1,400,221</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>1,703,634</u>	\$ <u>935,056</u>	\$ <u>2,638,690</u>

# City of North Olmsted, Ohio

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

### **For the Year Ended December 31, 2018**

---

	Library Bond <u>Retirement</u>	Fire Station Bond <u>Retirement</u>	<u>Total</u>
Revenues:			
Property and other local taxes	\$ 769,161	\$ 279,709	\$ 1,048,870
Intergovernmental	<u>97,407</u>	<u>35,421</u>	<u>132,828</u>
Total revenues	<u>866,568</u>	<u>315,130</u>	<u>1,181,698</u>
Expenditures:			
Debt service:			
Principal	765,000	225,000	990,000
Interest and fiscal charges	<u>62,000</u>	<u>64,513</u>	<u>126,513</u>
Total expenditures	<u>827,000</u>	<u>289,513</u>	<u>1,116,513</u>
Net change in fund balances	39,568	25,617	65,185
Fund balances, beginning of year	<u>755,878</u>	<u>579,158</u>	<u>1,335,036</u>
Fund balances, end of year	\$ <u><u>795,446</u></u>	\$ <u><u>604,775</u></u>	\$ <u><u>1,400,221</u></u>

# City of North Olmsted, Ohio

## Combining Balance Sheet Non-Major Capital Project Funds

**December 31, 2018**

---

	<u>Capital Improvement</u>	<u>Building and Land Acquisition and Improvement</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ <u>412,360</u>	\$ <u>2,000</u>	\$ <u>414,360</u>
Liabilities, deferred inflows of resources and fund balances:			
Liabilities:			
Notes payable	101,500	-	101,500
Accrued interest payable	<u>1,745</u>	<u>-</u>	<u>1,745</u>
Total liabilities	<u>103,245</u>	<u>-</u>	<u>103,245</u>
Fund balances:			
Restricted	<u>309,115</u>	<u>2,000</u>	<u>311,115</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>412,360</u>	\$ <u>2,000</u>	\$ <u>414,360</u>

# City of North Olmsted, Ohio

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

**For the Year Ended December 31, 2018**

---

	<u>Capital Improvement</u>	<u>Building and Land Acquisition and Improvement</u>	<u>Total</u>
Expenditures:			
Current:			
General Government	\$ 10,597	\$ -	\$ 10,597
Capital outlay	33,742	-	33,742
Debt service:			
Interest and fiscal charges	1,745	-	1,745
Issuance costs	<u>2,160</u>	<u>-</u>	<u>2,160</u>
Total expenditures	<u>48,244</u>	<u>-</u>	<u>48,244</u>
Deficiency of revenues over expenditures	(48,244)	-	(48,244)
Other financing sources:			
Issuance of notes	<u>160,000</u>	<u>-</u>	<u>160,000</u>
Net change in fund balance	111,756	-	111,756
Fund balances, beginning of year	<u>197,359</u>	<u>2,000</u>	<u>199,359</u>
Fund balances, end of year	\$ <u><u>309,115</u></u>	\$ <u><u>2,000</u></u>	\$ <u><u>311,115</u></u>

# City of North Olmsted, Ohio

## Combining Statement of Fund Net Position Non-Major Internal Service Funds

**December 31, 2018**

	<u>Hospitalization</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ <u>3,199,417</u>	\$ <u>1,343,584</u>	\$ <u>4,543,001</u>
Liabilities:			
Current liabilities:			
Accounts and contracts payable	3,434	2,166	5,600
Intergovernmental payable	-	4,702	4,702
Claims payable	<u>240,958</u>	<u>67,847</u>	<u>308,805</u>
Total current liabilities	244,392	74,715	319,107
Long-term liabilities:			
Claims payable	<u>-</u>	<u>22,615</u>	<u>22,615</u>
Total liabilities	<u>244,392</u>	<u>97,330</u>	<u>341,722</u>
Net position:			
Unrestricted	\$ <u><u>2,955,025</u></u>	\$ <u><u>1,246,254</u></u>	\$ <u><u>4,201,279</u></u>

## City of North Olmsted, Ohio

### Combining Statement of Revenues, Expenses and Changes in Fund Net Position Non-Major Internal Service Funds

#### For the Year Ended December 31, 2018

	<u>Hospitalization</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Charges for services and sales	\$ 3,446,667	\$ 317,182	\$ 3,763,849
Miscellaneous	<u>17,494</u>	<u>-</u>	<u>17,494</u>
Total operating revenues	<u>3,464,161</u>	<u>317,182</u>	<u>3,781,343</u>
Operating expenses:			
Contractual services	553,087	57,810	610,897
Claims	<u>2,587,649</u>	<u>126,339</u>	<u>2,713,988</u>
Total operating expenses	<u>3,140,736</u>	<u>184,149</u>	<u>3,324,885</u>
Change in net position	323,425	133,033	456,458
Net position, beginning of year	<u>2,631,600</u>	<u>1,113,221</u>	<u>3,744,821</u>
Net position, end of year	\$ <u>2,955,025</u>	\$ <u>1,246,254</u>	\$ <u>4,201,279</u>

# City of North Olmsted, Ohio

## Combining Statement of Cash Flows Non-Major Internal Service Funds

**For the Year Ended December 31, 2018**

	<u>Hospitalization</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Cash flows from operating activities:			
Receipts from customers and users	\$ 3,464,161	\$ 317,182	\$ 3,781,343
Cash paid for goods and services	(549,721)	(106,254)	655,975
Cash paid for claims	<u>(2,628,702)</u>	<u>(93,584)</u>	<u>(2,722,286)</u>
Net cash provided by operating activities	<u>285,738</u>	<u>117,344</u>	<u>403,082</u>
Net increase in cash and cash equivalents	285,738	117,344	403,082
Cash and cash equivalents, beginning of year	<u>2,913,679</u>	<u>1,226,240</u>	<u>4,139,919</u>
Cash and cash equivalents, end of year	\$ <u><u>3,199,417</u></u>	\$ <u><u>1,343,584</u></u>	\$ <u><u>4,543,001</u></u>
Reconciliation of operating income to net cash from operating activities:			
Operating income	\$ 323,425	\$ 133,033	\$ 456,458
Adjustments:			
Changes in assets/liabilities:			
Accounts and contracts payable	3,366	(49,416)	(46,050)
Intergovernmental payable	-	972	972
Claims payable	<u>(41,053)</u>	<u>32,755</u>	<u>(8,298)</u>
Net cash provided by operating activities	\$ <u><u>285,738</u></u>	\$ <u><u>117,344</u></u>	\$ <u><u>403,082</u></u>

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

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal income tax	\$ 10,645,000	\$ 10,645,000	\$ 11,104,923	\$ 459,923
Property and other taxes	5,701,834	5,701,834	5,863,023	161,189
Charges for services and sales	1,427,325	1,427,325	1,687,095	259,770
Fees, licenses and permits	1,266,100	1,266,100	1,265,229	(871)
Fines and forfeitures	234,000	279,000	297,419	18,419
Intergovernmental revenue	1,548,781	1,548,781	1,659,859	111,078
Investment income	310,000	510,000	606,464	96,464
Miscellaneous	26,000	26,000	22,337	(3,663)
Total revenue	<u>21,159,040</u>	<u>21,404,040</u>	<u>22,506,349</u>	<u>1,102,309</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government</b>				
<b>Council</b>				
Salaries	158,632	158,632	158,599	33
Benefits	36,673	36,673	36,563	110
Materials and supplies	1,375	1,375	280	1,095
Contractual services	50,310	47,310	19,340	27,970
Capital outlay	6,000	9,000	7,327	1,673
Total council	<u>252,990</u>	<u>252,990</u>	<u>222,109</u>	<u>30,881</u>
<b>Office of the Mayor</b>				
Salaries	157,118	159,310	157,673	1,637
Benefits	57,640	55,448	49,020	6,428
Materials and supplies	11,399	11,399	8,280	3,119
Contractual services	31,800	56,800	51,606	5,194
Total office of the Mayor	<u>257,957</u>	<u>282,957</u>	<u>266,579</u>	<u>16,378</u>
<b>Mayor's court</b>				
Salaries	136,819	150,819	146,424	4,395
Benefits	37,285	42,385	41,782	603
Materials and supplies	15,141	15,141	11,728	3,413
Contractual services	7,005	7,005	4,326	2,679
Capital outlay	1,400	1,400	105	1,295
Total mayor's court	<u>197,650</u>	<u>216,750</u>	<u>204,365</u>	<u>12,385</u>

(Continued)

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Finance department				
Salaries	347,606	347,606	346,585	1,021
Benefits	158,871	158,871	149,082	9,789
Materials and supplies	10,500	10,500	6,894	3,606
Contractual services	<u>671,672</u>	<u>699,672</u>	<u>677,236</u>	<u>22,436</u>
Total finance department	<u>1,188,649</u>	<u>1,216,649</u>	<u>1,179,797</u>	<u>36,852</u>
Law department				
Salaries	208,844	208,844	206,307	2,537
Benefits	110,702	116,227	115,456	771
Materials and supplies	1,020	1,020	403	617
Contractual services	<u>26,460</u>	<u>20,935</u>	<u>6,506</u>	<u>14,429</u>
Total law department	<u>347,026</u>	<u>347,026</u>	<u>328,672</u>	<u>18,354</u>
Department of human resources				
Salaries	295,033	295,033	288,532	6,501
Benefits	116,705	116,705	105,716	10,989
Materials and supplies	30,335	30,335	24,480	5,855
Contractual services	<u>203,399</u>	<u>203,399</u>	<u>184,187</u>	<u>19,212</u>
Total department of human resources	<u>645,472</u>	<u>645,472</u>	<u>602,915</u>	<u>42,557</u>
Civil service				
Salaries	1,000	1,000	118	882
Benefits	155	355	67	288
Materials and supplies	400	200	125	75
Contractual services	<u>51,474</u>	<u>41,474</u>	<u>25,679</u>	<u>15,795</u>
Total civil service	<u>53,029</u>	<u>43,029</u>	<u>25,989</u>	<u>17,040</u>
Division of information technology				
Salaries	143,242	143,242	139,114	4,128
Benefits	40,664	40,664	24,309	16,355
Materials and supplies	9,250	9,250	3,335	5,915
Contractual services	148,483	158,483	141,002	17,481
Capital outlay	<u>59,814</u>	<u>59,814</u>	<u>37,440</u>	<u>22,374</u>
Total division of information technology	<u>401,453</u>	<u>411,453</u>	<u>345,200</u>	<u>66,253</u>
Boards and commissions				
Materials and supplies	6,730	6,730	6,391	339
Contractual services	<u>10,850</u>	<u>10,850</u>	<u>8,213</u>	<u>2,637</u>
Total boards and commissions	<u>17,580</u>	<u>17,580</u>	<u>14,604</u>	<u>2,976</u>

(Continued)

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Building department				
Salaries	748,514	745,314	704,942	40,372
Benefits	353,296	353,296	315,861	37,435
Materials and supplies	17,410	23,610	17,918	5,692
Contractual services	142,960	143,960	128,270	15,690
Capital outlay	7,000	3,000	2,751	249
Total building department	<u>1,269,180</u>	<u>1,269,180</u>	<u>1,169,742</u>	<u>99,438</u>
Engineering department				
Salaries	134,048	134,048	130,551	3,497
Benefits	45,324	45,324	43,343	1,981
Materials and supplies	1,000	1,000	800	200
Contractual services	<u>165,735</u>	<u>159,902</u>	<u>143,769</u>	<u>16,133</u>
Total engineering department	<u>346,107</u>	<u>340,274</u>	<u>318,463</u>	<u>21,811</u>
Total general government	<u>4,977,093</u>	<u>5,043,360</u>	<u>4,678,435</u>	<u>364,925</u>
Security of persons and property				
Department of public safety				
Salaries	98,876	98,876	98,834	42
Benefits	39,226	40,976	40,922	54
Materials and supplies	2,365	2,365	1,275	1,090
Contractual services	<u>32,306</u>	<u>30,556</u>	<u>8,264</u>	<u>22,292</u>
Total department of public safety	<u>172,773</u>	<u>172,773</u>	<u>149,295</u>	<u>23,478</u>
Division of fire				
Salaries	3,611,329	3,646,829	3,606,476	40,353
Benefits	1,697,336	1,661,836	1,618,321	43,515
Materials and supplies	151,519	151,519	119,482	32,037
Contractual services	281,462	281,462	195,852	85,610
Capital outlay	<u>149,171</u>	<u>149,171</u>	<u>147,803</u>	<u>1,368</u>
Total division of fire	<u>5,890,817</u>	<u>5,890,817</u>	<u>5,687,934</u>	<u>202,883</u>
Division of police				
Salaries	4,426,437	4,408,237	4,274,098	134,139
Benefits	1,726,044	1,703,144	1,614,566	88,578
Materials and supplies	144,092	177,592	158,497	19,095
Contractual services	343,472	351,072	287,944	63,128
Capital outlay	<u>130,801</u>	<u>130,801</u>	<u>122,585</u>	<u>8,216</u>
Total division of police	<u>6,770,846</u>	<u>6,770,846</u>	<u>6,457,690</u>	<u>313,156</u>

(Continued)

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central dispatch				
Salaries	582,918	582,918	538,578	44,340
Benefits	236,067	236,067	192,292	43,775
Materials and supplies	2,500	2,500	210	2,290
Contractual services	18,080	18,080	3,090	14,990
Capital outlay	10,000	10,000	800	9,200
Total central dispatch	<u>849,565</u>	<u>849,565</u>	<u>734,970</u>	<u>114,595</u>
Corrections				
Salaries	106,300	106,300	71,997	34,303
Benefits	43,295	43,295	35,431	7,864
Materials and supplies	4,000	4,000	1,707	2,293
Contractual services	<u>96,840</u>	<u>96,840</u>	<u>60,716</u>	<u>36,124</u>
Total corrections	<u>250,435</u>	<u>250,435</u>	<u>169,851</u>	<u>80,584</u>
Total security of persons and property	<u>13,934,436</u>	<u>13,934,436</u>	<u>13,199,740</u>	<u>734,696</u>
Public health and welfare				
Division of aging				
Salaries	189,941	189,941	189,862	79
Benefits	106,926	106,926	85,683	21,243
Materials and supplies	12,874	12,674	10,490	2,184
Contractual services	90,803	90,603	86,997	3,606
Capital outlay	-	400	-	400
Total division of aging	<u>400,544</u>	<u>400,544</u>	<u>373,032</u>	<u>27,512</u>
Division of youth and family services				
Salaries	102,488	102,488	98,975	3,513
Benefits	26,211	26,811	26,127	684
Materials and supplies	3,150	3,150	2,009	1,141
Contractual services	15,439	14,839	6,455	8,384
Capital outlay	<u>4,500</u>	<u>4,500</u>	<u>1,175</u>	<u>3,325</u>
Total division of youth and family services	<u>151,788</u>	<u>151,788</u>	<u>134,741</u>	<u>17,047</u>
Total public health and welfare	<u>552,332</u>	<u>552,332</u>	<u>507,773</u>	<u>44,559</u>
Transportation				
Department of public service				
Salaries	91,094	93,194	93,178	16
Benefits	24,307	25,207	25,125	82
Materials and supplies	1,300	1,300	1,089	211
Contractual services	570,449	567,449	529,875	37,574
Capital outlay	<u>2,800</u>	<u>2,800</u>	<u>2,359</u>	<u>441</u>
Total department of public service	<u>689,950</u>	<u>689,950</u>	<u>651,626</u>	<u>38,324</u>

(Continued)

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Division of public works				
Salaries	1,207,319	1,192,319	1,102,330	89,989
Benefits	589,755	589,755	498,573	91,182
Materials and supplies	139,363	139,363	92,781	46,582
Contractual services	476,134	471,145	396,947	74,198
Capital outlay	239,433	239,433	230,115	9,318
Total division of public works	<u>2,652,004</u>	<u>2,632,015</u>	<u>2,320,746</u>	<u>311,269</u>
Division of fleet				
Salaries	394,379	401,879	394,441	7,438
Benefits	164,621	164,621	144,411	20,210
Materials and supplies	402,565	395,065	212,032	183,033
Contractual services	20,450	20,450	14,546	5,904
Capital outlay	98,000	98,000	62,291	35,709
Total division of fleet	<u>1,080,015</u>	<u>1,080,015</u>	<u>827,721</u>	<u>252,294</u>
Total transportation	<u>4,421,969</u>	<u>4,401,980</u>	<u>3,800,093</u>	<u>601,887</u>
Basic utility services				
Service department				
Contractual services	<u>19,728</u>	<u>39,717</u>	<u>34,233</u>	<u>5,484</u>
Economic development				
Department of planning and development				
Salaries	196,453	196,453	196,357	96
Benefits	77,998	88,548	88,421	127
Materials and supplies	1,702	1,657	853	804
Contractual services	107,993	224,443	220,415	4,028
Capital outlay	1,500	1,545	1,500	45
Total economic development	<u>385,646</u>	<u>512,646</u>	<u>507,546</u>	<u>5,100</u>
Total expenditures	<u>24,291,204</u>	<u>24,484,471</u>	<u>22,727,820</u>	<u>1,756,651</u>
Excess (deficiency) of revenues over expenditures	<u>(3,132,164)</u>	<u>(3,080,431)</u>	<u>(221,471)</u>	<u>2,858,960</u>

(Continued)

## City of North Olmsted, Ohio

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

#### **For the Year Ended December 31, 2018**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Sale of capital assets	15,000	15,000	7,789	(7,211)
Advances - in	150,000	150,000	150,000	-
Transfers - in	250,000	250,000	250,000	-
Transfers - out	(825,800)	(825,800)	(825,800)	-
Total other financing sources (uses)	<u>(410,800)</u>	<u>(410,800)</u>	<u>(418,011)</u>	<u>(7,211)</u>
Net change in fund balance	(3,542,964)	(3,491,231)	(639,482)	2,851,749
Prior year encumbrances appropriated	586,928	586,928	586,928	-
Fund balance, beginning of year	<u>3,904,942</u>	<u>3,904,942</u>	<u>3,904,942</u>	<u>-</u>
Fund balance, end of year	\$ <u>948,906</u>	\$ <u>1,000,639</u>	\$ <u>3,852,388</u>	\$ <u>2,851,749</u>

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Security of persons and property				
Division of fire				
Salaries	\$ 100,000	\$ 100,000	\$ 89,279	\$ 10,721
Benefits	1,450	1,450	516	934
Total division of fire	<u>101,450</u>	<u>101,450</u>	<u>89,795</u>	<u>11,655</u>
Division of police				
Salaries	381,300	381,300	174,331	206,969
Benefits	5,529	5,529	-	5,529
Total division of police	<u>386,829</u>	<u>386,829</u>	<u>174,331</u>	<u>212,498</u>
Central dispatch				
Salaries	130,700	124,650	8,778	115,872
Benefits	1,896	1,741	-	1,741
Total central dispatch	<u>132,596</u>	<u>126,391</u>	<u>8,778</u>	<u>117,613</u>
Total security of persons and property	<u>620,875</u>	<u>614,670</u>	<u>272,904</u>	<u>341,766</u>
Transportation				
Department of public service				
Salaries	200,000	201,700	38,147	163,553
Benefits	2,900	2,990	139	2,851
Total department of public service	<u>202,900</u>	<u>204,690</u>	<u>38,286</u>	<u>166,404</u>
Division of fleet maintenance				
Salaries	10,000	10,000	4,467	5,533
Benefits	145	145	65	80
Total division of fleet maintenance	<u>10,145</u>	<u>10,145</u>	<u>4,532</u>	<u>5,613</u>
Total transportation	<u>213,045</u>	<u>214,835</u>	<u>42,818</u>	<u>172,017</u>
Leisure time activities				
Recreation department				
Salaries	85,000	85,000	38,016	46,984
Benefits	1,233	1,233	-	1,233
Total leisure time activities	<u>86,233</u>	<u>86,233</u>	<u>38,016</u>	<u>48,217</u>
Sewer				
Salaries	60,000	64,350	32,531	31,819
Benefits	871	936	61	875
Total sewer	<u>60,871</u>	<u>65,286</u>	<u>32,592</u>	<u>32,694</u>
Total expenditures	<u>981,024</u>	<u>981,024</u>	<u>386,330</u>	<u>594,694</u>

(Continued)

## City of North Olmsted, Ohio

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

#### **For the Year Ended December 31, 2018**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess (deficiency) of revenues over expenditures	(981,024)	(981,024)	(386,330)	594,694
Other financing sources (uses): Transfers - in	<u>345,000</u>	<u>345,000</u>	<u>345,000</u>	<u>-</u>
Net change in fund balance	(636,024)	(636,024)	(41,330)	594,694
Fund balance, beginning of year	<u>1,449,888</u>	<u>1,449,888</u>	<u>1,449,888</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>813,864</u></u>	\$ <u><u>813,864</u></u>	\$ <u><u>1,408,558</u></u>	\$ <u><u>594,694</u></u>

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Transfers - in	\$ 76,000	\$ 76,000	\$ 76,000	\$ -
Net change in fund balance	76,000	76,000	76,000	-
Fund balance, beginning of year	152,000	152,000	152,000	-
Fund balance, end of year	\$ 228,000	\$ 228,000	\$ 228,000	\$ -

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income tax	\$ 2,281,500	\$ 2,281,500	\$ 2,379,626	\$ 98,126
Charges for services and sales	-	-	587	587
Intergovernmental revenue	-	-	8,387	8,387
Total revenue	<u>2,281,500</u>	<u>2,281,500</u>	<u>2,388,600</u>	<u>107,100</u>
Expenditures:				
Current:				
Transportation				
Service				
Contractual services	48,000	48,000	43,530	4,470
Capital outlay	<u>2,439,707</u>	<u>2,431,207</u>	<u>1,914,126</u>	<u>517,081</u>
Total service	<u>2,487,707</u>	<u>2,479,207</u>	<u>1,957,656</u>	<u>521,551</u>
Engineering				
Contractual services	-	8,500	8,500	-
Capital outlay	<u>218,190</u>	<u>218,190</u>	<u>168,828</u>	<u>49,362</u>
Total engineering	<u>218,190</u>	<u>226,690</u>	<u>177,328</u>	<u>49,362</u>
Total transportation	<u>2,705,897</u>	<u>2,705,897</u>	<u>2,134,984</u>	<u>570,913</u>
Debt service:				
Interest and fiscal charges	-	14,300	14,277	23
Total expenditures	<u>2,705,897</u>	<u>2,720,197</u>	<u>2,149,261</u>	<u>570,936</u>
Excess (deficiency) of revenues over expenditures	<u>(424,397)</u>	<u>(438,697)</u>	<u>239,339</u>	<u>678,036</u>
Other financing sources (uses):				
Note proceeds	-	-	1,728,500	1,728,500
Transfers - out	<u>(1,464,406)</u>	<u>(1,464,406)</u>	<u>(1,464,406)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,464,406)</u>	<u>(1,464,406)</u>	<u>264,094</u>	<u>1,728,500</u>
Net change in fund balance	(1,888,803)	(1,903,103)	503,433	2,406,536
Prior year encumbrances appropriated	250,807	250,807	250,807	-
Fund balance, beginning of year	<u>3,599,121</u>	<u>3,599,121</u>	<u>3,599,121</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>1,961,125</u></u>	\$ <u><u>1,946,825</u></u>	\$ <u><u>4,353,361</u></u>	\$ <u><u>2,406,536</u></u>

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 1,155,556	\$ 1,155,556	\$ 1,188,735	\$ 33,179
Intergovernmental revenue	289,001	289,001	150,538	(138,463)
Investment income	<u>10,000</u>	<u>10,000</u>	<u>20,124</u>	<u>10,124</u>
Total revenue	<u>1,454,557</u>	<u>1,454,557</u>	<u>1,359,397</u>	<u>(95,160)</u>
Expenditures:				
Current:				
General government				
Finance				
Contractual services	<u>-</u>	<u>15,000</u>	<u>14,400</u>	<u>600</u>
Debt service:				
Principal	5,286,254	5,286,254	4,647,846	638,408
Interest and fiscal charges	1,948,847	1,969,597	1,969,573	24
Issuance costs	<u>50,000</u>	<u>50,000</u>	<u>5,675</u>	<u>44,325</u>
Total debt service	<u>7,285,101</u>	<u>7,305,851</u>	<u>6,623,094</u>	<u>682,757</u>
Total expenditures	<u>7,285,101</u>	<u>7,320,851</u>	<u>6,637,494</u>	<u>683,357</u>
Excess (deficiency) of revenues over expenditures	<u>(5,830,544)</u>	<u>(5,866,294)</u>	<u>(5,278,097)</u>	<u>588,197</u>
Other financing sources (uses):				
Premium on bonds	-	-	13,632	13,632
Transfers - in	<u>6,119,194</u>	<u>6,119,194</u>	<u>5,501,513</u>	<u>(617,681)</u>
Total other financing sources (uses)	<u>6,119,194</u>	<u>6,119,194</u>	<u>5,515,145</u>	<u>(604,049)</u>
Net change in fund balance	288,650	252,900	237,048	(15,852)
Fund balance, beginning of year	<u>2,697,105</u>	<u>2,697,105</u>	<u>2,697,105</u>	<u>-</u>
Fund balance, end of year	\$ <u>2,985,755</u>	\$ <u>2,950,005</u>	\$ <u>2,934,153</u>	\$ <u>(15,852)</u>

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 20,000	\$ 20,000	\$ 9,065	\$ (10,935)
Expenditures:				
Current:				
General government				
Department of human resources				
Contractual services	50,000	38,347	10,284	28,063
Division of engineering				
Contractual services	16,639	26,942	26,942	-
Total general government	66,639	65,289	37,226	28,063
Security of persons and property				
Division of police				
Contractual services	-	1,350	1,350	-
Total expenditures	66,639	66,639	38,576	28,063
Excess (deficiency) of revenues over expenditures	(46,639)	(46,639)	(29,511)	17,128
Other financing sources (uses):				
Transfers - in	15,000	15,000	15,000	-
Net change in fund balance	(31,639)	(31,639)	(14,511)	17,128
Prior year encumbrances appropriated	6,639	6,639	6,639	-
Fund balance, beginning of year	27,667	27,667	27,667	-
Fund balance, end of year	\$ 2,667	\$ 2,667	\$ 19,795	\$ 17,128

## City of North Olmsted, Ohio

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

#### **For the Year Ended December 31, 2018**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 150,000	\$ 150,000	\$ 149,670	\$ (330)
Expenditures:				
Current:				
Economic development				
Department of planning and development				
Capital outlay	21,410	21,410	17,466	3,944
Excess (deficiency) of revenues over expenditures	128,590	128,590	132,204	3,614
Other financing sources (uses):				
Advances - out	(150,000)	(150,000)	(150,000)	-
Net change in fund balance	(21,410)	(21,410)	(17,796)	3,614
Prior year encumbrances appropriated	21,410	21,410	21,410	-
Fund balance, beginning of year	2,972	2,972	2,972	-
Fund balance, end of year	\$ 2,972	\$ 2,972	\$ 6,586	\$ 3,614

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 2,000	\$ 2,000	\$ 1,956	\$ (44)
Net change in fund balance	2,000	2,000	1,956	(44)
Fund balance, beginning of year	26,646	26,646	26,646	-
Fund balance, end of year	\$ 28,646	\$ 28,646	\$ 28,602	\$ (44)

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ <u>10,000</u>	\$ <u>10,000</u>	\$ <u>19,028</u>	\$ <u>9,028</u>
Expenditures:				
Current:				
Economic development				
Department of planning and development				
Contractual services	<u>18,500</u>	<u>18,500</u>	<u>7,000</u>	<u>11,500</u>
Net change in fund balance	(8,500)	(8,500)	12,028	20,528
Fund balance, beginning of year	<u>29,542</u>	<u>29,542</u>	<u>29,542</u>	-
Fund balance, end of year	\$ <u><u>21,042</u></u>	\$ <u><u>21,042</u></u>	\$ <u><u>41,570</u></u>	\$ <u><u>20,528</u></u>

**City of North Olmsted, Ohio**

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

**For the Year Ended December 31, 2018**

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

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 1,900	\$ 139,720	\$ 7,597	\$ (132,123)
Expenditures:				
Current:				
General government				
Office of the Mayor				
Salaries	-	5,012	-	5,012
Benefits	-	1,738	-	1,738
Contractual services	-	20,850	1,650	19,200
Capital outlay	-	107,520	-	107,520
Total general government	-	135,120	1,650	133,470
Public health and welfare				
Division of aging				
Salaries	-	500	481	19
Benefits	-	75	69	6
Total public health and welfare	-	575	550	25
Economic development				
Department of planning and development				
Capital outlay	-	2,700	5,397	(2,697)
Total expenditures	-	138,395	7,597	130,798
Net change in fund balance	1,900	1,325	-	(1,325)
Fund balance, beginning of year	15,044	15,044	15,044	-
Fund balance, end of year	\$ 16,944	\$ 16,369	\$ 15,044	\$ (1,325)

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ -	\$ 6,000	\$ 75,859	\$ 69,859
Expenditures:				
Current:				
Transportation				
Public service and properties				
Materials and supplies	3,300	3,300	96	3,204
Contractual services	196,700	202,533	202,533	-
Total expenditures	200,000	205,833	202,629	3,204
Excess (deficiency) of revenues over expenditures	(200,000)	(199,833)	(126,770)	73,063
Other financing sources (uses):				
Transfers - in	200,000	200,000	200,000	-
Net change in general fund balance	-	167	73,230	73,063
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ 167	\$ 73,230	\$ 73,063

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 229,700	\$ 229,700	\$ 228,848	\$ (852)
Miscellaneous	<u>-</u>	<u>-</u>	<u>2,572</u>	<u>2,572</u>
Total revenue	<u>229,700</u>	<u>229,700</u>	<u>231,420</u>	<u>1,720</u>
Expenditures:				
Current:				
Transportation				
Department of public service				
Materials and supplies	83,350	83,350	74,273	9,077
Contractual services	<u>217,000</u>	<u>217,000</u>	<u>216,983</u>	<u>17</u>
Total expenditures	<u>300,350</u>	<u>300,350</u>	<u>291,256</u>	<u>9,094</u>
Net change in fund balance	(70,650)	(70,650)	(59,836)	10,814
Prior year encumbrances appropriated	350	350	350	-
Fund balance, beginning of year	<u>161,804</u>	<u>161,804</u>	<u>161,804</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>91,504</u></u>	\$ <u><u>91,504</u></u>	\$ <u><u>102,318</u></u>	\$ <u><u>10,814</u></u>

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property and other taxes	\$ 815,687	\$ 815,687	\$ 839,125	\$ 23,438
Charges for services and sales	1,994,080	1,992,830	1,917,177	(75,653)
Intergovernmental revenue	103,552	103,552	106,262	2,710
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>2,693</u>	<u>1,693</u>
Total revenue	<u>2,914,319</u>	<u>2,913,069</u>	<u>2,865,257</u>	<u>(47,812)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Leisure time activities				
Recreation department				
Salaries	1,247,830	1,234,790	1,150,629	84,161
Benefits	414,965	433,615	407,945	25,670
Materials and supplies	188,528	189,528	159,012	30,516
Contractual services	1,150,091	1,138,090	1,018,791	119,299
Capital outlay	<u>7,500</u>	<u>4,141</u>	<u>4,141</u>	<u>-</u>
Total expenditures	<u>3,008,914</u>	<u>3,000,164</u>	<u>2,740,518</u>	<u>259,646</u>
Excess (deficiency) of revenues over expenditures	(94,595)	(87,095)	124,739	211,834
Other financing sources (uses):				
Transfers - out	<u>(7,560)</u>	<u>(7,560)</u>	<u>(7,560)</u>	<u>-</u>
Net change in fund balance	(102,155)	(94,655)	117,179	211,834
Prior year encumbrances appropriated	33,443	33,443	33,443	-
Fund balance, beginning of year	<u>113,025</u>	<u>113,025</u>	<u>113,025</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>44,313</u></u>	\$ <u><u>51,813</u></u>	\$ <u><u>263,647</u></u>	\$ <u><u>211,834</u></u>

**City of North Olmsted, Ohio**

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

**For the Year Ended December 31, 2018**

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund balance, beginning of year	\$ <u>3,065</u>	\$ <u>3,065</u>	\$ <u>3,065</u>	\$ <u>-</u>
Fund balance, end of year	\$ <u><u>3,065</u></u>	\$ <u><u>3,065</u></u>	\$ <u><u>3,065</u></u>	\$ <u><u>-</u></u>

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 426,000	\$ 426,000	\$ 478,278	\$ 52,278
Expenditures:				
Current:				
Security of persons and property				
Fire department				
Materials and supplies	26,400	26,400	23,397	3,003
Contractual services	50,690	50,690	30,704	19,986
Capital outlay	<u>120,010</u>	<u>120,010</u>	<u>100,126</u>	<u>19,884</u>
Total fire department	<u>197,100</u>	<u>197,100</u>	<u>154,227</u>	<u>42,873</u>
Police department				
Materials and supplies	24,500	24,500	21,067	3,433
Contractual services	22,000	22,000	10,350	11,650
Capital outlay	<u>195,674</u>	<u>195,674</u>	<u>167,291</u>	<u>28,383</u>
Total police department	<u>242,174</u>	<u>242,174</u>	<u>198,708</u>	<u>43,466</u>
Total expenditures	<u>439,274</u>	<u>439,274</u>	<u>352,935</u>	<u>86,339</u>
Net change in fund balance	(13,274)	(13,274)	125,343	138,617
Prior year encumbrances appropriated	27,869	27,869	27,869	-
Fund balance, beginning of year	<u>22,758</u>	<u>22,758</u>	<u>22,758</u>	-
Fund balance, end of year	\$ <u>37,353</u>	\$ <u>37,353</u>	\$ <u>175,970</u>	\$ <u>138,617</u>

# City of North Olmsted, Ohio

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

### **For the Year Ended December 31, 2018**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 450,000	\$ 450,000	\$ 428,275	\$ (21,725)
Expenditures:				
Current:				
Security of persons and property				
Fire department				
Contractual services	37,380	37,380	34,241	3,139
Capital outlay	461,098	461,098	434,704	26,394
Total expenditures	498,478	498,478	468,945	29,533
Excess (deficiency) of revenues over expenditures	(48,478)	(48,478)	(40,670)	7,808
Other financing sources (uses):				
Transfers - out	(49,700)	(49,700)	(49,700)	-
Net change in fund balance	(98,178)	(98,178)	(90,370)	7,808
Prior year encumbrances appropriated	344,478	344,478	344,478	-
Fund balance, beginning of year	47,611	47,611	47,611	-
Fund balance, end of year	\$ 293,911	\$ 293,911	\$ 301,719	\$ 7,808

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 94,200	\$ 94,200	\$ 98,624	\$ 4,424
Interest	<u>-</u>	<u>-</u>	<u>4,794</u>	<u>4,794</u>
Total revenue	<u>94,200</u>	<u>94,200</u>	<u>103,418</u>	<u>9,218</u>
Expenditures:				
Current:				
Transportation				
Service department				
Materials and supplies	220,749	220,749	114,048	106,701
Contractual services	<u>108,900</u>	<u>108,900</u>	<u>83,306</u>	<u>25,594</u>
Total expenditures	<u>329,649</u>	<u>329,649</u>	<u>197,354</u>	<u>132,295</u>
Net change in fund balance	(235,449)	(235,449)	(93,936)	141,513
Prior year encumbrances appropriated	47,749	47,749	47,749	-
Fund balance, beginning of year	<u>317,770</u>	<u>317,770</u>	<u>317,770</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>130,070</u></u>	\$ <u><u>130,070</u></u>	\$ <u><u>271,583</u></u>	\$ <u><u>141,513</u></u>

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 1,158,000	\$ 1,158,000	\$ 1,251,013	\$ 93,013
Interest	-	-	2,804	2,804
Total revenue	<u>1,158,000</u>	<u>1,158,000</u>	<u>1,253,817</u>	<u>95,817</u>
Expenditures:				
Current:				
Transportation				
Service department				
Salaries	262,286	208,559	208,375	184
Benefits	84,681	84,681	84,681	-
Materials and supplies	393,338	382,338	343,529	38,809
Contractual services	142,200	215,866	212,866	3,000
Capital outlay	<u>339,000</u>	<u>330,061</u>	<u>329,850</u>	<u>211</u>
Total expenditures	<u>1,221,505</u>	<u>1,221,505</u>	<u>1,179,301</u>	<u>42,204</u>
Net change in fund balance	(63,505)	(63,505)	74,516	138,021
Prior year encumbrances appropriated	33,338	33,338	33,338	-
Fund balance, beginning of year	<u>132,097</u>	<u>132,097</u>	<u>132,097</u>	<u>-</u>
Fund balance, end of year	\$ <u>101,930</u>	\$ <u>101,930</u>	\$ <u>239,951</u>	\$ <u>138,021</u>

## City of North Olmsted, Ohio

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

#### **For the Year Ended December 31, 2018**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ <u>287,270</u>	\$ <u>287,270</u>	\$ <u>598,242</u>	\$ <u>310,972</u>
Expenditures:				
Current:				
General government				
Capital outlay	<u>352,536</u>	<u>352,536</u>	<u>320,679</u>	<u>31,857</u>
Excess (deficiency) of revenues over expenditures	(65,266)	(65,266)	277,563	342,829
Other financing sources (uses):				
Transfers - out	<u>(180,850)</u>	<u>(180,850)</u>	<u>(180,850)</u>	<u>-</u>
Net change in fund balance	(246,116)	(246,116)	96,713	342,829
Prior year encumbrances appropriated	352,536	352,536	352,536	-
Fund balance, beginning of year	<u>1,399,837</u>	<u>1,399,837</u>	<u>1,399,837</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>1,506,257</u></u>	\$ <u><u>1,506,257</u></u>	\$ <u><u>1,849,086</u></u>	\$ <u><u>342,829</u></u>

## City of North Olmsted, Ohio

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

#### **For the Year Ended December 31, 2018**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 9,000	\$ 9,000	\$ 9,756	\$ 756
Expenditures:				
Current:				
Public health and welfare				
Contractual services	11,600	11,600	8,297	3,303
Capital outlay	<u>2,500</u>	<u>2,500</u>	<u>1,870</u>	<u>630</u>
Total expenditures	<u>14,100</u>	<u>14,100</u>	<u>10,167</u>	<u>3,933</u>
Net change in fund balance	(5,100)	(5,100)	(411)	4,689
Fund balance, beginning of year	<u>13,960</u>	<u>13,960</u>	<u>13,960</u>	-
Fund balance, end of year	\$ <u><u>8,860</u></u>	\$ <u><u>8,860</u></u>	\$ <u><u>13,549</u></u>	\$ <u><u>4,689</u></u>

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income tax	\$ 2,281,500	\$ 2,281,500	\$ 2,379,626	\$ 98,126
Intergovernmental revenue	<u>5,000</u>	<u>5,000</u>	<u>13,387</u>	<u>8,387</u>
Total revenue	<u>2,286,500</u>	<u>2,286,500</u>	<u>2,393,013</u>	<u>106,513</u>
Expenditures:				
Current:				
Basic utility services				
Service department				
Salaries	167,567	167,567	167,567	-
Benefits	66,335	66,335	54,588	11,747
Contractual services	<u>1,901,233</u>	<u>1,941,233</u>	<u>1,930,843</u>	<u>10,390</u>
Total expenditures	<u>2,135,135</u>	<u>2,175,135</u>	<u>2,152,998</u>	<u>22,137</u>
Net change in fund balance	151,365	111,365	240,015	128,650
Prior year encumbrances appropriated	1,975	1,975	1,975	-
Fund balance, beginning of year	<u>1,265,399</u>	<u>1,265,399</u>	<u>1,265,399</u>	<u>-</u>
Fund balance, end of year	\$ <u>1,418,739</u>	\$ <u>1,378,739</u>	\$ <u>1,507,389</u>	\$ <u>128,650</u>

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 16,000	\$ 16,000	\$ 13,655	\$ (2,345)
Intergovernmental revenue	<u>14,493</u>	<u>14,493</u>	<u>12,000</u>	<u>(2,493)</u>
Total revenue	<u>30,493</u>	<u>30,493</u>	<u>25,655</u>	<u>(4,838)</u>
Expenditures:				
Current:				
Public health and welfare				
Division of youth services				
Salaries	22,087	22,087	18,760	3,327
Benefits	3,856	3,856	3,342	514
Materials and supplies	1,100	1,100	178	922
Contractual services	<u>3,450</u>	<u>3,450</u>	<u>2,283</u>	<u>1,167</u>
Total expenditures	<u>30,493</u>	<u>30,493</u>	<u>24,563</u>	<u>5,930</u>
Net change in fund balance	-	-	1,092	1,092
Fund balance, beginning of year	<u>2</u>	<u>2</u>	<u>2</u>	-
Fund balance, end of year	\$ <u><u>2</u></u>	\$ <u><u>2</u></u>	\$ <u><u>1,094</u></u>	\$ <u><u>1,092</u></u>

**City of North Olmsted, Ohio**

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

**For the Year Ended December 31, 2018**

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund balance, beginning of year	\$ <u>17,335</u>	\$ <u>17,335</u>	\$ <u>17,335</u>	\$ <u>-</u>
Fund balance, end of year	\$ <u><u>17,335</u></u>	\$ <u><u>17,335</u></u>	\$ <u><u>17,335</u></u>	\$ <u><u>-</u></u>

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 58,700	\$ 58,700	\$ 50,052	\$ (8,648)
Expenditures:				
Current:				
General government				
Mayor				
Contractual services	25,000	-	-	-
Security of persons and property				
Fire department				
Capital outlay	7,631	7,631	-	7,631
Police department				
Materials and supplies	-	35,000	16,243	18,757
Contractual services	10,000	10,000	7,864	2,136
Total police department	10,000	45,000	24,107	20,893
Total security of persons and property	17,631	52,631	24,107	28,524
Leisure time activities				
Parks and recreation				
Capital outlay	989	989	-	989
Public health and welfare				
Division of youth and family services				
Materials and supplies	125,188	90,188	20,875	69,313
Contractual services	15,700	15,700	12,511	3,189
Total public health and welfare	140,888	105,888	33,386	72,502
Total expenditures	184,508	159,508	57,493	102,015
Net change in fund balance	(125,808)	(100,808)	(7,441)	93,367
Prior year encumbrances appropriated	219	219	219	-
Fund balance, beginning of year	247,690	247,690	247,690	-
Fund balance, end of year	\$ 122,101	\$ 147,101	\$ 240,468	\$ 93,367

**City of North Olmsted, Ohio**

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

**For the Year Ended December 31, 2018**

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

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 203,921	\$ 203,921	\$ 209,767	\$ 5,846
Intergovernmental revenue	<u>25,888</u>	<u>25,888</u>	<u>26,565</u>	<u>677</u>
Total revenue	<u>229,809</u>	<u>229,809</u>	<u>236,332</u>	<u>6,523</u>
Expenditures:				
Current:				
Security of persons and property				
Fire department				
Benefits	<u>247,183</u>	<u>247,183</u>	<u>247,183</u>	<u>-</u>
Net change in fund balance	(17,374)	(17,374)	(10,851)	6,523
Fund balance, beginning of year	<u>17,374</u>	<u>17,374</u>	<u>17,374</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>6,523</u></u>	\$ <u><u>6,523</u></u>

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ 74,000	\$ 75,640	\$ 1,640
Expenditures:				
Current:				
Security of persons and property				
Police department				
Materials and supplies	7,950	11,450	4,474	6,976
Contractual services	-	5,860	5,704	156
Capital outlay	<u>15,000</u>	<u>82,600</u>	<u>76,672</u>	<u>5,928</u>
Total expenditures	<u>22,950</u>	<u>99,910</u>	<u>86,850</u>	<u>13,060</u>
Net change in fund balance	(22,950)	(25,910)	(11,210)	14,700
Fund balance, beginning of year	<u>26,456</u>	<u>26,456</u>	<u>26,456</u>	-
Fund balance, end of year	\$ <u><u>3,506</u></u>	\$ <u><u>546</u></u>	\$ <u><u>15,246</u></u>	\$ <u><u>14,700</u></u>

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 274,500	\$ 349,500	\$ 375,078	\$ 25,578
Expenditures:				
Current:				
Security of persons and property				
Law department				
Salaries	32,104	32,104	32,104	-
Benefits	18,691	19,791	19,692	99
Total law department	50,795	51,895	51,796	99
Police department				
Salaries	160,000	213,500	206,651	6,849
Benefits	61,520	78,420	73,372	5,048
Materials and supplies	45,861	45,861	30,329	15,532
Contractual services	28,300	28,300	11,309	16,991
Total police department	295,681	366,081	321,661	44,420
Total expenditures	346,476	417,976	373,457	44,519
Net change in fund balance	(71,976)	(68,476)	1,621	70,097
Prior year encumbrances appropriated	10,260	10,260	10,260	-
Fund balance, beginning of year	107,453	107,453	107,453	-
Fund balance, end of year	\$ 45,737	\$ 49,237	\$ 119,334	\$ 70,097

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 203,921	\$ 203,921	\$ 209,767	\$ 5,846
Intergovernmental revenue	<u>25,888</u>	<u>25,888</u>	<u>26,565</u>	<u>677</u>
Total revenue	<u>229,809</u>	<u>229,809</u>	<u>236,332</u>	<u>6,523</u>
Expenditures:				
Current:				
Security of persons and property				
Police department				
Benefits	<u>247,183</u>	<u>247,183</u>	<u>247,183</u>	<u>-</u>
Net change in fund balance	(17,374)	(17,374)	(10,851)	6,523
Fund balance, beginning of year	<u>17,374</u>	<u>17,374</u>	<u>17,374</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>6,523</u></u>	\$ <u><u>6,523</u></u>

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 2,600	\$ 2,600	\$ 731	\$ (1,869)
Fines and forfeitures	1,000	1,000	2,200	1,200
Donations	<u>7,350</u>	<u>7,350</u>	<u>7,077</u>	<u>(273)</u>
Total revenue	<u>10,950</u>	<u>10,950</u>	<u>10,008</u>	<u>(942)</u>
Expenditures:				
Current:				
Leisure time activities				
Department of community life services				
Materials and supplies	14,910	14,910	9,448	5,462
Contractual services	<u>500</u>	<u>500</u>	<u>118</u>	<u>382</u>
Total expenditures	<u>15,410</u>	<u>15,410</u>	<u>9,566</u>	<u>5,844</u>
Net change in fund balance	(4,460)	(4,460)	442	4,902
Prior year encumbrances appropriated	910	910	910	-
Fund balance, beginning of year	<u>9,931</u>	<u>9,931</u>	<u>9,931</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>6,381</u></u>	\$ <u><u>6,381</u></u>	\$ <u><u>11,283</u></u>	\$ <u><u>4,902</u></u>

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 5,100	\$ 5,100	\$ 4,839	\$ (261)
Intergovernmental revenue	<u>5,500</u>	<u>5,500</u>	<u>7,595</u>	<u>2,095</u>
Total revenue	<u>10,600</u>	<u>10,600</u>	<u>12,434</u>	<u>1,834</u>
Expenditures:				
Current:				
Public health and welfare				
Senior services				
Salaries	11,657	11,657	11,293	364
Benefits	<u>2,035</u>	<u>2,035</u>	<u>1,957</u>	<u>78</u>
Total expenditures	<u>13,692</u>	<u>13,692</u>	<u>13,250</u>	<u>442</u>
Net change in fund balance	(3,092)	(3,092)	(816)	2,276
Fund balance, beginning of year	<u>41,128</u>	<u>41,128</u>	<u>41,128</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>38,036</u></u>	\$ <u><u>38,036</u></u>	\$ <u><u>40,312</u></u>	\$ <u><u>2,276</u></u>

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ -	\$ -	\$ 5,998	\$ 5,998
Net change in fund balance	-	-	5,998	5,998
Fund balance, beginning of year	16,923	16,923	16,923	-
Fund balance, end of year	\$ 16,923	\$ 16,923	\$ 22,921	\$ 5,998

# City of North Olmsted, Ohio

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

### **For the Year Ended December 31, 2018**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 747,713	\$ 747,713	\$ 769,161	\$ 21,448
Intergovernmental revenue	<u>94,923</u>	<u>94,923</u>	<u>97,407</u>	<u>2,484</u>
Total revenue	<u>842,636</u>	<u>842,636</u>	<u>866,568</u>	<u>23,932</u>
Expenditures:				
Debt service:				
Principal	765,000	765,000	765,000	-
Interest and fiscal charges	62,000	62,000	62,000	-
Issuance fee	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total expenditures	<u>852,000</u>	<u>852,000</u>	<u>827,000</u>	<u>25,000</u>
Net change in fund balance	(9,364)	(9,364)	39,568	48,932
Fund balance, beginning of year	<u>755,878</u>	<u>755,878</u>	<u>755,878</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>746,514</u></u>	\$ <u><u>746,514</u></u>	\$ <u><u>795,446</u></u>	\$ <u><u>48,932</u></u>

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 271,896	\$ 271,896	\$ 279,709	\$ 7,813
Intergovernmental revenue	<u>34,517</u>	<u>34,517</u>	<u>35,421</u>	<u>904</u>
Total revenue	<u>306,413</u>	<u>306,413</u>	<u>315,130</u>	<u>8,717</u>
Expenditures:				
Debt service:				
Principal	225,000	225,000	225,000	-
Interest and fiscal charges	64,513	64,513	64,513	-
Issuance fee	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total expenditures	<u>304,513</u>	<u>304,513</u>	<u>289,513</u>	<u>15,000</u>
Net change in fund balance	1,900	1,900	25,617	23,717
Fund balance, beginning of year	<u>579,158</u>	<u>579,158</u>	<u>579,158</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>581,058</u></u>	\$ <u><u>581,058</u></u>	\$ <u><u>604,775</u></u>	\$ <u><u>23,717</u></u>

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ -	\$ 200,000	\$ -	\$ (200,000)
Expenditures:				
Current:				
General government				
Division of finance				
Capital outlay	64,346	64,346	26,281	38,065
Division of information technology				
Capital outlay	-	460,000	20,045	439,955
Total general government	64,346	524,346	46,326	478,020
Leisure time activities				
Recreation department				
Capital outlay	100,273	100,273	13,697	86,576
Debt service:				
Issuance fee	-	2,160	2,160	-
Total expenditures	164,619	626,779	62,183	564,596
Excess (deficiency) of revenues over expenditures	(164,619)	(426,779)	(62,183)	364,596
Other financing sources (uses):				
Note proceeds	-	261,500	261,500	-
Net change in fund balance	(164,619)	(165,279)	199,317	364,596
Prior year encumbrances appropriated	19,459	19,459	19,459	-
Fund balance, beginning of year	177,900	177,900	177,900	-
Fund balance, end of year	\$ 32,740	\$ 32,080	\$ 396,676	\$ 364,596

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Transportation				
Department of public service				
Contractual services	\$ 2,000	\$ 2,000	\$ -	\$ 2,000
Net change in fund balance	(2,000)	(2,000)	-	2,000
Prior year encumbrances appropriated	2,000	2,000	2,000	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 2,000	\$ 2,000

# City of North Olmsted, Ohio

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

### For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 1,742,000	\$ 1,835,985	\$ 1,666,414	\$ (169,571)
Expenses:				
Current:				
Golf course and ballroom				
Salaries	520,630	512,630	495,952	16,678
Benefits	122,092	120,856	117,850	3,006
Materials and supplies	392,801	377,051	365,403	11,648
Contractual services	343,725	298,875	274,547	24,328
Capital outlay	<u>2,101,043</u>	<u>2,097,543</u>	<u>1,952,489</u>	<u>145,054</u>
Total expenses	<u>3,480,291</u>	<u>3,406,955</u>	<u>3,206,241</u>	<u>200,714</u>
Excess (deficiency) of revenues over expenses	(1,738,291)	(1,570,970)	(1,539,827)	31,143
Other financing sources (uses):				
Transfers - out	<u>(402,780)</u>	<u>(402,780)</u>	<u>(402,780)</u>	<u>-</u>
Net change in fund equity	(2,141,071)	(1,973,750)	(1,942,607)	31,143
Prior year encumbrances appropriated	1,771,483	1,771,483	1,771,483	-
Fund equity, beginning of year	<u>372,476</u>	<u>372,476</u>	<u>372,476</u>	<u>-</u>
Fund equity, end of year	\$ <u><u>2,888</u></u>	\$ <u><u>170,209</u></u>	\$ <u><u>201,352</u></u>	\$ <u><u>31,143</u></u>

## City of North Olmsted, Ohio

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

#### **For the Year Ended December 31, 2018**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ <u>10,171,975</u>	\$ <u>10,171,975</u>	\$ <u>10,915,866</u>	\$ <u>743,891</u>
Expenses:				
Current:				
Sewer				
Salaries	1,835,305	1,835,305	1,726,632	108,673
Benefits	746,459	746,459	699,096	47,363
Materials and supplies	803,078	803,078	553,560	249,518
Contractual services	2,461,146	2,461,146	1,802,075	659,071
Capital outlay	<u>1,164,035</u>	<u>1,164,035</u>	<u>1,035,536</u>	<u>128,499</u>
Total expenses	<u>7,010,023</u>	<u>7,010,023</u>	<u>5,816,899</u>	<u>1,193,124</u>
Excess (deficiency) of revenues over expenses	<u>3,161,952</u>	<u>3,161,952</u>	<u>5,098,967</u>	<u>1,937,015</u>
Other financing sources (uses):				
Proceeds from sale of assets	-	-	1,172	1,172
Transfers - out	<u>(4,074,098)</u>	<u>(4,074,098)</u>	<u>(3,456,417)</u>	<u>617,681</u>
Total other financing sources (uses)	<u>(4,074,098)</u>	<u>(4,074,098)</u>	<u>(3,455,245)</u>	<u>618,853</u>
Net change in fund equity	(912,146)	(912,146)	1,643,722	2,555,868
Prior year encumbrances appropriated	368,159	368,159	368,159	-
Fund equity, beginning of year	<u>10,596,377</u>	<u>10,596,377</u>	<u>10,596,377</u>	<u>-</u>
Fund equity, end of year	\$ <u>10,052,390</u>	\$ <u>10,052,390</u>	\$ <u>12,608,258</u>	\$ <u>2,555,868</u>

## City of North Olmsted, Ohio

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

#### **For the Year Ended December 31, 2018**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 3,580,000	\$ 3,580,000	\$ 3,464,161	\$ (115,839)
Expenses:				
Contractual services	<u>3,746,523</u>	<u>3,746,523</u>	<u>3,182,023</u>	<u>564,500</u>
Net change in fund equity	(166,523)	(166,523)	282,138	448,661
Prior year encumbrances appropriated	3,587	3,587	3,587	-
Fund equity, beginning of year	<u>2,910,092</u>	<u>2,910,092</u>	<u>2,910,092</u>	<u>-</u>
Fund equity, end of year	\$ <u>2,747,156</u>	\$ <u>2,747,156</u>	\$ <u>3,195,817</u>	\$ <u>448,661</u>

# City of North Olmsted, Ohio

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

### **For the Year Ended December 31, 2018**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services and sales	\$ 200,000	\$ 200,000	\$ 317,182	\$ 117,182
Expenses:				
Contractual services	<u>347,500</u>	<u>347,500</u>	<u>203,943</u>	<u>143,557</u>
Net change in fund equity	(147,500)	(147,500)	113,239	260,739
Prior year encumbrances appropriated	500	500	500	-
Fund equity, beginning of year	<u>1,225,740</u>	<u>1,225,740</u>	<u>1,225,740</u>	<u>-</u>
Fund equity, end of year	\$ <u><u>1,078,740</u></u>	\$ <u><u>1,078,740</u></u>	\$ <u><u>1,339,479</u></u>	\$ <u><u>260,739</u></u>

## City of North Olmsted, Ohio

### Fund Description

#### **For the Year Ended December 31, 2018**

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##### ***Fiduciary Funds***

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

##### ***Agency Fund***

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

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

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

# City of North Olmsted, Ohio

## Combining Statement of Changes in Assets and Liabilities Agency Funds

### **For the Year Ended December 31, 2018**

	<u>Balance 12/31/17</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/18</u>
<b>Deposits Fund</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>759,044</u>	\$ <u>286,366</u>	\$ <u>179,481</u>	\$ <u>865,929</u>
Liabilities:				
Deposits held and due to others	\$ <u>759,044</u>	\$ <u>286,366</u>	\$ <u>179,481</u>	\$ <u>865,929</u>
<b>Mayor's Court Fund</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>93,280</u>	\$ <u>1,636,577</u>	\$ <u>1,594,313</u>	\$ <u>135,544</u>
Liabilities:				
Deposits held and due to others	\$ <u>93,280</u>	\$ <u>1,636,577</u>	\$ <u>1,594,313</u>	\$ <u>135,544</u>
<b>Mayor's Court Bond Fund</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>1,480</u>	\$ <u>10,758</u>	\$ <u>10,188</u>	\$ <u>2,050</u>
Liabilities:				
Deposits held and due to others	\$ <u>1,480</u>	\$ <u>10,758</u>	\$ <u>10,188</u>	\$ <u>2,050</u>
<b>Total Agency Funds</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>853,804</u>	\$ <u>1,933,701</u>	\$ <u>1,783,982</u>	\$ <u>1,003,523</u>
Liabilities:				
Deposits held and due to others	\$ <u>853,804</u>	\$ <u>1,933,701</u>	\$ <u>1,783,982</u>	\$ <u>1,003,523</u>

**STATISTICAL  
SECTION**

# City of North Olmsted, Ohio

## Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	S2-S9
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City’s most significant local revenue sources, the property tax and municipal income tax.	S10-S14
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	S15-S19
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.	S20-S21
<b>Operating Information</b> These schedules contain service data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	S22-S29

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

# City of North Olmsted, Ohio

## Net Position by Component Accrual Basis of Accounting

### Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities:										
Net investment in capital assets	\$ 28,803,658	\$ 28,401,591	\$ 28,628,989	\$ 27,813,444	\$ 29,341,888	\$ 31,940,364	\$ 35,550,385	\$ 36,787,582	\$ 38,558,141	\$ 32,357,653
Restricted for:										
Debt service	9,929,253	9,360,400	8,442,223	7,889,330	7,384,896	6,851,903	6,094,752	5,196,104	4,680,441	4,516,771
Capital projects	5,084,730	4,699,150	4,977,260	4,693,516	1,138,817	762,911	623,236	797,848	597,111	716,489
Community development	-	-	-	-	73,955	60,633	42,307	49,644	50,857	71,498
Highways and streets	3,395,990	2,829,310	2,455,507	2,081,713	4,723,437	4,353,921	3,328,866	4,224,951	4,654,165	4,582,846
Public safety	493,398	562,154	148,194	182,360	509,197	736,249	825,663	615,805	642,429	604,339
Recreation	-	-	-	4,588	86,380	222,472	215,836	88,177	87,335	148,141
Solid waste and recycling	2,036,908	1,861,445	1,603,317	1,313,809	1,136,124	965,775	577,462	509,787	672,589	859,742
Federal and other grants	427,285	575,606	432,021	454,162	535,346	524,945	530,871	655,170	610,274	612,177
Unrestricted	<u>(38,091,498)</u>	<u>(34,963,857)</u>	<u>(13,255,530)</u>	<u>(11,683,065)</u>	<u>(12,213,118)</u>	<u>7,178,951</u>	<u>6,779,505</u>	<u>6,476,551</u>	<u>4,154,220</u>	<u>1,596,678</u>
Total net position – governmental activities	<u>12,079,724</u>	<u>13,325,799</u>	<u>33,431,981</u>	<u>32,749,857</u>	<u>32,716,922</u>	<u>53,598,124</u>	<u>54,568,883</u>	<u>55,401,619</u>	<u>54,707,562</u>	<u>46,066,334</u>
Business-type activities:										
Net investment in capital assets	15,530,540	14,882,798	14,329,123	14,995,099	14,085,646	15,645,038	13,838,058	13,329,367	13,079,015	12,896,414
Unrestricted	<u>4,401,047</u>	<u>3,538,916</u>	<u>3,717,562</u>	<u>4,450,639</u>	<u>3,409,913</u>	<u>917,874</u>	<u>1,573,485</u>	<u>948,996</u>	<u>577,913</u>	<u>(92,254)</u>
Total net position – business-type activities	<u>19,931,587</u>	<u>18,421,714</u>	<u>18,046,685</u>	<u>19,445,738</u>	<u>17,495,559</u>	<u>16,562,912</u>	<u>15,411,543</u>	<u>14,278,363</u>	<u>13,656,928</u>	<u>12,804,160</u>
Primary government:										
Net investment in capital assets	44,334,198	43,284,389	42,958,112	42,808,543	43,427,534	47,585,402	49,388,443	50,116,949	51,637,156	45,254,067
Restricted	21,367,564	19,888,065	18,058,522	16,619,478	15,588,152	14,478,809	12,238,993	12,137,486	11,995,201	12,112,003
Unrestricted	<u>(33,690,451)</u>	<u>(31,424,941)</u>	<u>(9,537,968)</u>	<u>(7,232,426)</u>	<u>(8,803,205)</u>	<u>8,096,825</u>	<u>8,352,990</u>	<u>7,425,547</u>	<u>4,732,133</u>	<u>1,504,424</u>
Total net position – primary government	\$ <u>32,011,311</u>	\$ <u>31,747,513</u>	\$ <u>51,478,666</u>	\$ <u>52,195,595</u>	\$ <u>50,212,481</u>	\$ <u>70,161,036</u>	\$ <u>69,980,426</u>	\$ <u>69,679,982</u>	\$ <u>68,364,490</u>	\$ <u>58,870,494</u>

(a) Net position in 2014 was restated for the implementation of GASB Statement No. 68.

(b) Net position in 2017 was restated for the implementation of GASB Statement No. 75.

Source: City financial records

# City of North Olmsted, Ohio

## Changes in Net Position Accrual Basis of Accounting

### Last Ten Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Governmental activities:</b>										
Charges for services and sales:										
General government	\$ 2,599,478	\$ 2,361,850	\$ 2,816,339	\$ 2,298,332	\$ 2,030,517	\$ 2,109,396	\$ 1,528,928	\$ 1,599,848	\$ 1,247,442	\$ 1,245,426
Security of persons and property	1,777,970	1,446,643	1,511,930	1,436,003	1,341,069	1,253,737	1,287,158	1,206,279	1,191,835	1,132,436
Public health and welfare	8,494	7,923	9,016	8,926	7,446	10,698	17,015	20,989	40,077	32,742
Transportation	211,072	159,121	120,094	210,341	241,171	235,112	283,571	257,183	173,141	230,351
Leisure time activities	1,927,823	1,973,255	1,971,094	1,838,790	1,570,024	1,523,574	1,413,519	1,282,907	1,226,424	1,158,712
Economic development	19,028	11,177	12,524	17,618	18,608	25,663	19,421	21,206	19,875	21,447
Total charges for services and sales	<u>6,543,865</u>	<u>5,959,969</u>	<u>6,440,997</u>	<u>5,810,010</u>	<u>5,208,835</u>	<u>5,158,180</u>	<u>4,549,612</u>	<u>4,388,412</u>	<u>3,898,794</u>	<u>3,821,114</u>
Operating grants and contributions:										
General government	3,560	10	1,555	30,939	55,726	37,500	41,442	11,260	48,547	29,998
Security of persons and property	300,643	149,160	160,833	411,329	129,368	342,433	415,442	26,322	54,646	55,111
Public health and welfare	53,055	73,571	61,731	61,366	60,909	64,031	63,112	60,327	63,017	46,530
Transportation	1,586,738	1,624,759	1,542,246	1,526,293	1,545,273	1,632,366	1,510,295	1,381,255	1,603,510	1,442,017
Basic utility services	5,000	5,000	5,500	5,000	5,000	12,441	-	3,282	3,634	4,350
Leisure time activities	-	-	-	1,940	55	12,185	9,500	62,491	69,136	64,267
Economic development	1,650	-	-	-	-	-	-	65,000	15,400	54,600
Total operating grants and contributions	<u>1,950,646</u>	<u>1,852,500</u>	<u>1,771,865</u>	<u>2,036,867</u>	<u>1,796,331</u>	<u>2,100,956</u>	<u>2,039,791</u>	<u>1,609,937</u>	<u>1,857,890</u>	<u>1,696,873</u>
Capital grants and contributions:										
General government	-	32,765	-	34,654	-	32,877	67,419	134,839	-	-
Security of persons and property	5,397	3,808	3,518	7,793	-	-	-	288,228	-	100,000
Public health and welfare	149,670	-	-	-	-	115,000	-	105,000	-	-
Transportation	-	-	-	-	-	270,295	299,061	246,967	8,162,080	681,725
Leisure time activities	-	-	-	-	-	-	-	-	-	18,654
Total capital grants and contributions	<u>155,067</u>	<u>36,573</u>	<u>3,518</u>	<u>42,447</u>	<u>-</u>	<u>418,172</u>	<u>366,480</u>	<u>775,034</u>	<u>8,162,080</u>	<u>800,379</u>
Total governmental activities program revenues	<u>8,649,578</u>	<u>7,849,042</u>	<u>8,216,380</u>	<u>7,889,324</u>	<u>7,005,166</u>	<u>7,677,308</u>	<u>6,955,883</u>	<u>6,773,383</u>	<u>13,918,764</u>	<u>6,318,366</u>

(Continued)

# City of North Olmsted, Ohio

## Changes in Net Position Accrual Basis of Accounting (Continued)

### Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Business-type activities:										
Charges for services and sales:										
Springvale Golf Course and Ballroom	1,666,414	1,704,829	1,739,923	1,694,648	1,655,305	1,524,267	1,476,024	1,166,214	1,304,849	1,286,334
Sewer	<u>10,364,252</u>	<u>11,059,171</u>	<u>10,039,509</u>	<u>9,181,973</u>	<u>8,738,033</u>	<u>7,770,214</u>	<u>7,327,028</u>	<u>6,673,982</u>	<u>6,769,950</u>	<u>6,371,014</u>
Total charges for services and sales	<u>12,030,666</u>	<u>12,764,000</u>	<u>11,779,432</u>	<u>10,876,621</u>	<u>10,393,338</u>	<u>9,294,481</u>	<u>8,803,052</u>	<u>7,840,196</u>	<u>8,074,799</u>	<u>7,657,348</u>
Capital grants and contributions:										
Sewer	<u>105,103</u>	<u>63,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,676</u>	<u>62,299</u>	<u>187,887</u>	<u>71,428</u>	<u>124,197</u>
Total business-type activities program revenues	<u>12,135,769</u>	<u>12,827,424</u>	<u>11,779,432</u>	<u>10,876,621</u>	<u>10,393,338</u>	<u>9,326,157</u>	<u>8,865,351</u>	<u>8,028,083</u>	<u>8,146,227</u>	<u>7,781,545</u>
Total primary government program revenues	<u>20,785,347</u>	<u>20,676,466</u>	<u>19,995,812</u>	<u>18,765,945</u>	<u>17,398,504</u>	<u>17,003,465</u>	<u>15,821,234</u>	<u>14,801,466</u>	<u>22,064,991</u>	<u>14,099,911</u>
Expenses:										
Governmental activities:										
General government	5,375,605	5,512,075	5,299,633	4,516,867	4,200,635	4,612,689	4,096,769	3,582,339	3,276,027	3,900,267
Security of persons and property	17,388,852	15,348,078	15,959,086	14,205,425	12,948,527	12,974,261	12,847,883	11,367,748	11,627,831	12,806,773
Public health services	686,988	692,738	631,709	551,565	529,304	504,219	527,602	489,183	467,464	536,943
Transportation	8,093,205	8,240,799	7,352,641	8,416,485	9,608,806	10,161,662	10,314,338	10,125,472	9,184,733	9,493,814
Basic utility services	2,142,175	2,192,149	2,063,026	1,929,636	1,920,086	1,700,564	2,100,931	2,306,879	2,246,112	2,111,966
Leisure time activities	3,083,618	3,171,864	3,191,927	3,136,618	2,850,349	2,583,952	2,472,946	2,414,279	2,519,617	2,493,927
Economic development	494,603	376,806	271,870	275,635	328,696	339,198	476,253	432,497	377,094	548,066
Interest and fiscal charges	<u>514,478</u>	<u>669,103</u>	<u>668,492</u>	<u>1,049,394</u>	<u>941,826</u>	<u>1,371,593</u>	<u>1,197,352</u>	<u>1,370,320</u>	<u>1,580,084</u>	<u>1,754,255</u>
Total governmental activities expenses	<u>37,779,524</u>	<u>36,203,612</u>	<u>35,438,384</u>	<u>34,081,625</u>	<u>33,328,229</u>	<u>34,248,138</u>	<u>34,034,074</u>	<u>32,088,717</u>	<u>31,278,962</u>	<u>33,646,011</u>

(Continued)

# City of North Olmsted, Ohio

## Changes in Net Position Accrual Basis of Accounting (Continued)

### Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Business-type activities:										
NOMBL	-	-	-	-	-	-	-	-	-	13,158
Springvale Golf Course and Ballroom	1,823,985	2,019,106	1,665,971	1,557,162	1,547,407	1,598,902	1,561,234	1,393,346	1,403,969	1,337,078
Sewer revenue	<u>8,749,271</u>	<u>8,857,451</u>	<u>8,005,368</u>	<u>7,408,132</u>	<u>6,311,785</u>	<u>6,562,518</u>	<u>5,959,665</u>	<u>5,950,651</u>	<u>5,965,290</u>	<u>6,251,896</u>
Total business-type activities expenses	<u>10,573,256</u>	<u>10,876,557</u>	<u>9,671,339</u>	<u>8,965,294</u>	<u>7,859,192</u>	<u>8,161,420</u>	<u>7,520,899</u>	<u>7,343,997</u>	<u>7,369,259</u>	<u>7,602,132</u>
Total primary government expenses	<u>48,352,780</u>	<u>47,080,169</u>	<u>45,109,723</u>	<u>43,046,919</u>	<u>41,187,421</u>	<u>42,409,558</u>	<u>41,554,973</u>	<u>39,432,714</u>	<u>38,648,221</u>	<u>41,248,143</u>
Net (expense) revenue:										
Governmental activities	(29,129,946)	(28,354,570)	(27,222,004)	(26,192,301)	(26,323,063)	(26,570,830)	(27,078,191)	(25,315,334)	(17,360,198)	(27,327,645)
Business-type activities	<u>1,562,513</u>	<u>1,950,867</u>	<u>2,108,093</u>	<u>1,911,327</u>	<u>2,534,146</u>	<u>1,164,737</u>	<u>1,344,452</u>	<u>684,086</u>	<u>776,968</u>	<u>179,413</u>
Total primary government net expense	<u>(27,567,433)</u>	<u>(26,403,703)</u>	<u>(25,113,911)</u>	<u>(24,280,974)</u>	<u>(23,788,917)</u>	<u>(25,406,093)</u>	<u>(25,733,739)</u>	<u>(24,631,248)</u>	<u>(16,583,230)</u>	<u>(27,148,232)</u>
General revenues and other changes in net position:										
Governmental activities:										
Property taxes and other local taxes	9,781,544	9,813,776	9,622,781	9,558,074	9,183,826	9,525,254	9,743,908	9,782,378	9,895,600	11,020,701
Municipal income taxes	15,357,622	16,311,456	15,531,341	14,039,569	13,926,264	13,815,005	13,286,957	12,197,549	12,142,212	12,239,390
Grants and entitlements	2,006,231	2,363,717	2,569,538	2,554,370	2,201,218	2,147,473	2,919,512	3,736,906	3,954,223	3,462,553
Investment earnings	629,054	194,422	64,238	36,912	39,775	61,556	40,217	37,499	62,463	84,227
Gain on sale of capital assets	-	-	-	-	-	-	9,086	-	-	-
Other	56,780	61,591	63,590	75,163	63,894	37,415	34,503	35,478	22,728	23,747
Transfers	52,640	52,640	52,640	(38,852)	40,223	13,368	211,272	62,651	(75,800)	(27,781)
Special item – sale of capital assets	-	-	-	-	-	-	-	156,930	-	-
Total governmental activities general revenues and other changes in net position	<u>27,883,871</u>	<u>28,797,602</u>	<u>27,904,128</u>	<u>26,225,236</u>	<u>25,455,200</u>	<u>25,600,071</u>	<u>26,245,455</u>	<u>26,009,391</u>	<u>26,001,426</u>	<u>26,802,837</u>

(Continued)

# City of North Olmsted, Ohio

## Changes in Net Position Accrual Basis of Accounting (Continued)

### Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Business-type activities:										
Transfers	(52,640)	(52,640)	(52,640)	-	(40,223)	(13,368)	(211,272)	(62,651)	75,800	27,781
Special item – loss on sale of capital assets	-	-	(3,454,506)	38,852	-	-	-	-	-	-
Total business-type activities general revenues and other changes in net position	<u>(52,640)</u>	<u>(52,640)</u>	<u>(3,507,146)</u>	<u>38,852</u>	<u>(40,223)</u>	<u>(13,368)</u>	<u>(211,272)</u>	<u>(62,651)</u>	<u>75,800</u>	<u>27,781</u>
Total primary government general revenues and other changes in net position	<u>27,831,231</u>	<u>28,744,962</u>	<u>24,396,982</u>	<u>26,264,088</u>	<u>25,414,977</u>	<u>25,586,703</u>	<u>26,034,183</u>	<u>25,946,740</u>	<u>26,077,226</u>	<u>26,830,618</u>
Change in net position:										
Governmental activities	(1,246,075)	443,032	682,124	32,935	(867,863)	(970,759)	(832,736)	694,057	8,641,228	(524,808)
Business-type activities	<u>1,509,873</u>	<u>1,898,227</u>	<u>(1,399,053)</u>	<u>1,950,179</u>	<u>2,493,923</u>	<u>1,151,369</u>	<u>1,133,180</u>	<u>621,435</u>	<u>852,768</u>	<u>207,194</u>
Total primary government change in net position	\$ <u>263,798</u>	\$ <u>2,341,259</u>	\$ <u>(716,929)</u>	\$ <u>1,983,114</u>	\$ <u>1,626,060</u>	\$ <u>180,610</u>	\$ <u>300,444</u>	\$ <u>1,315,492</u>	\$ <u>9,493,996</u>	\$ <u>(317,614)</u>

Information from 2009 through 2014 uses GASB Statement No. 27 to measure pension expense.

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

Information from 2009 through 2017 uses GASB Statement No. 45 to measure OPEB expense.

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

Source: City financial records

# City of North Olmsted, Ohio

## Fund Balances, Governmental Funds Modified Accrual Basis of Accounting

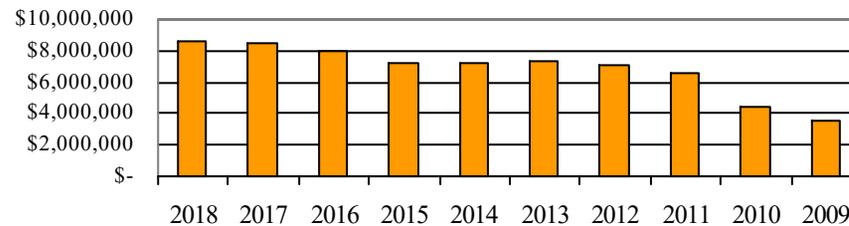
### Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund										
Nonspendable	\$ 1,477,689	\$ 1,377,161	\$ 1,283,563	\$ 1,173,952	\$ 1,180,719	\$ 1,077,862	\$ 988,055	\$ 910,466	\$ -	\$ -
Committed	101,884	114,747	62,454	42,000	-	-	-	-	-	-
Assigned	4,433,189	4,941,368	4,684,994	4,237,354	4,714,841	4,860,515	1,799,392	875,618	-	-
Unassigned	2,569,478	2,097,203	1,938,143	1,729,097	1,270,324	1,433,619	4,338,011	4,752,859	-	-
Reserved	-	-	-	-	-	-	-	-	870,953	399,153
Unreserved	-	-	-	-	-	-	-	-	<u>3,620,708</u>	<u>3,189,607</u>
Total General Fund	<u>8,582,240</u>	<u>8,530,479</u>	<u>7,969,154</u>	<u>7,182,403</u>	<u>7,165,884</u>	<u>7,371,996</u>	<u>7,125,458</u>	<u>6,538,943</u>	<u>4,491,661</u>	<u>3,588,760</u>
All other governmental funds										
Nonspendable	146,064	64,079	103,105	124,839	75,935	20,717	17,671	16,322	-	-
Restricted	20,669,583	18,407,748	16,601,938	10,447,657	13,617,900	12,319,432	10,089,351	10,071,569	-	-
Committed	421,320	269,040	252,989	5,152,340	477,523	738,571	699,742	568,849	-	-
Unassigned	-	(130,659)	(5,516)	-	-	-	(55,939)	(56,562)	-	-
Reserved	-	-	-	-	-	-	-	-	423,390	252,063
Unreserved (deficit), reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	5,290,424	5,826,527
Debt service funds	-	-	-	-	-	-	-	-	4,074,995	3,881,582
Capital projects funds	-	-	-	-	-	-	-	-	<u>569,830</u>	<u>744,698</u>
Total all other governmental funds	<u>21,236,967</u>	<u>18,610,208</u>	<u>16,952,516</u>	<u>15,724,836</u>	<u>14,171,358</u>	<u>13,078,720</u>	<u>10,750,825</u>	<u>10,600,178</u>	<u>10,358,639</u>	<u>10,704,870</u>
Total governmental funds	\$ <u>29,819,207</u>	\$ <u>27,140,687</u>	\$ <u>24,921,670</u>	\$ <u>22,907,239</u>	\$ <u>21,337,242</u>	\$ <u>20,450,716</u>	\$ <u>17,876,283</u>	\$ <u>17,139,121</u>	\$ <u>14,850,300</u>	\$ <u>14,293,630</u>

In 2011, the City implemented GASB 54.

Source: City financial records

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



# City of North Olmsted, Ohio

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

### Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Revenues:</b>										
Property taxes	\$ 9,730,635	\$ 9,816,294	\$ 9,565,720	\$ 9,653,946	\$ 9,291,474	\$ 9,503,797	9,799,407	\$ 9,924,695	\$ 9,985,313	\$ 10,687,345
Income taxes	16,008,308	15,890,897	15,283,047	14,252,984	14,317,492	13,435,417	12,655,722	12,346,450	11,770,310	12,241,747
Payment in lieu of taxes	598,242	287,273	530,152	501,075	-	-	-	-	-	-
Charges for services and sales	4,148,407	3,817,020	3,790,286	3,209,751	2,750,607	2,751,882	2,552,793	2,384,556	2,414,501	2,318,947
Fines, licenses and permits	2,033,943	1,922,317	2,451,773	1,876,649	1,681,117	1,654,123	1,628,181	1,670,972	1,212,137	1,211,117
Intergovernmental	4,042,030	3,863,185	3,939,110	4,183,068	4,131,025	4,889,076	5,770,274	6,409,008	5,802,595	6,146,811
Special assessments	-	-	-	-	-	-	-	-	90,000	85,000
Interest	610,034	194,422	64,238	36,912	39,775	61,556	40,217	37,499	62,463	84,227
Miscellaneous	88,636	101,233	108,250	717,963	662,055	615,578	176,983	181,063	208,977	195,904
<b>Total revenues</b>	<u>37,260,235</u>	<u>35,892,641</u>	<u>35,732,576</u>	<u>34,432,348</u>	<u>32,873,545</u>	<u>32,911,429</u>	<u>32,623,577</u>	<u>32,954,243</u>	<u>31,546,296</u>	<u>32,971,098</u>
<b>Expenditures:</b>										
<b>Current:</b>										
General government	4,548,826	4,633,871	4,603,782	4,192,227	4,190,529	4,108,722	3,662,591	3,646,056	3,457,202	3,548,371
Security of persons and property	15,438,843	14,234,086	13,840,984	14,106,951	13,194,930	13,176,566	12,436,324	11,513,761	11,947,782	12,492,370
Public health and welfare	643,619	1,675,311	547,434	590,039	522,122	640,545	513,659	628,225	477,740	549,409
Transportation	6,590,232	7,002,141	5,651,644	6,070,558	5,249,876	5,105,094	5,990,651	5,163,746	4,422,054	4,949,069
Basic utility services	2,144,646	2,193,395	2,056,094	1,933,777	1,923,981	1,700,564	2,100,931	2,306,879	2,246,112	2,107,623
Leisure time activities	2,679,376	2,891,054	2,863,912	2,796,243	2,620,445	2,881,644	2,198,920	2,287,806	2,343,545	2,208,061
Economic development	510,988	473,494	328,076	272,427	321,058	435,643	738,357	468,200	556,467	554,298
Capital outlay	135,554	503,137	421,515	714,701	1,746,234	132,499	833,444	376,161	122,399	416,772
<b>Debt Service:</b>										
Principal	3,075,506	4,494,145	4,343,608	11,542,007	3,872,081	5,877,646	4,770,492	4,002,500	7,588,715	6,763,814
Interest and fiscal charge	578,786	634,587	729,247	844,228	974,312	1,119,953	1,183,155	1,368,647	1,606,408	1,738,992
Note issuance costs	-	-	-	-	-	-	23,250	17,426	25,522	22,017
Bond issuance costs	22,111	148,689	17,048	233,131	28,056	133,477	-	-	83,872	-
<b>Total expenditures</b>	<u>36,368,487</u>	<u>38,883,910</u>	<u>35,403,344</u>	<u>43,296,289</u>	<u>34,643,624</u>	<u>35,312,353</u>	<u>34,451,774</u>	<u>31,779,407</u>	<u>34,877,818</u>	<u>35,350,796</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>891,748</u>	<u>(2,991,269)</u>	<u>329,232</u>	<u>8,863,941</u>	<u>(1,770,079)</u>	<u>(2,400,924)</u>	<u>(1,828,197)</u>	<u>1,174,836</u>	<u>(3,331,522)</u>	<u>(2,379,698)</u>

(Continued)

# City of North Olmsted, Ohio

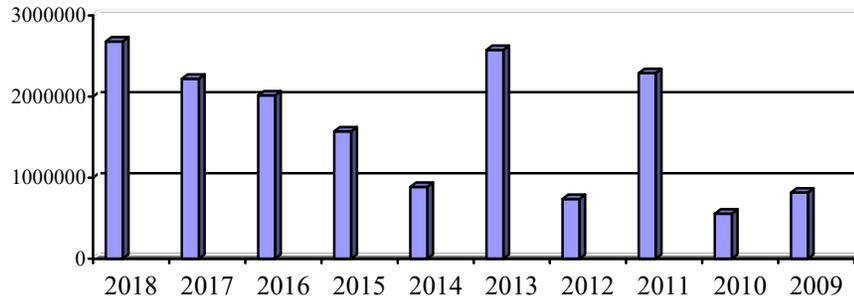
## Changes in Fund Balances, Governmental Funds Modified Accrual Basis of Accounting (Continued)

### Last Ten Years

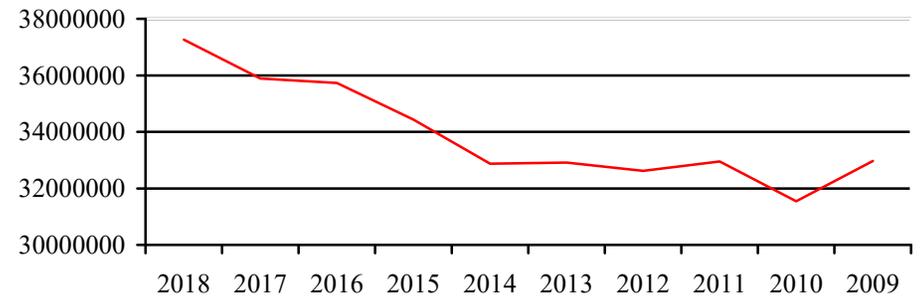
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Other financing sources (uses):										
Issuance of notes	1,720,000	-	1,605,000	5,095,000	2,425,000	-	2,468,700	880,000	-	3,215,000
Inception of capital leases	-	-	-	60,299	176,472	-	-	-	59,763	-
Proceeds from issuance of bonds	-	8,371,000	-	8,380,000	-	4,770,000	-	-	3,715,000	-
Premium on issuance of bonds	13,632	464,139	7,383	518,568	11,510	120,394	-	-	168,945	-
Payment to bond escrow agent	-	(3,689,134)	-	3,593,275	-	-	-	-	-	-
Sale of capital assets	500	11,641	20,176	16,033	3,400	55,130	12,300	171,334	20,284	9,450
Transfers - in	1,970,156	1,615,615	1,697,609	1,603,124	1,595,893	1,756,925	2,382,025	3,147,873	1,860,769	1,790,131
Transfers - out	(1,917,516)	(1,562,972)	(1,644,969)	(1,645,811)	(1,555,670)	(1,727,092)	(2,297,666)	(3,085,222)	(1,936,569)	(1,817,912)
<b>Total other financing sources (uses)</b>	<b>1,786,772</b>	<b>5,210,286</b>	<b>1,685,199</b>	<b>10,433,938</b>	<b>2,656,605</b>	<b>4,975,357</b>	<b>2,565,359</b>	<b>1,113,985</b>	<b>3,888,192</b>	<b>3,196,669</b>
<b>Net change in fund balance</b>	<b>\$ 2,678,520</b>	<b>\$ 2,219,017</b>	<b>\$ 2,014,431</b>	<b>\$ 1,569,997</b>	<b>\$ 886,526</b>	<b>\$ 2,574,433</b>	<b>\$ 737,162</b>	<b>\$ 2,288,821</b>	<b>\$ 556,670</b>	<b>\$ 816,971</b>
Debt service as a percentage of noncapital expenditures	10.99%	15.16%	15.43%	30.43%	15.31%	21.68%	19.21%	18.33%	36.66%	25.49%

Source: City financial records

Net Change in Fund Balance, Governmental Funds



Governmental Funds Revenues



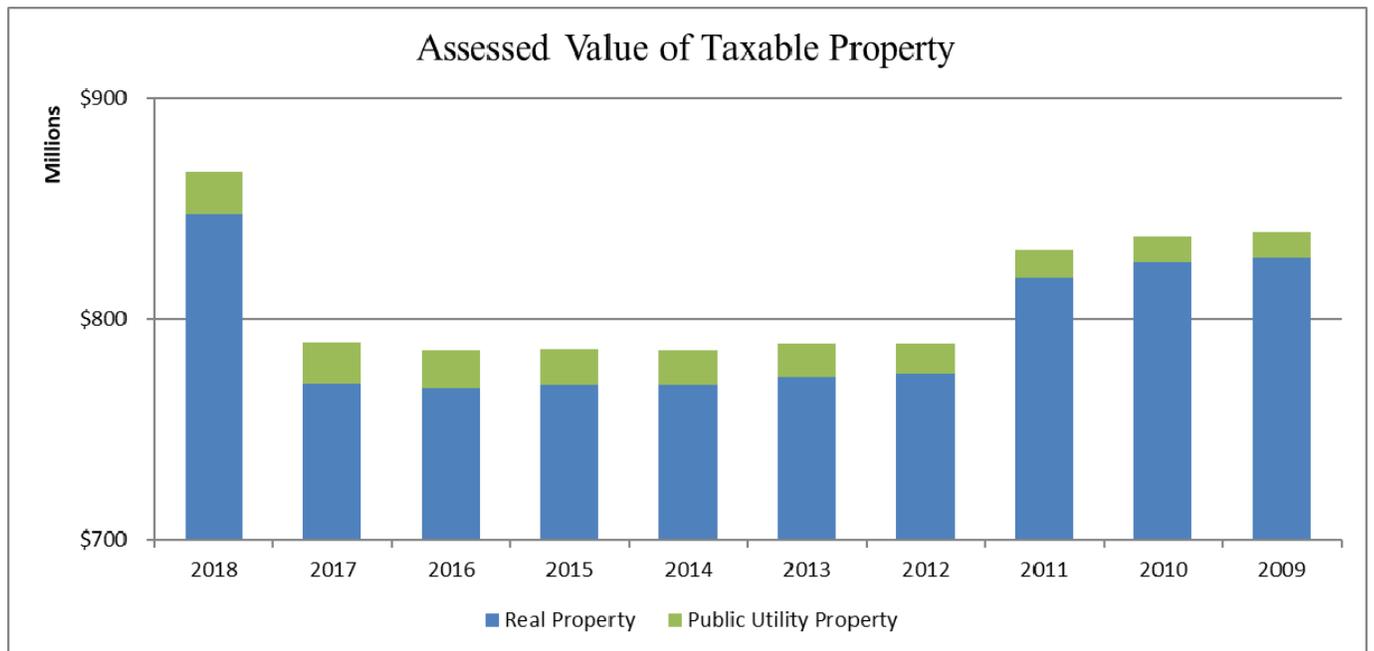
# City of North Olmsted, Ohio

## Assessed Valuations and Estimated Actual Values of Taxable Property

### Last Ten Years

Tax Year	Real Property	Public Utility Property	Total	Estimated True Values of Taxable Property	Total Direct Tax Rate	Ratio
2018	\$ 847,494,050	\$ 18,642,170	\$ 866,136,220	\$ 2,453,643,683	\$ 13.30	35.3%
2017	770,457,560	18,534,760	788,992,320	2,235,105,722	13.30	35.3
2016	768,531,780	16,756,670	785,288,450	2,224,613,173	13.30	35.3
2015	770,231,040	15,858,070	786,089,110	2,226,881,331	13.30	35.3
2014	769,849,650	15,583,140	785,432,790	2,225,022,068	13.30	35.3
2013	773,675,680	15,046,860	788,722,540	2,234,341,473	13.30	35.3
2012	775,022,110	13,514,220	788,536,330	2,233,813,966	13.30	35.3
2011	818,595,110	12,549,000	831,144,110	2,353,103,398	13.30	35.3
2010	825,718,930	11,747,350	837,466,280	2,372,546,204	13.30	35.3
2009	827,569,610	11,432,430	839,002,040	2,377,475,998	13.30	35.3

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



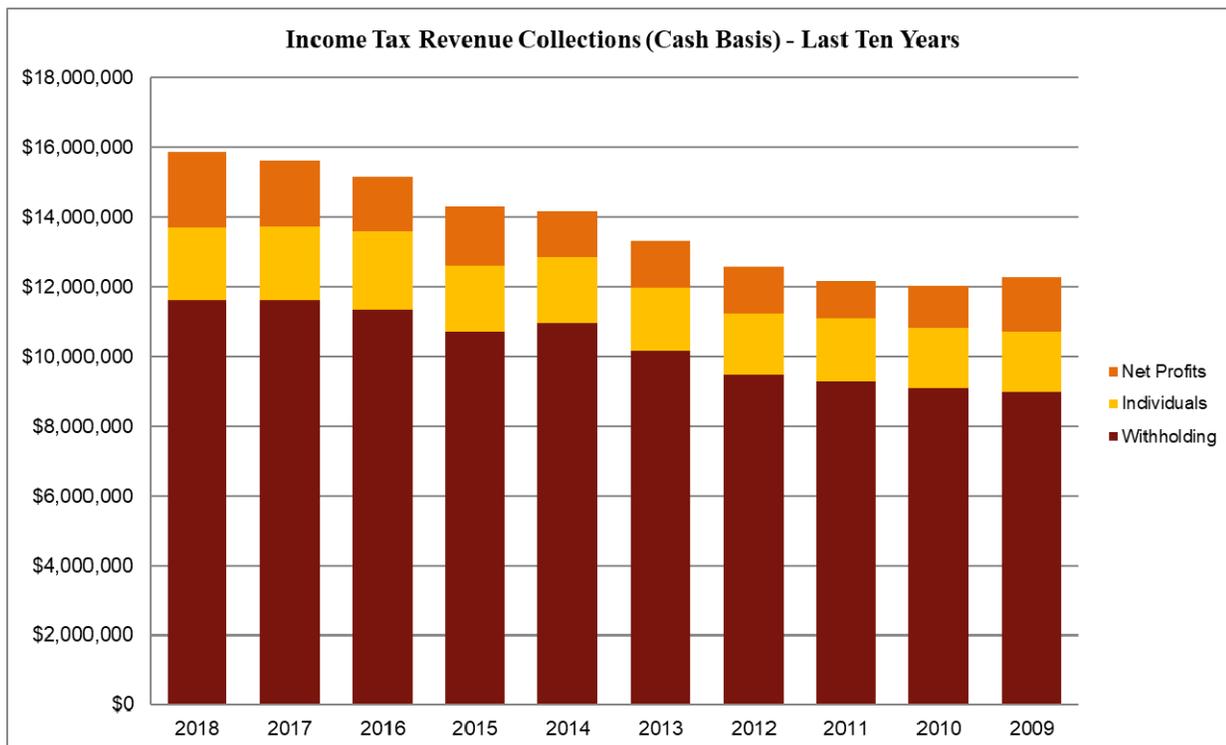
# City of North Olmsted, Ohio

## Income Tax Revenue Collections (Cash Basis)

### Last Ten Years

Collection Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes from Individuals	Percentage of Taxes from Individuals	Taxes from Net Profits	Percentage of Taxes from Net Profits
2018	2.00%	\$ 15,864,176	\$ 11,608,492	73.2%	\$ 2,090,585	13.2%	\$ 2,165,099	13.6%
2017	2.00	15,608,623	11,613,989	74.4	2,119,234	13.6	1,875,400	12.0
2016	2.00	15,160,112	11,334,047	74.8	2,263,281	14.9	1,562,784	10.3
2015	2.00	14,326,364	10,691,137	74.6	1,934,541	13.5	1,700,686	11.9
2014	2.00	14,170,871	10,955,677	77.3	1,890,416	13.3	1,324,778	9.4
2013	2.00	13,314,563	10,163,612	76.3	1,815,366	13.6	1,335,585	10.1
2012	2.00	12,577,000	9,479,691	75.4	1,744,443	13.9	1,352,866	10.7
2011	2.00	12,162,050	9,275,836	76.3	1,814,680	14.9	1,071,534	8.8
2010	2.00	12,026,344	9,090,112	75.6	1,722,631	14.3	1,213,601	10.1
2009	2.00	12,285,520	8,970,962	73.0	1,727,948	14.1	1,586,610	12.9

Source: City Finance Department



## City of North Olmsted, Ohio

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

### Last Ten Years

Tax Year	City of North Olmsted					Total	School District	Cuyahoga County (a)	Polaris Vocational School	Total
	General Operating	Debt Retirement	Recreation	Police and Fire Pension						
2018	\$ 8.30	\$ 3.20	\$ 1.20	\$ 0.60	\$ 13.30	\$ 97.10	\$ 23.93	\$ 3.09	\$ 137.42	
2017	8.30	3.20	1.20	0.60	13.30	97.10	23.93	3.09	137.42	
2016	8.30	3.20	1.20	0.60	13.30	96.90	23.43	3.09	136.72	
2015	6.70	4.80	1.20	0.60	13.30	96.90	23.43	2.40	136.03	
2014	6.70	4.80	1.20	0.60	13.30	96.90	23.43	2.40	136.03	
2013	6.70	4.80	1.20	0.60	13.30	91.40	22.53	2.40	129.63	
2012	6.70	4.80	1.20	0.60	13.30	91.40	20.80	2.40	127.90	
2011	6.70	4.80	1.20	0.60	13.30	91.40	20.80	2.40	127.90	
2010	6.70	4.80	1.20	0.60	13.30	91.40	20.90	2.40	128.00	
2009	6.40	5.10	1.20	0.60	13.30	83.50	20.60	2.40	119.80	

(a) Includes Metroparks and Library Millage

Source: Cuyahoga County Fiscal Officer

## City of North Olmsted, Ohio

### Real Property Tax Levies, and Collections

#### Last Ten Years

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Collections</u>	<u>Percentage of Current Collections to Tax Levy</u>	<u>Delinquent Collections</u>	<u>Total Collections(1)</u>	<u>Percentage of Total Collections to Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Delinquent Taxes to Total Tax Levy</u>
2018	\$ 10,820,864	\$ 10,900,583	100.74%	\$ 175,489	\$ 11,076,072	102.36%	\$ 369,913	3.4%
2017	10,683,508	10,372,826	97.09	198,269	10,571,095	98.95	319,003	3.0
2016	11,309,566	10,725,891	94.84	154,123	10,880,014	96.20	321,523	2.8
2015	10,464,045	10,699,097	102.25	114,885	10,813,982	103.34	264,461	2.5
2014	10,500,027	9,984,480	95.09	209,589	10,194,069	97.09	360,332	3.4
2013	10,512,763	10,171,318	96.75	213,429	10,384,747	98.78	408,726	3.9
2012	11,066,789	10,627,072	96.03	263,342	10,890,414	98.41	384,324	3.5
2011	11,146,571	10,756,740	96.50	251,889	11,008,629	98.76	440,506	4.0
2010	11,800,535	10,623,422	90.03	391,697	11,015,119	93.34	574,690	4.9
2009	11,802,571	11,300,029	95.74	235,982	11,536,011	97.74	659,686	5.6

Source: Cuyahoga County Fiscal Officer

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

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

# City of North Olmsted, Ohio

## Principal Taxpayers – Real Estate Tax

### 2018 and 2009

Name of Taxpayer	December 31, 2018	
	Assessed Value (1)	Percent of Total Assessed Value
Star-West Great Northern Mall LLC	\$ 36,298,980	4.19%
BRE DDR Great Northern LLC	21,480,820	2.48
Cleveland Electric Illuminating Company	13,944,970	1.61
PWA Great Northern Corporate Center	8,394,760	0.97
B&G Properties LTD Partnership	6,253,290	0.72
DDR MDT Great Northern LLC	5,819,210	0.67
JVM Butternut Apartments LLC	5,763,980	0.67
GGF1 North Olmsted LLC	4,720,390	0.54
Moen Inc.	4,685,770	0.54
Water Tower Square LTD	4,146,530	0.48
Total	\$ <u>111,508,700</u>	<u>12.87%</u>
Total assessed valuation	\$ <u>866,136,220</u>	

Name of Taxpayer	December 31, 2009	
	Assessed Value (1)	Percent of Total Assessed Value
Great Northern Partnership	\$ 29,579,140	3.25%
DDR MDT Great Northern	22,867,310	2.51
Cleveland Electric Illuminating Company	9,719,460	1.07
Duke Realty Ohio	7,074,730	0.78
Butternut Ridge Apartments LLC	5,985,000	0.66
B&G Properties LTD Partnership	5,855,170	0.64
Moen, Inc.	5,654,680	0.62
Water Tower Square LTD Partnership	4,638,730	0.51
Higbee Company	4,550,010	0.50
Wal Mart	4,200,010	0.46
Total	\$ <u>100,124,240</u>	<u>11.00%</u>
Total assessed valuation	\$ <u>839,002,040</u>	

Source: Cuyahoga County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2018 and 2009 assessed taxes were based.

# City of North Olmsted, Ohio

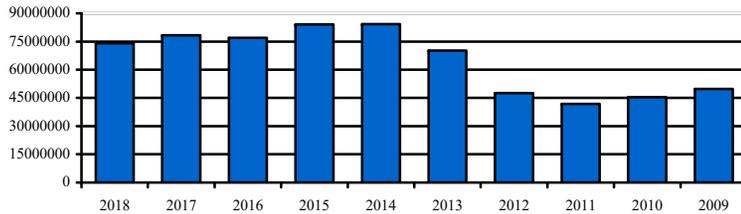
## Ratio of Outstanding Debt to Total Personal Income and Debt per Capita

### Last Ten Years

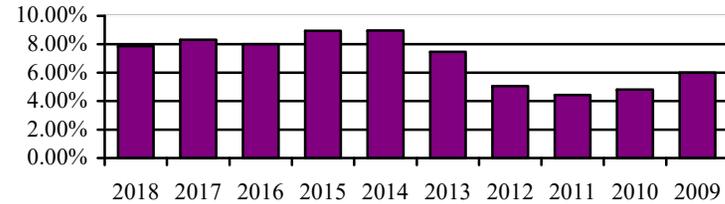
Year	Governmental Activities					Business-Type Activities					Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Long-Term Notes	Capital Leases	General Obligation Bonds	Long-Term Notes	Capital Leases	OWDA Loans	OPWC Loans			
2018	\$ 16,646,808	\$ -	\$ -	\$ 1,720,000	\$ 23,783	\$ 5,769,317	\$ -	\$ 1,813	\$ 49,945,823	\$ -	\$ 74,107,544	7.88%	\$ 2,265
2017	19,838,209	-	-	-	35,328	6,446,570	-	2,675	52,065,290	-	78,388,072	8.33	2,726
2016	17,790,965	-	-	1,605,000	94,676	2,943,063	-	12,890	54,453,420	-	76,900,014	8.17	2,350
2015	22,169,951	-	-	-	167,644	4,862,340	-	23,374	56,857,463	65,167	84,145,939	8.94	2,572
2014	20,750,420	-	-	2,425,000	163,862	6,463,388	-	28,325	54,244,535	195,500	84,271,030	8.96	2,576
2013	24,664,457	-	-	-	14,124	8,221,294	-	980	37,086,769	260,667	70,248,291	7.47	2,147
2012	22,895,878	-	20,418	2,468,700	27,443	9,255,248	421,300	1,838	11,896,042	456,167	47,443,034	5.04	1,450
2011	26,786,843	-	27,224	880,000	40,052	10,765,047	485,000	2,653	2,114,162	521,335	41,622,316	4.42	1,272
2010	30,783,808	-	40,837	-	51,989	12,222,846	-	3,427	1,436,697	651,668	45,191,272	4.80	1,381
2009	31,165,433	90,000	54,450	3,215,000	-	13,313,153	-	-	1,018,076	782,001	49,638,113	5.98	1,455

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

Total Outstanding Debt, Last Ten Years



City Debt as a Percentage of Personal Income



## City of North Olmsted, Ohio

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

#### Last Ten Years

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<u>Tax Year</u>	<u>Population (1)</u>		<u>Assessed (2)</u> <u>Value</u>		<u>Gross (3)</u> <u>Bonded</u> <u>Debt</u>		<u>Debt Service</u> <u>Monies Available</u>
2018	32,718	(a)	\$ 866,136,220	\$	22,416,125	\$	9,694,135
2017	32,718	(a)	788,992,320		26,284,779		9,079,502
2016	32,718	(a)	785,288,450		20,734,028		8,093,533
2015	32,718	(a)	786,089,110		27,037,059		7,582,319
2014	32,718	(a)	785,432,790		27,213,808		7,035,079
2013	32,718	(a)	788,722,540		32,885,751		6,478,501
2012	32,718	(a)	788,536,330		32,151,126		5,657,199
2011	32,718	(a)	831,144,110		37,551,890		4,698,520
2010	32,718	(a)	837,466,280		43,006,654		4,074,995
2009	34,113	(b)	839,002,040		44,478,586		3,881,582

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

- (a) 2010 Federal Census
- (b) 2000 Federal Census

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

(3) Includes all general obligation bonded debt

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	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt Per Capita</u>
\$	12,721,990	1.47%	\$ 389
	17,205,277	2.18	526
	12,640,495	1.61	386
	19,454,740	2.47	595
	20,178,729	2.57	617
	26,407,250	3.35	807
	26,493,927	3.36	810
	32,853,370	3.95	1,004
	38,931,659	4.65	1,190
	40,597,004	4.84	1,190

## City of North Olmsted, Ohio

### Computation of Direct and Overlapping General Obligation Debt

**December 31, 2018**

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	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City of North Olmsted</u>
Jurisdiction:			
Direct:			
City of North Olmsted			
General obligation bonds	\$ 16,646,808	100.00%	\$ 16,646,808
Capital lease payable	<u>23,782</u>	100.00%	<u>23,782</u>
Total direct debt	<u>16,670,590</u>		<u>16,670,590</u>
Overlapping:			
North Olmsted School District	73,933,668	100.00%	73,933,668
North Olmsted/Olmsted Falls School District	41,589,960	1.47%	611,372
Cuyahoga County	207,485,000	2.83%	5,871,826
Greater Cleveland Regional Transit Authority	<u>1,995,000</u>	2.83%	<u>56,459</u>
Total overlapping debt	<u>325,003,628</u>		<u>80,473,325</u>
Total	\$ <u><u>341,674,218</u></u>		\$ <u><u>97,143,915</u></u>

Source: Cuyahoga County Fiscal Officer

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

# City of North Olmsted, Ohio

## Legal Debt Margin

### Last Ten Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Assessed valuation	\$ <u>866,136,220</u>	\$ <u>788,992,320</u>	\$ <u>785,288,450</u>	\$ <u>786,089,110</u>	\$ <u>785,432,790</u>	\$ <u>788,722,540</u>	\$ <u>788,536,330</u>	\$ <u>831,144,110</u>	\$ <u>837,466,280</u>	\$ <u>839,002,040</u>
Overall debt limitation – 10 1/2 % of assessed valuation	\$ 90,944,303	\$ 82,844,194	\$ 82,455,287	\$ 82,539,357	\$ 82,470,443	\$ 82,815,867	\$ 82,796,315	\$ 87,270,132	\$ 87,933,959	\$ 88,095,214
Outstanding debt:										
General obligation debt	22,416,125	26,284,779	20,734,028	27,038,015	27,213,808	32,885,751	32,151,126	37,551,890	43,006,654	44,568,586
General obligation bond anticipation notes	1,720,000	-	1,605,000	-	2,575,000	-	2,890,000	1,365,000	-	3,215,000
Less: Amount available in debt service fund	<u>(9,694,135)</u>	<u>(9,079,502)</u>	<u>(8,093,533)</u>	<u>(7,582,319)</u>	<u>(7,035,079)</u>	<u>(6,478,501)</u>	<u>(5,657,199)</u>	<u>(4,698,520)</u>	<u>(4,074,995)</u>	<u>(3,881,582)</u>
Total outstanding debt	<u>14,441,990</u>	<u>17,205,277</u>	<u>14,245,495</u>	<u>19,455,696</u>	<u>22,753,729</u>	<u>26,407,250</u>	<u>29,383,927</u>	<u>34,218,370</u>	<u>38,931,659</u>	<u>43,902,004</u>
Less exemptions:										
Bonds and notes issued in anticipation of levy for special assessments	-	-	-	-	-	-	-	-	-	90,000
General obligation bonds and notes that are considered self supporting	-	-	261,000	1,660,000	3,051,000	4,368,000	5,625,000	6,823,000	7,961,000	8,693,000
Securities issued to pay final judgments and settlements	-	-	-	-	-	-	-	16,000	34,000	49,000
Securities to extent authorizing legislation contains covenants to appropriate, levy and collect municipal income taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>627,000</u>	<u>1,217,000</u>	<u>1,777,000</u>	<u>2,312,000</u>	<u>3,617,000</u>	<u>4,867,000</u>	<u>6,063,000</u>
Total exemptions	<u>-</u>	<u>-</u>	<u>261,000</u>	<u>2,287,000</u>	<u>4,268,000</u>	<u>6,145,000</u>	<u>7,937,000</u>	<u>10,456,000</u>	<u>12,862,000</u>	<u>14,895,000</u>
Net debt within 10 1/2% Limitation	<u>14,441,990</u>	<u>17,205,277</u>	<u>13,984,495</u>	<u>17,168,696</u>	<u>18,485,729</u>	<u>20,262,250</u>	<u>21,446,927</u>	<u>23,762,370</u>	<u>26,069,659</u>	<u>29,007,004</u>
Overall debt margin	\$ <u>76,502,313</u>	\$ <u>65,638,917</u>	\$ <u>68,470,792</u>	\$ <u>65,370,661</u>	\$ <u>63,984,714</u>	\$ <u>62,553,617</u>	\$ <u>61,349,388</u>	\$ <u>63,507,762</u>	\$ <u>61,864,300</u>	\$ <u>59,088,210</u>
Unvoted debt limitation 5 1/2 of assessed value	\$ 47,637,492	\$ 43,394,578	\$ 43,190,865	\$ 43,234,901	\$ 43,198,803	\$ 43,379,740	\$ 43,369,498	\$ 45,712,926	\$ 46,060,645	\$ 46,145,112
Amount of principal of unvoted bonds and notes subject to 5 1/2%	<u>9,126,990</u>	<u>11,890,277</u>	<u>8,669,495</u>	<u>10,963,696</u>	<u>11,435,729</u>	<u>12,412,250</u>	<u>12,096,927</u>	<u>14,412,370</u>	<u>16,009,659</u>	<u>17,627,004</u>
Unvoted debt margin	\$ <u>38,510,502</u>	\$ <u>31,504,301</u>	\$ <u>34,521,370</u>	\$ <u>32,271,205</u>	\$ <u>31,763,074</u>	\$ <u>30,967,490</u>	\$ <u>31,272,571</u>	\$ <u>31,300,556</u>	\$ <u>30,050,986</u>	\$ <u>28,518,108</u>

Source: Cuyahoga County Fiscal Officer and City Financial Records

Note: Assessed valuations based upon the tax year.

# City of North Olmsted, Ohio

## Principal Employers

### Last Ten Years

2018	Perfect of Total Income Taxes	2017	Percent of Total Income Taxes	2016	Percent of Total Income Taxes
Moen Incorporated	9.74%	Moen Incorporated	12.82%	Moen Incorporated	11.49%
North Olmsted School District	4.49	North Olmsted School District	4.49	North Olmsted School District	4.57
The City of North Olmsted	2.14	The City of North Olmsted	2.11	The City of North Olmsted	2.12
Bernie Moreno Companies	1.64	Bernie Moreno Companies	1.72	Bernie Moreno Companies	1.83
Champlain Enterprises LLC	1.32	Factory Mutual Insurance Company	1.43	Factory Mutual Insurance Company	1.65
Factory Mutual Insurance Company	1.25	Wal Mart Associates, Inc.	1.14	Ganley Westside Imports	1.25
Palmer Holland, Inc.	1.25	Ganley Westside Imports	1.12	Wal Mart Associates, Inc.	1.10
Wal Mart Associates, Inc.	1.23	Associates, Inc.	0.99	Palmer Holland, Inc.	0.93
Ganley Westside Imports	1.18	Champlain Enterprises LLC	1.01	Riser Foods Company	0.82
The Cleveland Clinic Foundaiton	<u>0.84</u>	Palmer Holland, Inc.	<u>0.97</u>	Cargill, Inc.	<u>0.82</u>
	<u>25.08%</u>		<u>27.89%</u>		<u>26.58%</u>
2015		2014		2013	
Moen Incorporated		Moen Incorporated		Moen Incorporated	
North Olmsted School District		North Olmsted School District		North Olmsted School District	
The City of North Olmsted		The City of North Olmsted		The City of North Olmsted	
Bernie Moreno Companies		Factory Mutual Insurance Company		Factory Mutual Insurance Company	
Factory Mutual Insurance Company		Bernie Moreno Companies		Bernie Moreno Companies	
Ganley Westside Imports		Wal Mart Associates, Inc.		Wal Mart Associates, Inc.	
Palmer Holland, Inc.		Ganley Westside Imports		Ganley Westside Imports	
Wal Mart Associates		Palmer Holland, Inc.		Palmer Holland, Inc.	
Riser Foods Company		Riser Foods Company		Riser Foods Company	
Cargill, Inc		Advanstar Communications		Advanstar Communications	
2012		2011		2010	
Moen Incorporated		Moen Incorporated		Moen Incorporated	
North Olmsted School District		North Olmsted School District		North Olmsted School District	
The City of North Olmsted		The City of North Olmsted		The City of North Olmsted	
Factory Mutual Insurance Company		Factory Mutual Insurance Company		Factory Mutual Insurance Company	
Bernie Moreno Companies		Advanstar Communications, Inc.		Advanstar Communications, Inc.	
Advanstar Communications, Inc.		United Transportation		AT&T Mobility	
United Transportation		Heartland Payment Systems, Inc.		Heartland Employment Services, Inc.	
Riser Foods Company		Bernie Moreno Companies		Wal Mart Associates, Inc.	
Ganley Westside Imports		Heartland Employment Services, Inc.		Sunnyside Automotive, Inc.	
Wal Mart Associates, Inc		Cargill, Inc.		Riser Foods Company	

Source: Regional Income Tax Agency based on payroll withholding.

# City of North Olmsted, Ohio

## Demographic and Economic Statistics

### Last Ten Years

Year	Population (1)	Employed in County (2)	Unemployment Rate (2)			School (3) Enrollment	Number of Residential Property Sales (4)	Averages Sales Price of Residential Property (4)	Total Personal Income (5)	Personal Income Per Capita
			County	State	US					
2018	32,718 (a)	612,200	5.2%	4.6%	3.9%	3,789	597	\$ 143,000	\$ 940,773,372	\$ 28,754 (a)
2017	32,718 (a)	575,100	5.9	5.0	4.4	3,794	571	142,273	940,773,372	28,754 (a)
2016	32,718 (a)	577,200	5.4	4.9	4.9	3,814	540	127,441	940,773,372	28,754 (a)
2015	32,718 (a)	579,500	5.0	4.9	5.3	3,856	499	126,838	940,773,372	28,754 (a)
2014	32,718 (a)	584,400	6.4	6.2	5.7	3,876	452	119,802	940,773,372	28,754 (a)
2013	32,718 (a)	572,600	7.7	7.4	7.4	4,040	468	120,619	940,773,372	28,754 (a)
2012	32,718 (a)	579,600	7.3	7.2	8.1	4,107	368	111,541	940,773,372	28,754 (a)
2011	32,718 (a)	593,400	8.0	8.6	8.9	4,117	202	126,710	940,773,372	28,754 (a)
2010	32,718 (a)	574,600	9.5	10.1	9.6	4,193	224	136,610	940,773,372	28,754 (a)
2009	34,113 (b)	581,200	9.2	10.8	9.3	4,314	231	136,856	829,935,177	24,329 (b)

(1) Source: U.S. Census, Census of population

(a) 2010 Federal Census

(b) 2000 Federal Census

(2) Ohio Department of Jobs and Family Services, U.S. Department of Labor and Bureau of Labor Statistics

(3) Source: North Olmsted Board of Education

(4) Source: Cuyahoga County Fiscal Officer

(5) Computation of per capital personal income multiplied by population

# City of North Olmsted, Ohio

## Full Time City Employees by Function or Program

### Last Ten Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Function/program:										
General government:										
Council	1	1	1	1	1	1	1	1	1	1
Mayor	2.5	2	2	2	2	2	2	2	2	2
Mayor's court	1.5	1	1	2	2	1	1	0	0	0
General clerical	1	1	1	1	1	1	1	1	1	1
Boards and commissions	0	0	0	1	1	1	1	1	1	1
Finance	5	5	5	5	5	5	5	5	6	6
Law	1	1	1	1	1	1	1	1	1	2
Information systems	2	1	0	0	1	2	1	2	1	1
Human resources	4	4	4	4	4	4	3	3	3	3
Building	11	11	10	9	8	8	9	9	9	9
Engineering	1	1	1	0	0	0	0	0	0	0
Total	30	28	26	26	26	26	25	25	25	26
Security of persons and property:										
Safety director	2	2	2	2	2	1	2	2	2	2
Fire	41	41	42	41	40	41	42	42	43	41
Dispatch	8	8	8	8	8	8	8	8	8	8
Corrections	1	1	1	1	1	1	1	1	1	1
Police	48	45	45	44	45	42	43	44	46	50
Youth Services (see Public health and welfare)	1	1	1	1	1	1	1	1	1	1
Fire clerk	1	1	1	1	1	1	1	2	1	1
Police clerk	5	5	5	5	4	5	5	5	5	5
Total	107	104	105	103	102	100	103	105	107	109
Leisure time activities:										
Senior center	4	4	4	4	3	3	3	3	3	2
Recreation	11	11	11	11	11	9	9	8	7	9
Springvale	4	3	4	3	4	4	4	4	4	3
Total	19	18	19	18	18	16	16	15	14	14
Public health and welfare:										
Community life services (a)	0	0	0	0	0	0	0	0	0	2
Youth services	0	0	0	0	0	0	0	0	0	1
Total	0	0	0	0	0	0	0	0	0	3
Transportation:										
Service director	1	1	1	1	1	1	1	1	1	2
Public service and properties										
Public works administrative	0	0	0	0	0	0	0	0	0	0
Animal warden	0	0	0	0	0	0	0	1	1	1
Building maintenance	1	1	1	1	1	2	2	2	3	3
Road	9	9	9	10	9	8	8	7	9	9
Forestry	8	7	7	6	6	7	7	6.5	4	3.5
Storm	9	9	9	7	6	6	6	7.5	3	3.5
Subtotal	27	26	26	24	22	23	23	24	20	20
Fleet	6	6	6	6	6	6	7	7	7	7
Bus	0	0	0	0	0	0	0	0	0	0
Total	34	32	32	31	29	30	31	32	28	29
Economic development										
Planning	3	3	3	2	2	2	2	2	2	2
Basic utility services:										
Wastewater treatment plant	26	26	26	25	25	26	29	29	28	27
Total	219	212	212	205	202	200	206	208	204	209

Source: City payroll records

(a) See security of persons and property

# City of North Olmsted, Ohio

## Operating Indicators by Function/Program

### Last Ten Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Function/Program:										
General government:										
<b>Council and clerk</b>										
Number of ordinances and resolutions submitted	142	92	142	111	100	116	133	143	162	152
Number of ordinances and resolutions passed	140	91	140	108	97	114	131	143	159	147
<b>Mayor's Court (b)</b>										
Number of traffic cases	9,961	6,842	7,705	9,927	7,602	7,345	N/A	N/A	N/A	N/A
Number of OVI cases	42	40	45	54	62	59	N/A	N/A	N/A	N/A
Number of criminal cases	315	307	258	255	260	273	N/A	N/A	N/A	N/A
Number of parking cases	290	190	246	303	225	261	N/A	N/A	N/A	N/A
Number of cases transferred	212	159	172	122	105	116	N/A	N/A	N/A	N/A
Number of cases waived, total	8,471	5,859	6,952	7,932	6,513	6,063	N/A	N/A	N/A	N/A
Number of cases waived, online	5,467	3,581	3,924	4,406	3,396	3,380	N/A	N/A	N/A	N/A
<b>Finance</b>										
Agency ratings										
Fitch IBCA	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-	A+
Moody's Financial Services – General Limited Tax	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	A1
Moody's Financial Services – General Unlimited Tax	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa3
<b>Law</b>										
Real property complaints filed	151	168	81	34	45	45	59	39	38	22
Real property fines collected	\$ 7,759	\$ 4,877	\$ 7,445	\$ 6,282	\$ 4,050	\$ 5,410	\$ 23,655	\$ 575	\$ 7,405	\$ 13,675
Criminal cases prosecuted	895	808	1,048	959	1,049	700(c)	1,088	873	922	927
Traffic cases prosecuted	610	614	615	559	388	505(c)	1,274	1,536	1,062	1,228
<b>Building</b>										
Estimated valuation of permits issued	\$ 30,452,071	\$ 35,115,507	\$ 98,619,912	\$ 29,338,654	\$ 22,923,368	\$ 71,039,906(a)	\$ 39,405,961	\$ 48,029,378	\$ 15,650,821	\$ 13,933,125
Number of permits issued	1,539	1,663	1,593	1,409	1,315	1,450	1,605	1,744	1,103	1,142

(Continued)

# City of North Olmsted, Ohio

## Operating Indicators by Function/Program (Continued)

### Last Ten Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Security of persons and property:										
<b>Police</b>										
Number of criminal arrests	1,773	1,345	1,534	1,710	1,739	2,435	2,431	2,010	2,028	2,062
Number of DUI arrests	81	82	91	115	103	59	81	110	93	130
Number of motor vehicle accidents	835	849	827	915	857	814	867	791	751	753
Number of prisoners confined	1,267	1,062	1,220	1,335	1,329	1,254	1,468	1,349	1,413	1,465
Number of traffic citations issued	10,836	7,527	8,175	9,875	8,090	8,034	8,549	7,916	7,635	8,809
Number of parking citations issued	1,961	1,314	1,669	1,588	1,849	1,749	1,730	1,976	2,013	2,136
<b>Fire</b>										
Number of fire responses	711	681	642	686	689	718	728	801	703	700
Number of squad responses	3,780	3,730	3,626	3,655	3,297	3,175	3,128	3,111	2,971	2,871
Total number of emergency responses	4,491	4,411	4,268	4,341	3,986	3,893	3,856	3,912	3,674	3,571
Number of runs per day	12.0	12.1	12.0	11.9	10.9	10.7	10.5	10.7	10.1	10.3
Public health and welfare:										
<b>Youth and family services</b>										
Food cupboard distributions	1,808	1,800	1,735	1,787	1,833	1,618	1,413	1,213	1,147	1,154
Holiday adopt-a-family	43	48	48	47	54	56	62	64	52	51
<b>Senior center (g)</b>										
Hot lunch program – meals served	5,082	5,242	5,806	6,021	5,998	6,106	6,583	7,234	8,223	8,909
Meals on wheels clients served	53	40	30	38	62	60	63	74	68	71
Senior transportation connection medical trips	895	960	912	1,002	1,893	1,955	1,939	2,322	2,622	1,621
Senior transportation connection other trips	2,641	1,904	2,662	2,988	3,172	3,636	4,270	5,524	5,518	6,349
Leisure time activities:										
<b>Senior center</b>										
Cabin rentals	137	125 (f)	137	172	185	185	190	185	358	547
Activity participants except hot lunch program	14,764	20,776	21,520	22,683	23,665	23,652	23,219	24,222	19,978	10,930
<b>Springvale Golf Course and Ballroom</b>										
Number of golf rounds	22,148	25,013	25,274	26,542	22,715	21,731	22,625	15,723	23,083	19,934
Number of golf outings	36	33	42	42	37	39	41	34	47	44
Number of ballroom rentals	58	47	50	45	53	50	62	64	56	54
<b>Recreation</b>										
Skate programs and events participants	5,381	5,008	5,572	5,423	4,567(d)	5,005	5,041	5,033	4,897	6,714
Pool programs	1,355	1,394	1,366	1,229	928(d)	1,031	1,055	481	1,315	1,013
Summer camp participants	217	228	265	220	200(d)	220	222	220	225	163
Fitness pass visits	115,321	101,036	87,511	55,919(e)	N/A	N/A	N/A	N/A	N/A	N/A
Prime and Silver Sneaker Pass Visits	25,012	23,429	21,053	11,645(e)	N/A	N/A	N/A	N/A	N/A	N/A

(Continued)

# City of North Olmsted, Ohio

## Operating Indicators by Function/Program (Continued)

### Last Ten Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Transportation:										
Snowfall in inches	42.0	45.0	42.0	32.8	65.9	44.0	33.80	57.15	62.9	59.5
Street salting and plowing – number of hours	2,430	2,472	3,270	1,261	2,660	2,483	1,010	2,229	2,936	3,152
Street asphalt and concrete repair – number of hours	10,500	10,713	10,401	6,622	5,089	5,815	5,006	N/A	3,849	5,236
Tree planting and maintenance – number of hours	2,820	2,693	2,155	2,906	2,768	3,127	1,264	2,698	2,115	2,908
Vehicle maintenance and repair – number of hours	6,664	6,579	6,961	6,572	6,673	7,262	8,445	8,098	8,070	7,765
Street improvements - asphalt overlay/recycling - square feet	420,786	413,721	440,730	443,394	146,146	507,619	395,239	437,693	430,765	515,374
Cost of road salt purchased	166,706 \$	248,932 \$	168,175 \$	447,634 \$	405,950 \$	168,120 \$	108,432 \$	268,423 \$	258,409 \$	206,112
Cost of unleaded and diesel fuel used	414,601 \$	315,092 \$	353,216 \$	341,499 \$	567,864 \$	555,348 \$	538,795 \$	527,070 \$	392,702 \$	345,075
Wastewater:										
Sanitary sewer rate per 1,000 cubic ft.	83.56 \$	94.10 \$	81.46 \$	74.07 \$	67.98 \$	64.75 \$	58.18 \$	52.27 \$	47.74 \$	43.60
Total 1,000 cubic feet billed	118,132	117,881	118,592	118,525	121,268	122,844	129,072	136,367	138,580	163,332
Total flow of wastewater treatment plant (billions of gallons)	2,660	2,106	1,958	2,033	2,467	2,293	2,150	2,510	1,505	1,595
Average daily flow (millions of gallons per day)	7.287	5.782	5.364	5.570	6.759	6.286	5.870	6.874	4.121	4.395
Tons of wet sludge removed	5,465	5,857	5,201	6,106	4,793	5,295	5,048	5,644	5,532	5,242
Solid waste (h):										
Tons recycled	2,939	3,360	3,226	2,971	2,960	N/A	N/A	N/A	N/A	N/A
Tons composted	6,092	4,912	5,756	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tons landfilled	7,869	7,964	8,282	5,412	6,812	N/A	N/A	N/A	N/A	N/A

N/A: Not available

Source: Various City Divisions

- (a) 2013 Assessed Valuation of Improvements includes \$38,000,000 Wastewater Treatment Plant Improvement Project
- (b) The City began operating a Mayor's Court in 2013. Prior to 2013, all cases were handled by the Rocky River Municipal Court.
- (c) These figures represent only the cases that were prosecuted by the City through Rocky River Municipal Court. It does not include cases that were waived.
- (d) The Recreation Center was under construction during 2014 and some of the programs were limited.
- (e) The Recreation Center fitness area began operation in 2015.
- (f) The Community Cabin was closed for three months due to renovation in 2017.
- (g) The Senior Transportation Connection along with the City has changed the policies for dialysis and medical trips, which are combined on this report.
- (h) Statistics are provided by Cuyahoga County Solid Waste District.

# City of North Olmsted, Ohio

## Capital Assets Statistics by Function/Program

### Last Ten Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government:										
Number of administrative vehicles	10	10	9	7	8	8	8	8	8	8
Security of persons and property:										
Fire:										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of vehicles	17	16	16	15	14	14	14	12	12	12
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of vehicles	32	31	29	28	26	28	25	25	24	26
Leisure time activities:										
Recreation:										
Number of parks	4	4	4	4	4	4	4	4	4	4
Number of pools	2	2	2	2	2	2	2	2	2	2
Recreation center facility	1	1	1	1	1	1	1	1	1	1
Number of vehicles	8	7	7	7	7	6	5	8	10	6
Springvale Golf Course and Ballroom:										
Number of acres (18 hole golf course)	132	132	132	132	132	132	132	132	132	132
Square footage of ballroom	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Number of vehicles	1	1	1	1	1	1	1	2	3	2
Senior center:										
Senior center facility	1	1	1	1	1	1	1	1	1	1
Number of vehicles	1	1	1	1	1	1	1	1	1	1
Transportation:										
Streets:										
Miles of streets	146	146	146	146	146	146	146	146	146	146
Number of street lights	2,633	2,633	2,633	2,633	2,633	2,633	2,633	2,633	2,633	2,633
Number of service vehicles	54	50	52	49	50	48	55	51	45	43
Wastewater:										
Miles of sanitary sewers	176	176	176	176	176	176	176	176	176	176
Miles of storm sewers	152	152	152	152	152	152	152	152	152	152
Number of vehicles	24	24	26	23	23	20	21	17	17	18

# City of North Olmsted, Ohio

## Capital Assets by Function

### Last Ten Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
General government:										
Non-depreciable										
Land and art	\$ 4,284,592	\$ 4,284,592	\$ 4,119,592	\$ 4,119,592	\$ 4,119,592	\$ 4,119,592	\$ 4,119,592	\$ 3,728,055	\$ 3,728,055	\$ 3,728,055
CIP	24,075	345,587	-	60,299	-	-	-	-	18,986	-
Other capital assets										
Cost	15,544,553	15,244,608	14,960,300	14,880,955	14,903,823	14,865,654	14,768,258	14,289,159	13,863,148	13,821,102
Net book value	6,968,052	7,120,198	7,227,249	7,568,209	7,987,500	8,377,429	8,717,046	8,802,130	8,828,478	9,146,041
Security of persons and property:										
<i>Fire:</i>										
Non-depreciable										
Land	349,400	349,400	349,400	349,400	349,400	349,400	349,400	349,400	349,400	349,400
CIP	-	-	-	-	-	-	-	-	-	-
Other capital assets										
Cost	10,545,253	10,011,153	9,931,593	9,813,853	10,131,597	10,076,706	10,034,683	9,468,972	9,521,134	9,543,303
Net book value	5,135,225	4,922,582	5,104,932	5,315,192	5,617,704	5,855,145	5,922,426	5,621,875	5,863,147	6,103,581
<i>Police:</i>										
Non-depreciable										
CIP	-	-	333,718	15,000	-	287,610	-	-	-	-
Other capital assets										
Cost	4,552,145	4,370,310	3,866,321	3,927,420	3,455,139	2,970,279	2,903,904	2,940,562	2,883,521	2,888,984
Net book value	1,644,132	1,555,410	1,198,839	1,213,570	1,205,287	751,412	762,733	833,760	833,697	934,353
Public health and welfare:										
<i>Youth and family:</i>										
Other capital assets										
Cost	200,253	200,253	200,253	200,253	165,706	165,706	165,706	165,706	-	-
Net book value	138,325	148,158	157,991	167,824	142,507	149,135	155,764	162,392	-	-
Leisure time activities:										
<i>Recreation:</i>										
Non-depreciable										
CIP	-	-	-	1,653,610	1,211,618	22,478	-	-	-	-
Other capital assets										
Cost	12,267,589	12,260,724	11,865,850	10,204,381	10,182,522	9,942,010	9,968,018	9,927,018	9,436,242	9,331,565
Net book value	3,173,833	3,358,448	3,067,390	1,566,174	1,682,392	1,657,819	1,333,282	1,563,183	1,333,826	1,533,088

(Continued)

# City of North Olmsted, Ohio

## Capital Assets by Function (Continued)

### Last Ten Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<i>Senior center:</i>										
Non-depreciable CIP	-	-	-	-	110,970	-	-	-	-	16,833
Other capital assets										
Cost	1,394,526	1,023,118	1,006,092	974,238	855,852	855,852	696,496	696,496	687,186	539,328
Net book value	887,834	558,568	573,679	573,878	484,586	513,103	383,564	402,082	415,593	267,723
<i>Transportation:</i>										
Non-depreciable CIP	3,442,835	2,837,499	522,532	751,070	267,707	58,798	253,095	39,185	-	137,773
Other capital assets										
Cost	5,490,031	5,179,007	4,921,255	4,695,385	4,740,585	4,432,139	4,405,211	3,857,118	3,707,236	3,670,474
Net book value	1,853,868	1,642,389	1,473,524	1,279,369	1,309,219	1,153,149	1,243,141	788,365	791,339	861,383
Infrastructure										
Cost	148,141,857	147,134,364	146,269,502	144,433,404	143,179,372	142,664,860	141,635,998	140,178,515	139,422,954	130,440,393
Net book value	18,659,624	20,847,006	23,606,741	25,071,185	28,005,185	32,938,273	37,722,781	42,231,274	47,272,254	43,804,306
<i>Economic development:</i>										
Other capital assets										
Cost	106,490	106,491	106,491	122,673	122,673	122,673	-	-	-	-
Net book value	83,064	87,323	91,582	99,309	105,881	112,452	-	-	-	-
<b>Totals:</b>										
Non-depreciable										
Land and art	4,633,992	4,633,992	4,468,992	4,468,992	4,468,992	4,468,992	4,468,992	4,077,455	4,077,455	4,077,455
CIP	3,466,910	3,183,086	856,250	2,479,979	1,590,295	368,886	253,095	39,185	18,986	154,606
Other capital assets										
Cost	50,100,840	48,395,664	46,858,155	44,819,158	44,557,897	43,431,019	42,942,276	41,345,031	40,098,467	39,794,756
Net book value	19,884,333	19,393,076	15,895,186	17,783,525	18,535,076	18,569,644	18,517,956	18,173,787	18,066,080	18,846,169
Infrastructure										
Cost	148,141,857	147,134,364	146,269,502	144,433,404	143,179,372	142,664,860	141,635,998	140,178,515	139,422,954	130,440,393
Net book value	<u>18,659,624</u>	<u>20,847,006</u>	<u>23,606,741</u>	<u>25,071,185</u>	<u>28,005,185</u>	<u>32,938,273</u>	<u>37,722,781</u>	<u>42,231,274</u>	<u>47,272,254</u>	<u>43,804,306</u>
Total governmental activities-cost	\$ <u>206,343,599</u>	\$ <u>203,347,106</u>	\$ <u>198,452,899</u>	\$ <u>196,201,533</u>	\$ <u>193,796,556</u>	\$ <u>190,933,757</u>	\$ <u>189,300,361</u>	\$ <u>185,640,186</u>	\$ <u>183,617,862</u>	\$ <u>174,467,210</u>
Total governmental activities-net book value	\$ <u>46,644,859</u>	\$ <u>48,057,160</u>	\$ <u>47,827,169</u>	\$ <u>49,803,681</u>	\$ <u>52,599,548</u>	\$ <u>56,345,795</u>	\$ <u>60,962,824</u>	\$ <u>64,521,701</u>	\$ <u>69,434,775</u>	\$ <u>66,882,536</u>

(Continued)

# City of North Olmsted, Ohio

## Capital Assets by Function (Continued)

### Last Ten Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Business-type activities:										
Springvale Golf Course and Ballroom:										
Cost	\$ 11,163,275	\$ 9,492,696	\$ 7,978,527	\$ 7,823,515	\$ 7,589,715	\$ 7,461,986	\$ 7,401,729	\$ 7,386,087	\$ 6,906,494	\$ 6,896,158
Net book value	7,735,689	6,295,678	4,992,251	5,065,202	4,951,925	5,031,022	5,161,855	5,351,051	4,993,308	5,157,215
Sewer revenue:										
Cost	97,801,719	97,247,792	96,167,396	123,128,118	122,092,107	112,208,937	81,116,335	70,628,454	69,798,659	69,008,076
Net book value	63,413,790	65,544,822	66,716,782	71,686,671	72,363,287	64,146,307	30,706,798	21,474,976	22,008,808	22,460,892
NOMBL:										
Cost	-	-	-	-	-	-	-	564,130	564,130	564,130
Net book value	-	-	-	-	-	-	-	391,537	391,537	391,537
Total business-type activities cost	\$ <u>108,964,994</u>	\$ <u>106,740,488</u>	\$ <u>104,145,923</u>	\$ <u>130,951,633</u>	\$ <u>129,681,822</u>	\$ <u>119,670,923</u>	\$ <u>88,518,064</u>	\$ <u>78,578,671</u>	\$ <u>77,269,283</u>	\$ <u>76,468,364</u>
Total business-type activities net book value	\$ <u>71,149,479</u>	\$ <u>71,840,500</u>	\$ <u>71,709,033</u>	\$ <u>76,751,873</u>	\$ <u>77,315,212</u>	\$ <u>69,177,329</u>	\$ <u>35,868,653</u>	\$ <u>27,217,564</u>	\$ <u>27,393,653</u>	\$ <u>28,009,644</u>

Source: City Finance Department – capital asset inventory.