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ANNUAL REPORT

CITY OF BROOKPARK, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018



City of Brook Park, Ohio

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

Issued by: Finance Department

Gregory M. Cingle, CPA, Finance Director

Martin S. Healy, Assistant Finance Director

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INTRODUCTORY SECTION

City of Brook Park, Ohio
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For the Year Ended December 31, 2018

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City of Brook Park

Finance Department

Gregory M. Cingle
Finance Director

Martin S. Healy
Assistant Finance Director

June 24, 2019

To the Honorable Mayor and Members of City Council,
And Citizens of Brook Park, Ohio:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the city of Brook Park (City) for the fiscal year ended December 31, 2018.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to both compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP and protect the government's assets from loss, theft or misuse. Since the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assure that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by James G. Zupka, C.P.A., Inc. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the financial statements of the City for the fiscal year ended December 31, 2018, and that the financial statements are fairly presented in conformity with GAAP. The report of the independent auditor is presented as the first component of the financial section of this report.

The requirements of GAAP necessitate that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement the City's MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City, incorporated in 1967, is located in the Southwest portion of Cuyahoga County, 13 miles from Downtown Cleveland, with the cities of Parma to the east, Berea to the west and Middleburg Heights to the south. Brook Park is an easily accessible suburban community that abuts Cleveland Hopkins Airport on the Northwest boundary and has ready access to Interstates 71 and 480 and the Ohio Turnpike. With an excellent combination of residential, commercial and industrial areas that provide tax support, the City is able to finance the building of excellent administrative, recreational and service facilities as well as provide a wide variety of municipal services, such as police and fire services, street services, sewer services and recreation services.

The City operates under a mayor-council form of government. The mayor, designated by the charter as the chief executive officer of the City, is elected to serve a four-year term. The mayor has the power to appoint, promote, discipline, transfer, reduce or remove any employee of the City, except those elected, those who work for an elected official and those whose terms of office are set by the charter. Legislative authority is vested in an eight-member council. The council consists of a president, three council members elected at-large and four council members elected by ward. Council members are elected to serve a two-year term. Each member of council has a right to vote, except for the president, who may vote only in the event of a tie.

The mayor is entitled to a seat on council but has no voting rights. The mayor may veto any legislation passed by council. A veto may be overridden by a two-thirds vote of all members of council. The council fixes compensation of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, appropriations, indebtedness, the licensing of regulated businesses and trades and other municipal purposes.

Other elected officials include the finance director and law director, each of whom serve four-year terms.

Detailed provisions for the City's budget, tax levies and appropriations are set forth in the Ohio Revised Code and the charter. With the assistance of the finance director, the mayor is required to submit to council an estimate of the revenues and expenditures of the City for the succeeding fiscal year. The mayor submits to council an appropriation ordinance budget for the next succeeding fiscal year based on the annual estimate. Council is required to adopt said ordinance in its original form or with those revisions as it may find proper within 90 days of the beginning of the fiscal year.

The City maintains budgetary control on a non-GAAP basis by fund and within each fund by department at major object levels, which include personal services, travel and education, contractual services, supplies and materials, other expenditures, capital outlay, debt service and transfers. For management purposes, the major object level is further defined with budgeted amounts not to exceed the aggregate appropriated by council.

Budgetary control is maintained by an encumbrance of purchase commitment amounts prior to the release of purchase orders to vendors. Requisitions for the expenditure of monies are submitted to the mayor for approval and preparation of a purchase order. The purchase order is forwarded to the finance director's office for certification of the availability of funds. Once certified, the estimated expenditure is encumbered against the available appropriation. Unencumbered appropriations lapse at the end of each year. The City's accounting system provides interim financial reports that detail year-to-date expenditures plus encumbrances versus the original appropriations plus or minus any additional approved appropriations. The report permits the officials of the City to ascertain the status of a department's appropriations at any time during the year.

Factors Affecting Financial Condition

I. Economic Conditions and Outlook. In general, the U.S. economic growth continues at a moderate pace. Some of the factors are as follows:

- The 2018 calendar year realized job growth of over 2.6 million jobs.
- The Federal Reserve raised the federal funds rate three times in 2017 from .75% to 1.50%.
- Oil prices surged at the end of 2018.
- Many of the major market indexes realized the worst annual performance since 2008.

II. Local Economic Activity. The City continues to work to sustain its existing economic base and also pursue new business opportunities.

- As a member of the First Suburbs Development Coalition (FSDC), the City will continue to work towards finding meaningful programs that can be administered by the FSDC.
- Work continues with the cities of Cleveland, Parma, Berea, North Olmsted and Olmsted Falls to create an AeroZone centered around Cleveland Hopkins Airport. The goal of the project is to enhance and generate new economic activity within designated areas of each of the communities.
- The City is working closely with Ford Motor Company with respect to approximately 195 acres of unused industrial land and several buildings located at Ford Motor Company's location in the City of Brook Park for redevelopment as an advanced technological or manufacturing center.
- The City applied for an Opportunity Zone designation (OZ) in the west-end area of the City near NASA Glenn. On March 27th, 2018, the City was informed that this area was designated as an OZ. This reinvestment zone was created as part of the new US income tax plan passed in December 2017, which allows for reinvestment of profits, which would be subject to capital gains, at a low or zero tax rate.
- Company Wrench Inc., will be building on 3.3 acres of land located at 16400 Brookpark Road. Planned investment is \$2.15 million for the building of a sales, leasing and service center. Projected employment is 15 people at build-out.
- The City is currently in discussions with the Glimcher Group, owners of Brook Gate Shopping Center, for the arrival of a new full service, family friendly restaurant at that location. Estimated employment is 35 jobs.
- The City is actively pursuing a Tim Hortons restaurant to locate along the Snow Road corridor. Construction is estimated to begin in the spring of 2020 at an approximate cost of \$2 million, generating 20-25 jobs.
- E.L. Mustee, a long time plumbing fixture manufacturer, has completed its 66,793 square foot. \$3.2 million distribution facility on West 161st Street, which created 12 new jobs.

III. Major Economic Initiatives. The City continued to focus on business retention, redevelopment opportunities, infrastructure improvements and prospecting for new business investment in the community.

Retention Activity:

- Ford Motor Company: After the completion of a \$200 million retrofit, Engine Plant No. 1 continues production of Ford's 2.0-liter, 4 and 6-cylinder EcoBoost engines. Engine Plant No. 1 is currently operating at 100% capacity.
- NASA Glenn ("Glenn"): The United States federal budget included \$400 million for programs and a new building at Glenn. The new \$47 million Aerospace Communications Facility will be located on the western side of the Center's 350-acre headquarters in Brook Park. The facility will consolidate existing work.

Glenn will continue to play a leading role in developing Gateway, a platform expected to enter lunar orbit in 2022 and stay there for 15 to 20 years. Among other tasks, Glenn will develop the platform's power and propulsion element.

Glenn also has key duties in developing Orion, which will take people to Gateway and beyond. These programs will benefit other NASA science and exploration missions.

Employment and subcontractor levels are projected to remain stable, approximately 3,400 individuals.

Redevelopment Opportunities:

- The City has received title to and is actively marketing a commercial property on Brookpark Road.
- The City is working to attract and construct a \$3.5 million, 15,000 square ft. service, sales and parts truck center facility on Brookpark Road.
- The City continues to utilize the Master Plan that was finalized in 2012. The Master Plan assists in providing ideas for redevelopment, land use and zoning updates through-out the community.
- Brook Park currently owns 34 acres available in the OZ for purchase and development.
- The City is currently working with a long-time manufacturing distribution company to relocate its offices into the above referenced OZ. The company currently employs 110 people with an annual payroll of \$10 million.

Cash Management Policies and Practices

Cash management is a vital component of the City's overall financial strategy. Under the direction of the finance director, the City maintains an aggressive cash management program. Major considerations are timing of cash flows necessary to pay City liabilities and available interest rates. As City funds become available, they are invested immediately in short-term certificates of deposit or other securities authorized by state statutes. Interest earnings are allocated to funds based on the requirements of the Ohio Constitution and state statutes. All deposits and investments are covered by pooled collateral that has a face value equal to at least 105 percent of deposits.

Risk Management

The City has contracted with Wichert Insurance Company to negotiate property, general liability, boiler and machinery, automobile, law enforcement, public officials and umbrella insurance for the City. Medical insurance is provided for full-time employees and their families. The plan is fully-funded and administered by a third party administrator. The state of Ohio provides workers' compensation coverage for employees of the City.

Awards and Acknowledgements


Certificate of Achievement. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended December 31, 2017. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report conformed to program standards and satisfied both GAAP and applicable legal requirements.

The Certificate of Achievement is valid for a period of only one year. The City has received a Certificate of Achievement for the last 27 years. We believe that our current CAFR continues to meet the requirements for the Certificate of Achievement, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgement. The Finance Department, with the efficient and dedicated service of its entire staff, prepared this CAFR. We would like to express special appreciation to the independent accounting firm of James G. Zupka, CPA, Inc. for their assistance in preparing this report. In addition, we would like to thank the Mayor and each member of Brook Park City Council for their support, which has allowed the Finance Department to operate at the level that the residents of the City demand and deserve.

Respectfully submitted,



Gregory M. Cingle, CPA, MBA
Finance Director



Government Finance Officers Association

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

Presented to

**City of Brook Park
Ohio**

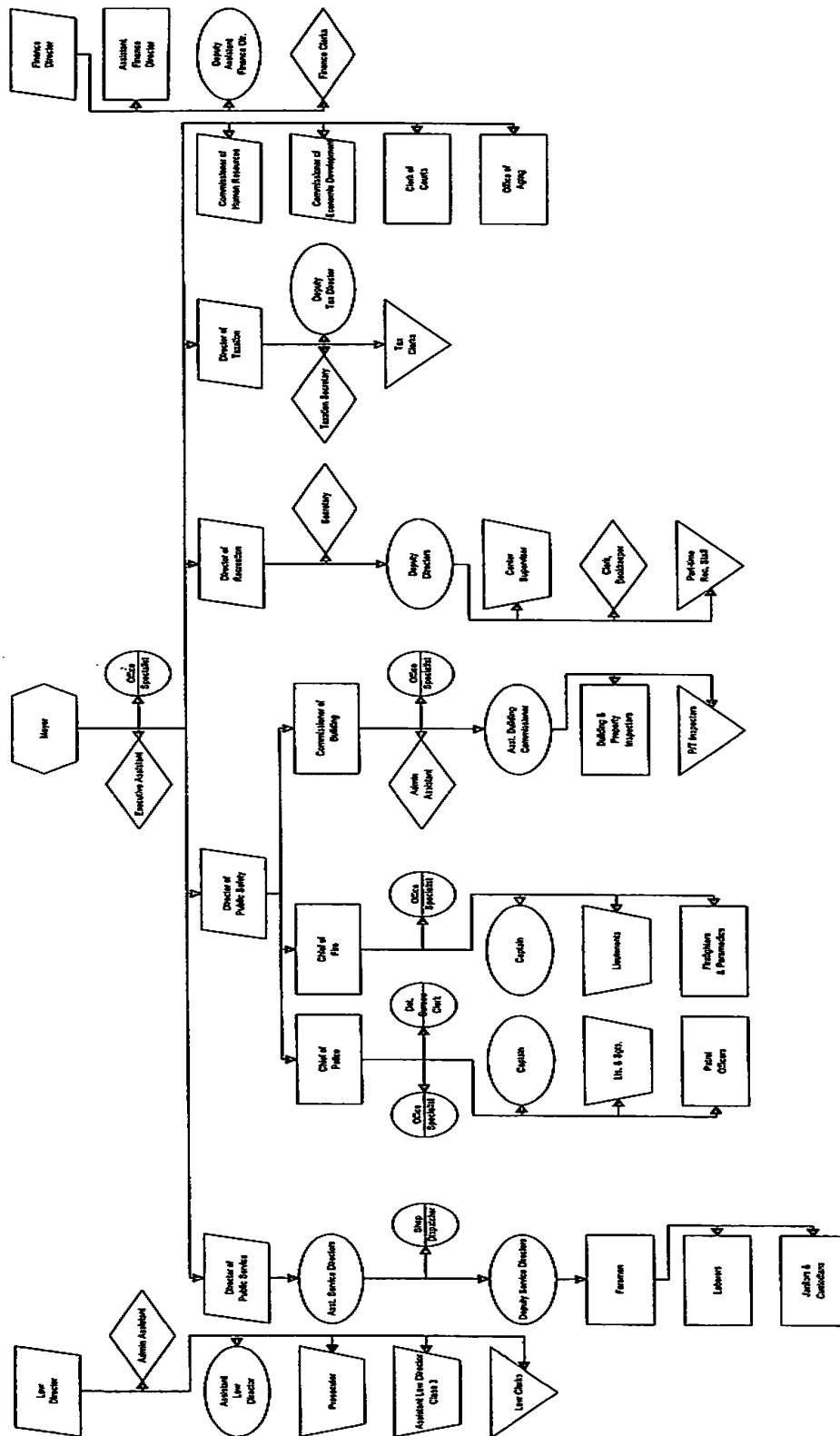
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

City of Brook Park Administration



City of Brook Park, Ohio

Elected Officials

December 31, 2018

Mayor	Michael D. Gammella
Council Member – President	Mike Vecchio
Council Member – At-Large	Carl J. Burgio
Council Member – At-Large	Brian K. Poindexter
Council Member – At-Large	Richard A. Salvatore
Council Member – Ward 1	Gregory Stemm
Council Member – Ward 2	Jim Mencini
Council Member – Ward 3	Edward Orcutt
Council Member – Ward 4	Richard D. Scott
Finance Director	Gregory M. Cingle
Law Director	Carol Horvath

FINANCIAL SECTION

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

*Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

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Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of City Council
City of Brook Park
Brook Park, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brook Park, 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brook Park 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 for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the basic financial statements, 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*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James G. Zupka, CPA, Inc." The signature is written in a cursive, flowing style.

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

June 24, 2019

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City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2018

The discussion and analysis of the City of Brook Park'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 are encouraged to consider this information in conjunction with the additional information contained in the financial statements and the notes thereof.

Financial Highlights

Key financial highlights for 2018 are:

- Revenue from municipal income and other taxes totaled \$19,911,095.
- Total assets and deferred outflows of resources decreased by \$3,367,600 or a 2.76 percent decrease from 2017. This was attributed mainly by the depreciation of capital assets.
- Total net position decreased by \$3,578,968 or a 6.66 percent decrease from 2017.
- Total capital assets decreased by \$2,052,665 or a 2.38 percent decrease from 2017.
- Total liabilities and deferred inflows of resources increased by \$211,368. This was a 0.31 percent increase from 2017.
- At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,613,187 a decrease of \$172,503 in comparison with the prior year's amount. Approximately 31.07 percent of this total amount, or \$6,094,762, is available for spending at the government's discretion (unassigned fund balance) without externally or internally imposed constraints.
- At the end of the current fiscal year, the General Fund's unassigned fund balance was \$6,109,471, or 32.48 percent of General Fund expenditures (not including other financing uses).

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 both financially and operationally. The statements proceed to provide an increasingly detailed look at our specific financial condition.

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

City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited) (continued)

For the Year Ended December 31, 2018

Reporting the City of Brook Park as a Whole

Statement of Net Position and Statement of Activities

While the CAFR contains information about the funds used by the City to provide services to our citizens, the *Statement of Net Position* and the *Statement of Activities* provide a view of the City's monetary transactions and answer the question, "How did the City do financially during 2018?" These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting method used by the private sector. This accounting method 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 the reader whether the financial position of the City has improved or diminished. When evaluating the overall position of the City, non-financial information should also be considered, such as: changes in the City's tax base, amendments to property and income tax laws, condition of capital assets, etc.

The *Statement of Net Position* and the *Statement of Activities* will include the following governmental activities: police, fire, street maintenance, parks and recreation and general administration. Income taxes, property taxes and state and federal subsidy grants finance most of these activities.

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 Revenues and Expenses
- General Revenues
- Net Position at the Beginning, restated, and End of Year

Reporting of the Most Significant Funds of the City of Brook Park

Fund Financial Statements

The presentation of the City's major funds begins on page 19. Fund financial statements provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds to account for the multitude of services, facilities and infrastructure improvements provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City, the major funds are the General and Capital Improvements Funds. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited) (continued)

For the Year Ended December 31, 2018

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the near-term financing requirements of a government. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets and deferred inflows of resources that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Both the *Governmental Funds Balance Sheet* and the *Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances* provide a reconciliation to facilitate a comparison between governmental activities (reported in the *Statement of Net Position* and the *Statement of Activities*) and governmental funds.

The City maintains 20 individual governmental funds. Information is presented separately in the *Governmental Funds Balance Sheet* and in the *Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances* for the General Fund and Capital Improvements Fund. Data from the other governmental funds are combined into single, aggregated presentations. Individual fund data for each of these nonmajor governmental funds is provided in this CAFR in the form of combining statements.

The City adopts an annual appropriated budget for each of its funds. A budgetary comparison statement (non-GAAP budgetary basis) has been provided for each governmental and proprietary fund to demonstrate budgetary compliance.

Proprietary Funds

Internal service funds are an accounting device used to accumulate and allocate costs internally among the various functions of a city. This fund has been included with governmental activities in the government-wide financial statements. The City maintains one proprietary fund for the self-insurance of health care benefits.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Internal Service Fund. The basic proprietary fund financial statements can be found starting on page 24.

Fiduciary Funds

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

Notes to the 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 financial statements can be found starting on page 29.

City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited) (continued)

For the Year Ended December 31, 2018

Other information

In addition to the basic financial statements and the accompanying notes, this CAFR also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the required supplementary information, notes to the required supplementary information, and the combining statements, referred to earlier in connection with nonmajor governmental funds, are presented along with individual detailed budgetary comparisons for all nonmajor funds. This information can be found starting on page 85.

The City as a Whole

The *Statement of Net Position* looks at the City as a whole and can prove to be a useful indicator of the City's financial position. Table 1 provides a summary of the City's net position for 2018 as compared to 2017.

Table 1
Net Position

	2018	2017*
ASSETS		
Current and other assets	\$ 27,206,820	\$ 28,645,815
Net pension asset	25,948	11,569
Capital assets, net	84,161,444	86,214,109
Total Assets	111,394,212	114,871,493
DEFERRED OUTFLOWS OF RESOURCES		
Pension	4,675,570	6,841,698
OPEB	2,579,266	303,457
Total Deferred Outflows of Resources	7,254,836	7,145,155
LIABILITIES		
Current and other liabilities	812,812	2,227,745
Long-term liabilities:		
Due within one year	1,601,487	1,784,311
Due in more than one year		
Net Pension Liability	23,792,459	26,569,333
Net OPEB Liability	22,088,544	18,615,297
Other amounts	14,804,440	16,038,965
Total Liabilities	63,099,742	65,235,651
DEFERRED INFLOWS OF RESOURCES		
Property taxes	1,861,206	1,677,004
Pension	2,984,624	1,378,067
OPEB	556,518	-
Total Deferred Inflows of Resources	5,402,348	3,055,071
NET POSITION		
Net investment in capital assets	70,660,770	71,280,520
Restricted	8,818,517	10,698,483
Unrestricted	(29,332,329)	(28,253,077)
Total Net Position	\$ 50,146,958	\$ 53,725,926

* Restated

City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited) (continued)

For the Year Ended December 31, 2018

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 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 and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board 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 and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and 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 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 and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 and OPEB plans.

City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited) (continued)

For the Year Ended December 31, 2018

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

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

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from \$72,037,766 to \$53,725,926.

Net position may serve over time as useful indicator of a government's financial position. The City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the close of 2018 by \$50,146,958. Due to the recording of GASB 68 and GASB 75, the City's unrestricted net position was a negative \$29,332,329.

The largest portion of the City's total net position (140.91 percent) reflects its net investment in capital assets, i.e. land, buildings, machinery, equipment, vehicles and infrastructure, less any related outstanding debt used to acquire those assets along with related deferred outflows/inflows of resources. The City uses these capital assets to provide services to 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 and related deferred outflows/inflows of resources, 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 those liabilities and related deferred inflows of resources.

Total assets decreased by \$3,477,281 during the current year. This decrease was largely attributed to the depreciation of capital assets, which amounted to \$4,890,141.

Total liabilities decreased by \$2,135,909, which is primarily due to the completion of the Community Center renovation project at the beginning of 2018 and the continued payments made on outstanding debt.

The table presented on the following page is necessary to show the City's Net Position without the implementation of GASB 68 and GASB 75.

City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited) (continued)

For the Year Ended December 31, 2018

Table 2
Net Position without GASB 68 and GASB 75

Total Net Position including GASB 68 and GASB 75	\$	50,146,958
Add:		
Net Pension Liability		23,792,459
Net OPEB Liability		22,088,544
Deferred Inflows - Pension		2,984,624
Deferred Inflows - OPEB		556,518
Less:		
Deferred Outflows - Pension		4,675,570
Deferred Outflows - OPEB		2,579,266
Total Net Position without GASB 68 and GASB 75	\$	<u>92,314,267</u>

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 \$303,457 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 inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$1,889,151. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Total 2018 program expenses under GASB 75	\$30,967,396
OPEB expense under GASB 75	(1,889,151)
2018 contractually required contribution	<u>135,195</u>
Adjusted 2018 program expenses	29,213,440
Total 2017 program expenses under GASB 45	<u>28,612,493</u>
Increase in program expenses note related to OPEB	<u>\$ (600,947)</u>

City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited) (continued)

For the Year Ended December 31, 2018

Table 3 shows the changes in net position for 2018 as compared with 2017.

Table 3
Changes in Net Position

	2018	2017
REVENUES		
Program Revenues:		
Charges for services	\$ 3,659,589	\$ 3,860,556
Operating grants and contributions	986,429	929,995
Capital grants and contributions	171,590	2,751,058
Total Program Revenues	4,817,608	7,541,609
General Revenues:		
Property taxes	1,840,585	1,852,018
Municipal income and other taxes	19,911,095	19,774,881
Grants and entitlements	596,775	600,624
Investment income	188,782	112,037
All other revenues	33,583	24,845
Total General Revenues	22,570,820	22,364,405
Total Revenues	27,388,428	29,906,014
EXPENSES		
Program Expenses:		
Security of persons and property	13,944,020	12,555,307
General government	4,274,233	4,432,813
Public works	3,141,480	4,130,367
Leisure time activities	3,144,157	1,752,451
Transportation	4,656,162	3,610,372
Community development	1,264,341	1,371,587
Public health and welfare	148,650	247,059
Interest and fiscal charges	394,353	512,537
Total Expenses	30,967,396	28,612,493
Change in Net Position	(3,578,968)	1,293,521
Net Position - Beginning of Year, Restated (See Note 3)	53,725,926	NA
Net Position - End of Year	\$ 50,146,958	\$ 53,725,926

Governmental Activities

Several revenue sources fund the City's governmental activities, with City income tax being the largest contributor. The City's income tax rate is two percent on gross income and has not changed since 1991. Residents of the City who work in other communities and pay the withholding tax to those municipalities receive a 100 percent tax credit of up to two percent on their City income tax. During 2018, the revenues generated from municipal income tax and other miscellaneous taxes amounted to \$19,911,095. The 1.84 percent increase in income tax collections from 2017 to 2018 can mostly be attributed to withholding and net profit tax collections.

For 2018, City income tax revenue of 20 percent is earmarked for specific capital improvements. These revenues are allocated by City ordinance, providing that a substantial portion of the City's income tax collections be set aside for roads, city facilities and other capital requirements.

City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited) (continued)

For the Year Ended December 31, 2018

Of the \$27,388,428 in total revenue, municipal income tax and other taxes accounted for 72.70 percent, property taxes accounted for 6.72 percent, charges for services accounted for 13.36 percent, and operating grants and contributions accounted for 3.60 percent of total revenue.

The combination of municipal income tax, property tax, charges for services, intergovernmental funding and operating and capital grants and contributions were not sufficient to fund all of the expenses in the governmental activities. The City monitors its sources of revenues very closely for fluctuations. There was significant decrease in capital grants and contributions in the amount of \$2,579,468, which is due to the contributions from the Ohio Department of Transportation for the Snow Rd. project in 2017. The implementation of GASB 75 coupled with the continued compliance with GASB 68 was the largest factor in the decrease in Net Position, which was \$3,578,968. GASBs 68 and 75 created \$4,983,837 in expenses that were required to be reported within the financial statements. The largest program functions for the City relate to security of persons and property, transportation and general government. During 2018, security of persons and property accounted for 45.03 percent of program expenses, transportation accounted for 15.04 percent, and 13.80 percent of program expenses related to general government.

Currently there are 35 full-time sworn officers in the police department. The department wrote 3,766 tickets in 2018, which constituted a 39.80 percent decrease over tickets written in 2017.

The fire department consists of 30 full-time firefighters. The department handled 3,180 calls for assistance in 2018, of which approximately 2,573 were for emergency medical services (EMS), with the balance attributed to fire and fire-related incidents. Total calls for assistance represented a decrease of 8.54 percent as compared to 2017.

Program Expenses

For the year ended December 31, 2018, the City's total cost of services was \$30,967,396, with a net cost of services totaling \$26,149,788.

Table 4 itemizes fiscal year 2018 program expenses by specific function.

Table 4
Program Expenses

	Total Cost of Services 2018	Net Cost of Services 2018
Security of persons and property	\$ 13,944,020	\$ 12,694,822
General government	4,274,233	3,511,171
Public works	3,141,480	3,079,027
Transportation	4,656,162	3,735,602
Leisure time activities	3,144,157	2,833,941
Community development	1,264,341	(247,468)
Public health and welfare	148,650	148,340
Interest and fiscal charges	394,353	394,353
Total cost of service	<u>\$ 30,967,396</u>	<u>\$ 26,149,788</u>

The table above shows the total cost of services as well as the net cost of services. That is, it identifies the cost of the services supported by tax revenue and unrestricted intergovernmental revenues.

City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited) (continued)

For the Year Ended December 31, 2018

As referenced, most of the City's governmental activities rely on general revenues (property taxes, municipal income tax, grants, etc.) to support program expenses.

The City's Funds

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, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins on page 19.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,613,187. Of that amount, \$6,094,762 constitutes unassigned fund balances that are available for spending at the government's discretion without externally or internally imposed constraints. The remaining balance is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending.

General Fund

The General Fund is the chief operating fund of the City. As of December 31, 2018, the total fund balance for the General Fund was \$10,778,899, of which \$6,109,471 was unassigned. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to fund expenditures (not including other financing uses). Unassigned fund balance represents 32.48 percent of total General Fund expenditures, while total fund balance represents 57.30 percent of that same amount.

During 2018, the said fund balance increased by \$1,858,381 or 20.83 percent. This increase is due to the City reducing the amount of transfers out of the General fund.

Capital Improvements Fund

The Capital Improvements Fund accounts for intergovernmental revenue in the form of grants as well as the portion of municipal income tax allocated by City Council for the purpose of improving, constructing, maintaining and purchasing those items necessary to enhance the operation of the City. As of December 31, 2018, the total fund balance for the Capital Improvements Fund was \$3,838,685, of which \$3,611,082 was committed due to constraints imposed by Council and \$227,603 was restricted by external constraints. The said fund balance decreased by \$2,513,504 during 2018. This decrease is mainly due to the Capital Improvement fund being stable enough to not rely as heavily on the General Fund transfers to support operations within the fund.

City Budget

The City's budget is prepared according to Ohio law and accounts for certain transactions on a basis of cash receipts, cash disbursements and encumbrances. The most significant budgeted fund is the General Fund. Except for agency funds, an annual appropriation budget is legally required to be prepared for all funds of the City. City Council is provided with a detailed line item budget for all departments.

City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited) (continued)

For the Year Ended December 31, 2018

After discussions at regularly held council meetings that are open to the public, the budget is adopted at the department level by object. Within each object, appropriations can be transferred between line items with the approval of the Finance Director and the respective department head. Council must approve any revisions in the budget that alter object level totals or total appropriations for any department or fund. During the course of 2018, the City amended its General Fund budget once. The finance department watches all department expenditures closely to monitor compliance with allocated budgets and provides monthly reports to City Council that depicts monthly and year-to-date activity.

For the General Fund, the final budget basis revenue plus other financing sources was \$23,130,552 as compared to the original budget estimate plus other financing sources of \$22,283,426. The final budget, which is equal to the actual revenues excluding transfers, was higher than the original budget due to higher than expected income tax collections. The final appropriations plus other financing uses of \$24,299,249 were sufficient to meet the actual expenditures plus other financing uses for the year, which amounted to \$22,369,954. This is a result on of finance budgeting with conservatism.

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2018, the City had \$84,161,444 invested in land, construction in progress, buildings and improvements, improvements other than buildings, machinery and equipment, furniture and fixtures, vehicles and infrastructure. Table 5 shows fiscal year 2018 balances of capital assets, net of depreciation, as compared to 2017.

Table 5
Capital Assets at Year End
(Net of Depreciation)

	2018	2017
Land	\$ 4,926,923	\$ 4,926,923
Construction in progress	5,495,383	13,381,514
Buildings and improvements	11,024,037	7,792,683
Improvements other than buildings	638,961	759,286
Machinery and equipment	1,151,099	1,231,138
Furniture and fixtures	21,225	18,289
Vehicles	3,366,203	3,751,308
Infrastructure:		
Streets	38,314,621	36,559,843
Sewers	17,907,860	16,732,052
Water Lines	1,315,132	1,061,073
Total Capital Assets	<u>\$ 84,161,444</u>	<u>\$ 86,214,109</u>

In 2018, the completion of various road projects and the Community Center Renovation resulted in a significant decrease in Construction in Progress in the amount of \$7,886,131. The \$2,052,665 decrease in total capital assets was a result of depreciation totaling \$4,890,141 for 2018.

City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited) (continued)

For the Year Ended December 31, 2018

With respect to infrastructure, the City engineer maintains a comprehensive listing of all the streets, bridges, culverts and sewer lines located within the City. As part of the annual road maintenance program, the City engineer evaluates the condition of each street after each winter and prepares a list of streets to be either resurfaced or crack sealed. In the case of concrete roads, the damaged portion will be either replaced or repaired. After approval from City Council, the projects are bid to get the best possible pricing from contractors. For additional information on capital assets, see Note 8 of the basic financial statements.

Debt

On December 31, 2018, the City had \$13,804,440 in outstanding debt, with \$1,227,396 of that debt due within one year. Table 6 below summarizes general obligation bonds, capital leases, and OPWC loans.

Table 6
Outstanding Debt at Year End

	2018	2017
General obligation bonds	\$ 10,325,000	\$ 10,920,000
Capital leases	1,022,130	1,720,425
OPWC loans	2,457,310	2,633,141
Total outstanding debt	<u>\$ 13,804,440</u>	<u>\$ 15,273,566</u>

As of December 31, 2018, the City's overall legal debt margin was \$33,033,029, with an unvoted debt margin of \$12,323,056.

More detailed information about the City's debt liabilities is presented in Note 9 of the basic financial statements.

Current Financial Related Activities

Local officials and Ford executives will continue to meet frequently to discuss current operating conditions and to strategize for new business alternatives that will keep the Brook Park Ford facility competitive in their corporate structure, resulting in a long-term existence within the City. In addition, discussions will continue on how to best develop the vacant acreage on the campus.

NASA Glenn, the largest taxpayer in the City, continues to be a tremendous asset to the community and region. City officials will continue to meet with Glenn administrators to discuss the current and future state of their facility.

In closing, local officials continue to work through the economic challenges facing the City and remain committed to providing full disclosure of the City's financial position to its residents.

Contacting the City's Finance Department

The CAFR is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this CAFR or need additional financial information, please contact Finance Director Gregory M. Cingle, at the City of Brook Park, 6161 Engle Rd., Brook Park, Ohio, (216) 433-1300, or e-mail to info@cityofbrookpark.com.

City of Brook Park, Ohio
Statement of Net Position
December 31, 2018

	Governmental Activities
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 19,741,459
Cash and Cash Equivalents:	
With Escrow Agents	2,579
Materials and Supplies Inventory	177,090
Accounts Receivable	252,944
Accrued Interest Receivable	18,138
Intergovernmental Receivable	1,540,273
Prepaid Items	409,736
Municipal Income Taxes Receivable	2,997,386
Property Taxes Receivable	1,936,976
Other Taxes Receivable	51,292
Special Assessments Receivable	78,947
Net Pension Asset	25,948
Nondepreciable Capital Assets	10,422,306
Depreciable Capital Assets	73,739,138
Total Assets	111,394,212
DEFERRED OUTFLOWS OF RESOURCES	
Pension	4,675,570
OPEB	2,579,266
Total Deferred Outflows of Resources	7,254,836
LIABILITIES	
Accounts Payable	175,564
Contracts Payable	188,942
Accrued Wages and Benefits	246,932
Intergovernmental Payable	142,075
Accrued Interest Payable	41,209
Retainage Payable	18,090
Long-term Liabilities:	
Due within one year	1,601,487
Due in more than one year:	
Net Pension Liability (See Note 12)	23,792,459
Net OPEB Liability (See Note 13 & 14)	22,088,544
Other amounts due in more than one year	14,804,440
Total Liabilities	63,099,742
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	1,861,206
Pension	2,984,624
OPEB	556,518
Total Deferred Inflows of Resources	5,402,348
NET POSITION	
Net Investment in Capital Assets	70,660,770
Restricted for:	
Debt Services	1,370,897
Capital Projects	4,037,105
Economic Development	417,541
Street Paving and Repair	1,815,900
Recreation	458,922
Public Safety	370,603
Other Purposes	347,549
Unrestricted	(29,332,329)
Total Net Position	\$ 50,146,958

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

City of Brook Park, Ohio
Statement of Activities
For the Year Ended December 31, 2018

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
	Expenses				
Governmental activities:					
Security of Persons and Property					
Police and Others	\$ 7,843,156	\$ 521,190	\$ 18,795	\$ 112,602	\$ (7,190,569)
Fire	6,100,864	596,611	-	-	(5,504,253)
Public Health and Welfare	148,650	310	-	-	(148,340)
Leisure Time Activities	3,144,157	304,216	6,000	-	(2,833,941)
Community Development	1,264,341	1,470,735	41,074	-	247,468
Public Works	3,141,480	3,465	-	58,988	(3,079,027)
Transportation	4,656,162	-	920,560	-	(3,735,602)
General Government	4,274,233	763,062	-	-	(3,511,171)
Interest and Fiscal Charges	394,353	-	-	-	(394,353)
Total Governmental activities	\$ 30,967,396	\$ 3,659,589	\$ 986,429	\$ 171,590	(26,149,788)
General Revenues:					
Property Taxes levied for:					
General Purposes					1,530,068
Other Purposes					310,517
Municipal Income Taxes levied for:					
General Purposes					16,682,270
Capital Outlay					2,874,122
Other Taxes					354,703
Grants & Entitlements not restricted to specific programs					596,775
Investment Income					188,782
Gain on Sale of Capital Assets					1,138
All Other Revenues					32,445
Total General Revenues					22,570,820
Change in Net Position					(3,578,968)
Net Position - Beginning of Year - Restated (See Note 3)					53,725,926
Net Position - End of Year					\$ 50,146,958

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

City of Brook Park, Ohio
Balance Sheet – Governmental Funds
December 31, 2018

	General Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 8,705,383	\$ 3,671,655	\$ 4,306,815	\$ 16,683,853
Cash and Cash Equivalents:				
With Escrow Agents	-	2,579	-	2,579
Materials and Supplies Inventory	177,090	-	-	177,090
Accrued Interest Receivable	14,620	-	3,518	18,138
Accounts Receivable	252,944	-	-	252,944
Intergovernmental Receivable	271,136	-	1,269,137	1,540,273
Prepaid Items	409,736	-	-	409,736
Municipal Income and Other Taxes Receivable	2,469,358	579,320	-	3,048,678
Property Taxes Receivable	1,576,298	-	360,678	1,936,976
Special Assessments Receivable	-	384	78,563	78,947
Total Assets	13,876,565	4,253,938	6,018,711	24,149,214
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Accounts Payable	\$ 140,905	\$ -	\$ 34,659	\$ 175,564
Accrued Wages and Benefits	239,052	-	7,880	246,932
Contracts Payable	-	188,942	-	188,942
Intergovernmental Payable	25,094	-	116,981	142,075
Retainage Payable	-	18,090	-	18,090
Total Liabilities	405,051	207,032	159,520	771,603
Deferred Inflows of Resources:				
Property Taxes	1,514,659	-	346,547	1,861,206
Unavailable Revenue - Delinquent Property Taxes	61,639	-	14,131	75,770
Unavailable Revenue - Income Taxes	831,349	207,837	-	1,039,186
Unavailable Revenue - Other	284,968	384	502,910	788,262
Total Deferred Inflows of Resources	2,692,615	208,221	863,588	3,764,424
Fund Balances:				
Nonspendable	586,826	-	-	586,826
Restricted	-	227,603	2,762,328	2,989,931
Committed	2,625,460	3,611,082	934,298	7,170,840
Assigned	1,457,142	-	1,313,686	2,770,828
Unassigned (Deficit)	6,109,471	-	(14,709)	6,094,762
Total Fund Balances	10,778,899	3,838,685	4,995,603	19,613,187
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 13,876,565	\$ 4,253,938	\$ 6,018,711	\$ 24,149,214

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

City of Brook Park, Ohio

Reconciliation of Total Governmental Funds Balances to Net Position of Governmental Activities December 31, 2018

Total Governmental Funds Balance	\$ 19,613,187
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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	84,161,444
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenues in the funds:

Delinquent property taxes	\$ 75,770	
Municipal income and other taxes	1,039,186	
Special assessments	78,947	
Intergovernmental	<u>709,315</u>	
Total		1,903,218

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due.	(41,209)
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Internal Service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets of the Internal Service funds are included in Governmental Activities in the Statement of Net Position.	3,057,606
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The net pension liability/asset and net OPEB Liability is not due and payable in the current period; therefore, the liability/asset and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	4,675,570	
Deferred Inflows - Pension	(2,984,624)	
Net Pension Liability/Asset	(23,766,511)	
Deferred Outflows - OPEB	2,579,266	
Deferred Inflows - OPEB	(556,518)	
Net OPEB Liability	<u>(22,088,544)</u>	
Total		(42,141,361)

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

General obligation bonds	(10,325,000)	
OPWC loans	(2,457,310)	
Unamortized bond premiums	(393,111)	
Capital leases	(1,022,130)	
Accrued compensated absences	<u>(2,208,376)</u>	
Total		<u>(16,405,927)</u>

Net Position of Governmental Activities	\$ <u>50,146,958</u>
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The notes to the basic financial statements are an integral part of this statement

City of Brook Park, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2018

	General Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 1,531,575	\$ -	\$ 310,616	\$ 1,842,191
Municipal Income Taxes	16,872,767	2,921,746	-	19,794,513
Other Taxes	354,703	-	-	354,703
Intergovernmental	587,878	-	1,005,803	1,593,681
Interest	156,648	-	32,134	188,782
Licenses and Permits	643,874	-	49,225	693,099
Fines and Forfeitures	500,457	18,402	10,708	529,567
Rentals	50,090	-	-	50,090
Charges for Services	2,224,338	3,465	125,125	2,352,928
Contributions and Donations	4,215	-	1,000	5,215
Special Assessments	-	-	40,652	40,652
All Other Revenues	29,740	489	-	30,229
Total Revenues	<u>22,956,285</u>	<u>2,944,102</u>	<u>1,575,263</u>	<u>27,475,650</u>
EXPENDITURES				
Security of Persons and Property:				
Police and Others	5,894,907	-	670,631	6,565,538
Fire	3,897,307	-	758,999	4,656,306
Public Health and Welfare	38,053	-	102,296	140,349
Leisure Time Activities	1,184,162	-	111,934	1,296,096
Community Development	736,779	199,530	251,136	1,187,445
Public Works	1,727,642	-	-	1,727,642
Transportation	1,726,140	1,165	664,021	2,391,326
General Government	3,607,194	105,834	4,151	3,717,179
Capital Outlay	-	4,005,498	133,756	4,139,254
Debt Service:				
Principal Retirement	-	698,295	770,831	1,469,126
Interest and Fiscal Charges	-	36,631	392,337	428,968
Total Expenditures	<u>18,812,184</u>	<u>5,046,953</u>	<u>3,860,092</u>	<u>27,719,229</u>
Excess of Revenues (Under) Expenditures	<u>4,144,101</u>	<u>(2,102,851)</u>	<u>(2,284,829)</u>	<u>(243,579)</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	10,875	60,201	71,076
Transfers In	120,812	571,500	2,707,248	3,399,560
Transfers Out	(2,406,532)	(993,028)	-	(3,399,560)
Total Other Financing Sources (Uses)	<u>(2,285,720)</u>	<u>(410,653)</u>	<u>2,767,449</u>	<u>71,076</u>
Net Change in Fund Balances	<u>1,858,381</u>	<u>(2,513,504)</u>	<u>482,620</u>	<u>(172,503)</u>
Fund Balances - Beginning of Year	<u>8,920,518</u>	<u>6,352,189</u>	<u>4,512,983</u>	<u>19,785,690</u>
Fund Balances - End of Year	<u>\$ 10,778,899</u>	<u>\$ 3,838,685</u>	<u>\$ 4,995,603</u>	<u>\$ 19,613,187</u>

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

City of Brook Park, 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 \$ (172,503)

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

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

Capital Outlay	\$ 2,907,414	
Depreciation	<u>(4,890,141)</u>	
Total		(1,982,727)

In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (69,938)

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

Delinquent property taxes	(1,606)	
Municipal income and other taxes	(238,121)	
Special assessments	18,170	
Intergovernmental	178,912	
Charges for services	<u>(45,715)</u>	
Total		(88,360)

Repayment of bond, lease, and loan principal are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 1,469,126

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

Pension	2,113,254
OPEB	135,195

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

Pension	(3,094,686)
OPEB	(1,889,151)

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 compensated absences	(78,929)	
Accrued interest on bonds	7,463	
Annual OPEB cost	55,490	
Amortization of bond premiums	<u>27,152</u>	
Total		11,176

Internal Service funds are used by management to charge costs to certain activities, such as insurance to individual funds. The net revenue (expense) of Internal Service funds are reported in the Governmental Activities. (10,354)

Change in Net Position of Governmental Activities \$ (3,578,968)

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

City of Brook Park, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual

General Fund

For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 1,463,793	\$ 1,531,575	\$ 1,531,575	\$ -
Municipal Income Taxes	16,212,800	16,724,452	16,724,452	-
Other Taxes	302,083	352,954	352,954	-
Intergovernmental	547,881	588,322	588,322	-
Interest	90,000	150,352	150,352	-
Licenses and Permits	739,578	644,987	644,987	-
Fines and Forfeitures	675,000	512,326	512,326	-
Rentals	50,090	50,090	50,090	-
Charges for Services	1,901,224	2,152,202	2,152,202	-
Contributions and Donations	4,215	4,215	4,215	-
All Other Revenues	34,262	35,765	35,765	-
Total Revenues	22,020,926	22,747,240	22,747,240	-
Expenditures:				
Current:				
Security of Persons and Property	10,074,543	10,513,824	10,330,334	183,490
Public Health and Welfare	116,634	122,541	120,943	1,598
Leisure Time Activities	1,219,051	1,240,878	1,199,953	40,925
Community Development	857,322	876,105	860,428	15,677
Public Works	2,293,843	2,386,343	2,244,018	142,325
Transportation	647,742	705,824	608,545	97,279
General Government	5,522,465	5,684,496	4,498,995	1,185,501
Total Expenditures	20,731,600	21,530,011	19,863,216	1,666,795
Excess of Revenues Over (Under) Expenditures	1,289,326	1,217,229	2,884,024	1,666,795
Other Financing Sources (Uses)				
Transfer In	262,500	383,312	120,812	(262,500)
Transfers Out	(2,636,430)	(2,769,238)	(2,506,738)	262,500
Total Other Financing Sources (Uses)	(2,373,930)	(2,385,926)	(2,385,926)	-
Net Change in Fund Balance	(1,084,604)	(1,168,697)	498,098	1,666,795
Cash Fund Balance - Beginning of Year	7,371,454	7,371,454	7,371,454	-
Current Year Encumbrances	-	-	762,001	762,001
Cash Fund Balance - End of Year	\$ 6,286,850	\$ 6,202,757	\$ 8,631,553	\$ 2,428,796

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

City of Brook Park, Ohio

Statement of Net Position

Proprietary Fund

December 31, 2018

	Governmental Activities
	Internal Service Fund
ASSETS	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 3,057,606
Total Assets	3,057,606
NET POSITION	
Unrestricted	3,057,606
Total Net Position	\$ 3,057,606

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

City of Brook Park, Ohio

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Fund

For The Year Ended December 31, 2018

	Governmental Activities
	Internal Service Fund
OPERATING EXPENSES	
Fringe Benefits	10,354
Total Operating Expense	10,354
Change in Net Position	(10,354)
Net Position - Beginning of Year	3,067,960
Net Position- End of Year	\$ 3,057,606

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

City of Brook Park, Ohio

Statement of Cash Flows

Proprietary Fund

For The Year Ended December 31, 2018

	Governmental Activities
	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Payments for Claims	(10,354)
Net Cash Used In Operating Activities	(10,354)
 Net decrease in Cash and Cash Equivalents	 (10,354)
 Cash and Cash Equivalents - Beginning of Year	 3,067,960
Cash and Cash Equivalents - End of Year	\$ 3,057,606
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	\$ (10,354)
Net Cash Used In Operating Activities	\$ (10,354)

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

City of Brook Park, Ohio

Statement of Fiduciary Net Position

Fiduciary Fund

December 31, 2018

	Agency Funds
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 108,352
Cash and Cash Equivalents:	
in Segregated Accounts	<u>28,858</u>
Total Assets	<u><u>\$ 137,210</u></u>
Liabilities	
Deposits Held and Due to Others	<u><u>\$ 137,210</u></u>

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

Notes to Basic Financial Statements

City of Brook Park, Ohio

Notes to the Basic Financial Statements

For The Year Ended December 31, 2018

Note 1: The Reporting Entity

The City of Brook Park (the City) is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own Charter. The current Charter, which provides for a mayor-council form of government, was adopted October 18, 1966.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City, this includes police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, refuse collection and general administrative services. The City's departments include a public safety department, a public service department, a street maintenance department, a sanitation system, a parks and recreation department, a planning and zoning department, and a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation of each of these activities and entities is directly controlled by the City Council through the budgetary process.

The Mayor's Court (the Court), which provides judicial services, is responsible for the levying and collecting of fines and forfeitures under state and local laws, and their subsequent distribution to various government agencies. The City budgets and appropriates funds for the operation of the Court and is ultimately responsible for any operating deficits sustained by the Court. The City's share of the fines collected by the Court, along with its share of the Court's administrative and operating costs, is recorded in the City's General Fund. Due to this relationship, the Court is not considered a component unit of the City but rather as part of the primary government unit itself. Monies held by the Court in a fiduciary capacity are recorded as an agency fund in the accompanying financial statements.

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

Jointly Governed Organizations

Southwest General Health Center

Southwest General Health Center is an Ohio nonprofit corporation providing health services. The Health Center is a jointly governed organization among the communities of Berea, Brook Park, Columbia Township, Middleburg Heights, Olmsted Falls and Strongsville.

The Health Center is governed by a Board of Trustees consisting of the following: one member of the legislative body from each of the political subdivisions, one resident from each of the political subdivisions who is not a member of the legislative body, three persons who are residents of any of the participating political subdivisions, the president and the executive vice president of the corporations, and the president and the vice president of the medical staff. The legislative body of each political subdivision elects their own member to serve on the Board of Trustees of the Health Center.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 1: The Reporting Entity (continued)

Jointly Governed Organizations (continued)

The Board exercises total control over the operations of the Health Center including budgeting, appropriating, contracting and designating management. Each City's control is limited to its representation on the Board. In 2018, the City of Brook Park contributed \$102,271 of property tax levies and intergovernmental revenue to the Health Center.

Southwest Regional Communications

The Southwest Regional Communications is a jointly-governed organization between the City and seven other communities. Formed as a Regional Council of Governments as permitted under Ohio Revised Code Section 167.01, the intent of this organization is to establish, own, operate, maintain, and administer, a regional communications network for public safety and public service purposes for the mutual benefit of the participating communities. This organization is controlled by a governing body consisting of each participating community's mayor or his/her delegate or representative. The degree of control exercised by any member is limited to its representation on the governing board. All members agree to contribute the sums of money on a shared basis as agreed per the requirements set forth in the Articles of Understanding. In accordance with GASB Statement No. 14 as amended by GASB Statement No. 61, the City does not have an equity interest in the organization. Financial information may be obtained by writing to the Network Council, at 17401 Holland Road, Brook Park, Ohio 44142.

Note 2: Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most 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 activity of the internal service fund is eliminated to avoid doubling up revenues and expenses.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 2: Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

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

Fund Financial Statements

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

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 typically 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 compared to liabilities and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

General Fund

The General Fund accounts for 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 and/or the general laws of Ohio.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Capital Improvements Fund

The Capital Improvements Fund accounts for intergovernmental revenues, bond proceeds, and the portion of municipal income tax allocated by Council for the purpose of improving, constructing, maintaining, and purchasing those items necessary to enhance the operation of the City.

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

Proprietary Funds

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

Internal Service Fund

Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund reports on a self-insurance program for employee medical benefits.

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. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary funds are agency funds. The City's agency funds account for: street opening fees, mayor's court activity, building code fees, employees' share of payroll deductions due to other agencies, and employees' share of pension contributions.

C. Measurement Focus

Government-Wide Financial Statements

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

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 reconciliations 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 net position. The statement of revenues, expenses and changes in 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 Non-Exchange Transactions

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 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 a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources 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. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension/OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The deferred outflows of resources related to pension and OPEB are explained in Notes 12, 13, and 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance year 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, special assessments, intergovernmental, and charges for services. 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. (See Note 12, 13, and 14)

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

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 Process

An annual appropriated budget is legally required to be prepared for all funds of the City other than agency funds. Council passes appropriations at the department level by object. Line item appropriations may be transferred between the accounts with the approval of the Finance Director and respective department head. Council must approve any revisions in the budget that alter total fund appropriations. The following are the procedures used by the City in establishing the budgetary data reported in the basic financial statements:

Tax Budget

A tax budget of estimated revenue and expenditures for all funds other than agency funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20th of each year, for the period January 1 to December 31 of the following year.

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews revenue estimates. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure.

On or about January 1 the certificate of estimated resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the Finance Director determines that revenue to be collected will be greater than or less than the prior estimates and the budget commission considers the revised estimates to be reasonable. The amounts reported in the budgetary statements as original represent the amounts in the first official certificate of estimated resources issued during 2018. The amounts reported in the budgetary statements as final reflect the amounts in the final amended official certificate of estimated resources issued during 2018.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 2: Summary of Significant Accounting Policies (continued)

E. Budgetary Process (continued)

Annual Estimate

The Mayor, with the assistance of the Finance Director, is required by Charter to submit to Council, on or before December 1 of each fiscal year, an estimate of the revenues and expenditures of each fund of the City for the next succeeding fiscal year. The annual estimate serves as the basis for appropriations (the appropriated budget) in each fund.

Appropriations

An appropriation ordinance (the appropriated budget) to control the level of expenditures for all funds must be legally enacted on or about January 1. Appropriations may not exceed estimated resources as established in the official Amended Certificate of Estimated Resources. Supplemental appropriations may be adopted by Council action. During the year, several supplemental appropriation measures were necessary. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriated budget for each fund that covered the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried over for the subsequent year's expenditures and is re-appropriated.

Budgeted Level of Expenditure

Administrative control is maintained through the establishment of detailed line-item budgets. Appropriated funds may not be expended for purposes other than those designated in the appropriation ordinance without authority from Council. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation adopted by Council. For all funds, Council appropriations are made at the department level by object. The appropriations set by Council must remain fixed unless amended by Council ordinance. More detailed appropriation allocations may be made by the Finance Director as long as the allocations are within Council's appropriated amount.

Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. Encumbrances outstanding at year-end are reported as part of restricted, committed, and assigned fund balances for subsequent-year expenditures of governmental funds.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 2: Summary of Significant Accounting Policies (continued)

F. Pooled Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet.

The City has segregated bank accounts for monies held separate from the City's cash pool. These depository accounts are presented on the Statement of Fiduciary Net Position as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City's treasury and are related to the City's mayor's court. The City has cash with escrow agent accounts as a result of money being set aside for vehicle purchases which were received in 2018. The accounts were not closed as of December 31, 2018.

Investments are reported at fair value which is based on quoted market prices. Non-participating contracts such as non-negotiable certificates of deposits are reported at cost.

During fiscal year 2018, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes.

STAR Ohio is not registered with the SEC as an investment company, but has adopted 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 2018, there were no limitation 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.

The City's policy is to hold investments until market values equal or exceed cost.

Interest allocation is determined by the Ohio Constitution, state statutes, and local ordinances adopted under City Charter. Under these provisions, City funds required to receive interest allocations are: 1) those which receive monies from confiscated property from federal task forces and 2) those which receive distributions of state gasoline tax and motor vehicle licenses fees (street maintenance, state highway, and permissive tax special revenue funds). All remaining interest is allocated to the general fund. Legally, proprietary funds generally do not receive interest. Interest revenue credited to the General Fund during 2018 amounted to \$156,648, which includes \$73,412 assigned from other funds.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 2: Summary of Significant Accounting Policies (continued)

G. Inventory

Inventories are stated at cost, on the first-in, first-out basis. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures in the governmental fund types when purchased; however, material amounts of inventories at period-end are reported as assets of the respective fund, which are equally offset in the non-spendable component of fund balance which indicates they are unavailable for appropriation even though they are a component of reported assets. 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 allocation method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

I. Receivables

Receivables at December 31, 2018 consist of taxes, intergovernmental, accounts (billings for user charged services), special assessments, and accrued interest on investments. All are deemed collectible in full.

J. 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. These assets are reported in the governmental activity's column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and disposals during the year. Donated capital assets are recorded at their acquisition value as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, irrigation systems and water and sewer lines. 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 capital assets is also capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	50 years
Machinery and Equipment	10 to 15 years
Vehicles	6 to 10 years
Infrastructure	25 to 50 years

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 2: Summary of Significant Accounting Policies (continued)

K. Interfund Balances

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

L. Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB No. 16, “*Accounting for 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.

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 fiscal year-end taking into consideration any limits specified in the City’s termination policy.

Additionally, certain salary related payments associated with the payment of compensated absences have been accrued.

The entire compensated absence liability is reported on the government-wide financial statements. A liability for the amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

M. Pensions/Other Postemployment Benefits (OPEB)

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

N. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and 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, capital leases and long-term loans are recognized as a liability on the governmental fund financial statements when due.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 2: Summary of Significant Accounting Policies (continued)

O. 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 classification includes amounts that cannot be spent because they are not spendable in 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 loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the City’s Council. Those committed amounts cannot be used for any other purpose unless the City’s Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the City Council. In the general fund, assigned amounts would represent intended uses established by policies of the City Council or a City official delegated that authority by City Charter or ordinance, or by State statute. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In the 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.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 2: Summary of Significant Accounting Policies (continued)

P. Net Position

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position 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 along with any related deferred outflows/inflows of resources. The restricted component of net position is reported when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. As of December 31, 2018, the City did not have net position restricted by enabling legislation.

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

Q. Grants and Intergovernmental Revenues

Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. Federal reimbursement-type grants are recorded as intergovernmental receivables and revenues in the period when all applicable eligibility requirements have been met and the resources are available.

R. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in 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.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither extraordinary nor special items had occurred in 2018.

T. Estimates

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 3: Change in Accounting Principles and Restatement of Net Position

During the year, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, Statement No. 86, *Certain Debt Extinguishment Issues*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*.

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 other postemployment benefits (OPEB)). These changes were incorporated in the City's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. These changes were incorporated in the City's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 75 established standards for measuring and recognizing Postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2017:

Net Position December 31, 2017	\$ 72,037,766
Adjustment	
Net OPEB Liability	(18,615,297)
Deferred Outflow - Payments Subsequent to Measurement Date	303,457
Restated Net Position December 31, 2017	<u>\$ 53,725,926</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 were not available.

Note 4: Accountability

Fund balances at December 31, 2018, included the following individual fund deficits:

	Deficit
<i>Non Major Governmental Funds</i>	
Fire Pension	\$ 14,709

The fund deficits in the special revenue fund resulted from accrued liabilities. The General Fund is liable for the deficits in these funds and will provide operating transfers when cash is required, not when accruals occur.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 5: Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

The Statements of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) Encumbrances are treated as expenditures (budget) rather than as a part of restricted, committed, and assigned fund balances (GAAP);
- (d) Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

<u>Net Change in Fund Balance</u>	
	<u>General</u>
GAAP Basis	\$ 1,858,381
Increase (Decrease) Due to:	
Revenue Accruals	(99,046)
Expenditure Accruals	(453,547)
Funds with Separate Legally Adopted Budget	(45,689)
Outstanding Encumbrances	<u>(762,001)</u>
Budget Basis	<u>\$ 498,098</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 monies 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 account including, but not limited to, passbook accounts.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 6: Deposits and Investments (continued)

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 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 fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily;
4. Investment grade obligations of state and local governments, and public authorities;
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; and
6. The State Treasurer's investment pool (STAR Ohio).

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.

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 6: Deposits and Investments (continued)

A. Deposits

At year-end, the carrying amount of the City's deposits was \$10,893,029 (including \$4,030 of petty cash, \$2,579 of cash with escrow agent, \$28,858 of segregated accounts and \$12,779 in STAR Plus) and the bank balance was \$11,216,072. As of December 31, 2018, \$262,779 of the City's bank balances were covered by Federal depository insurance and the remaining \$10,924,435 was exposed to custodial credit risk because it was uninsured and collateralized. Although the securities were held by the pledging institution's trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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

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

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The City's financial institution had enrolled in OPCS as of December 31, 2018. The City's financial institution had enrolled in OPCS as of December 31, 2018 and was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System.

B. Investments

Investments are reported at Net Asset Value. As of December 31, 2018, the City had the following investments:

Investment Type	NAV	Credit Rating (*)	Investment Maturities (in Years)
			<1
STAR Ohio	\$ 8,988,219	AAAm	\$ 8,988,219
Total Investments	8,988,219		\$ 8,988,219

* Credit Ratings were obtained from Standard & Poor's, respectively, for all investments.

The City has categorized 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.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 6: Deposits and Investments (continued)

B. Investments (Continued)

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 in five years unless specifically matched to a specific cash flow. To date, no investments have been purchased with a life greater than five years.

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. 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 investments of the City are registered and the credit rating provided by Standard & Poor's is provided in the table above.

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent 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 City's investment in STAR Ohio represents 100.00 percent of the City's total investments.

Note 7: Receivables

Receivables at December 31, 2018 consisted primarily of taxes, intergovernmental receivables arising from grants, entitlements or shared revenues, accounts, special assessments and interest on investments. All receivables are considered fully collectible.

A. Property Tax

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by state statute at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2018. Real property taxes are payable annually or semiannually. The first payment is due December 31, with the remainder payable by June 20.

Taxes collected on tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 7: Receivables (Continued)

A. Property Tax (Continued)

Tangible personal property used in business (except for public utilities) is currently assessed for *ad valorem* taxation purposes at 25 percent of its true value. The tangible personal property tax has been phased out and the City is only receiving residual amounts from delinquent tangible personal property taxes.

Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30; with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City of Brook Park. The County Fiscal Officer periodically remits to the City its portion of the taxes collected.

The full tax rate for all City operations for the year ended December 31, 2018, was \$4.75 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2018 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$ 400,812,220
Public Utility	13,387,250
Total	<u>\$ 414,199,470</u>

B. Income Tax

The City levies and collects a 2 percent income tax on all income earned within the City as well as on income of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. The City, by ordinance, allocates income tax revenues and expenditures for collecting, administering, and enforcing the tax to the General and Capital Improvements Capital Projects Funds, at eighty and twenty percent, respectively.

The Capital Improvements Capital Projects Fund further allocates income taxes to other project-based capital projects funds, as transfers, through the budgetary process.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 7: Receivables (continued)

C. Intergovernmental

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Local government funds	\$ 182,824
Auto registration fees	94,339
Homestead and rollback	108,908
Gasoline and excise tax	341,145
Permissive tax	3,568
City of Cleveland (share of OPWC loan)	696,887
Miscellaneous Grant	<u>112,602</u>
Total	<u>\$ 1,540,273</u>

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City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 8: Capital Assets

	Balances 12/31/2017	Additions	Disposals	Balances 12/31/2018
Governmental Activities				
Nondepreciable Assets:				
Land	\$ 4,926,923	\$ -	\$ -	\$ 4,926,923
Construction in progress	13,381,514	2,570,716	(10,456,847)	5,495,383
Total Nondepreciable Assets	18,308,437	2,570,716	(10,456,847)	10,422,306
Depreciable Assets:				
Buildings and Improvements	17,881,632	4,979,736	-	22,861,368
Improvements Other than Buildings	3,193,623		(7,956)	3,185,667
Machinery and Equipment	5,268,858	217,438	(226,642)	5,259,654
Furniture and Fixtures	210,094	7,956	-	218,050
Vehicles	10,093,589	119,260	(95,003)	10,117,846
Infrastructure:				
Streets	54,785,303	3,488,251	-	58,273,554
Sewers	26,576,423	1,707,336	-	28,283,759
Water Lines	1,466,951	281,524	-	1,748,475
Total Depreciable Assets	119,476,473	10,801,501	(329,601)	129,948,373
Less Accumulated Depreciation				
Buildings and Improvements	(10,088,949)	(1,748,382)	-	(11,837,331)
Improvements Other than Buildings	(2,434,337)	(112,369)	-	(2,546,706)
Machinery and Equipment	(4,037,720)	(227,539)	156,704	(4,108,555)
Furniture and Fixtures	(191,805)	(5,020)	-	(196,825)
Vehicles	(6,342,281)	(504,365)	95,003	(6,751,643)
Infrastructure:				
Streets	(18,225,460)	(1,733,473)	-	(19,958,933)
Sewers	(9,844,371)	(531,528)	-	(10,375,899)
Water Lines	(405,878)	(27,465)	-	(433,343)
Total Accumulated Depreciation	(51,570,801)	(4,890,141) *	251,707	(56,209,235)
Total Depreciable Assets, Net	67,905,672	5,911,360	(77,894)	73,739,138
Governmental Activities Capital Assets, Net	\$ 86,214,109	\$ 8,482,076	\$ (10,534,741)	\$ 84,161,444

* Depreciation was charged to governmental activities as follows:

Security of Persons and Property:	
Police and Others	\$ 172,490
Fire	164,774
Public Health and Welfare	4,655
Leisure Time Activities	1,702,345
Community Development	14,720
Public Works	997,103
Transportation	1,800,540
General Government	33,514
Total Depreciation Expense	\$ 4,890,141

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 9: Long-Term Obligations

The original issue date, interest rates, and original issuance amount for each of the City's general obligation bonds follow:

	Original Issuance Date	Interest Rate	Original Issuance Amount
General Obligation Bonds:			
Laich Street Improvements	2004	2% - 3.7%	\$ 775,000
Heatherwood Dr. Reconstruction	2011	2% - 3.4%	905,000
Sheldon Rd. Waterline Replacement	2011	2% - 3.4%	800,000
Various Purpose Improvement Bonds:			
Engle Road Resurfacing	2013	2% - 4.75%	1,835,000
Engle Road Sanitary Sewer Replacement	2013	2% - 4.75%	1,965,000
Smith Road Sanitary Sewer	2013	2% - 4.75%	1,720,000
Energy Conservation Improvement Bonds	2017	1% - 4%	4,980,000

Changes in long-term debt activity for the year ended December 31, 2018 was as follows:

	Restated Balances 12/31/2017	Issued	Retired	Balances 12/31/2018	Amounts Due in One Year
General Obligation Bonds:					
Laich Street Improvements	\$ 345,000	\$ -	\$ 45,000	\$ 300,000	\$ 45,000
Heatherwood Drive Reconstruction	590,000	-	60,000	530,000	60,000
Sheldon Rd. Waterline Replacement	515,000	-	50,000	465,000	50,000
Various Purpose Improvement Bonds, Series 2013:					
Engle Road Resurfacing Project	1,435,000	-	110,000	1,325,000	110,000
Engle Road Sanitary Sewer Replacement Project	1,680,000	-	80,000	1,600,000	80,000
Smith Road Sanitary Sewer Project	1,475,000	-	70,000	1,405,000	70,000
Energy Conservation Improvement Project	4,880,000	-	180,000	4,700,000	155,000
Total General Obligation Bonds	10,920,000	-	595,000	10,325,000	570,000
Capitalized Lease Agreements:					
Automated Rubbish Vehicles and Cans	226,784	-	226,784	-	-
Safety Forces Vehicles	172,617	-	85,306	87,311	87,311
Sewer Vector	793,331	-	124,977	668,354	127,789
Service Equipment	97,891	-	48,413	49,478	49,478
Various Vehicles	429,802	-	212,815	216,987	216,987
Total Capital Leases	1,720,425	-	698,295	1,022,130	481,565

(continued)

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 9: Long-Term Obligations (continued)

	Restated Balances 12/31/2017	Issued	Retired	Balances 12/31/2018	Amounts Due in One Year
Other Long-term Obligations:					
OPWC Loans:					
W. 150th Project	\$ 1,218,330	\$ -	\$ 97,467	\$ 1,120,863	\$ 97,467
Smith/Hummel Rd	82,697	-	5,907	76,790	5,907
Smith Rd. Sanitary Sewer	782,754	-	40,142	742,612	40,142
City of Berea - Eastland Rd.	549,360	-	32,315	517,045	32,315
Total OPWC Loans Payable	2,633,141	-	175,831	2,457,310	175,831
Unamortized Bond Premiums	420,263	-	27,152	393,111	-
Accrued Compensated Absences	2,129,447	394,114	315,185	2,208,376	374,091
Net Pension Liability:					
OPERS (See Note 12)	9,424,398	-	3,026,336	6,398,062	-
OP&F (See Note 12)	17,144,935	249,462	-	17,394,397	-
Total Net Pension Liability:	26,569,333	249,462	3,026,336	23,792,459	-
Net OPEB Liability					
OPERS (See Note 13)	3,980,544	214,389	-	4,194,933	-
OP&F (See Note 13)	12,849,046	3,208,795	-	16,057,841	-
Other OPEB (See Note 14)	1,785,707	50,063	-	1,835,770	-
Total Net OPEB Liability	18,615,297	3,473,247	-	22,088,544	-
Total Other Long-term Obligations	50,367,481	4,116,823	3,544,504	50,939,800	549,922
Total Governmental Long-term Liabilities	\$ 63,007,906	\$ 4,116,823	\$ 4,837,799	\$ 62,286,930	\$ 1,601,487

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. In the event that income tax revenues are not sufficient to meet annual principal and interest requirements, the City has reserved the right to levy and assess a special assessment on the property. Revenues will be received in and the debt will be paid from the General Obligation Debt Service Fund.

During 2005, the Ohio Public Works Commission (OPWC) approved a loan to the City to finance a portion of the West 150th Street Improvement project. OPWC committed up to \$1,949,332 at a zero percent interest rate for twenty years. The City and the City of Cleveland have an agreement to share the debt service requirements of the OPWC loan. The City will pay 100 percent of the annual debt service requirements and the City of Cleveland will reimburse the City 65 percent of the annual debt service requirement. The City has recorded an intergovernmental receivable in the amount of \$760,240 to recognize the City of Cleveland's share of the loan.

During 2010, the Ohio Public Works Commission (OPWC) approved a loan to the City to finance a portion of the Smith/Hummel Sewer Improvement Project Phase II. OPWC has committed up to \$573,140 at a zero percent interest rate for twenty years. The City has completed the project but only utilized \$118,139 of total \$573,140 in loan proceeds from OPWC.

During 2011, the City issued \$1,705,000 in various purpose improvement bonds, series 2011 with interest rates ranging from 2.00 percent to 3.40 percent over the life of the bonds. The proceeds from these bonds were used to finance the reconstruction of Heatherwood Drive (\$905,000) and a waterline replacement on Sheldon Road (\$800,000). The bonds will mature in 2026.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 9: Long-Term Obligations (continued)

On October 1, 2013, the City issued \$5,520,000 in various purpose improvement bonds, series 2013 with interest rates ranging from 2.00 percent to 4.75 percent over the life of the bonds. The proceeds from these bonds were used to finance the Engle Road resurfacing project (\$1,835,000), the Engle Road sanitary sewer replacement project (\$1,965,000), and the Smith Road sanitary sewer project (\$1,720,000). The bonds will be fully matured in 2033.

During 2015, the Ohio Public Works Commission (OPWC) approved a loan to the City of Berea to finance the Eastland Road Reconstruction Project. OPWC has committed up to \$1,900,900 at a zero percent interest rate for twenty years. The City, the City of Berea and the City of Middleburg Heights have an agreement to share the debt service requirements of the OPWC loan. The City of Berea will pay 100 percent of the annual debt service requirements; the City will reimburse the City of Berea 34 percent of the annual debt service requirement; the City of Middleburg Heights will reimburse the City of Berea 43 percent of the annual debt service requirement.

During 2017, the Ohio Public Works Commission (OPWC) finalized a loan to the City to finance a portion of the Smith Rd. Sanitary Sewer Improvement Project Phase III. OPWC has committed up to \$802,825 at a zero percent interest rate for twenty years.

On April 26, 2017 the City issued \$4,980,000 in Energy Conservation Improvement bonds with interest rates ranging from 1.00 percent to 4.00 percent over the life of the bonds. The proceeds from these bonds were used to finance the Community Center Project. The bonds will be fully matured in 2037.

Compensated absences are generally paid from the General Fund, Street Maintenance Special Revenue Fund, State Highway Special Revenue Fund, and Community Diversion Special Revenue Fund.

See Note 10 for additional information on capital leases. There is no repayment schedule for the Net Pension/OPEB Liability; however, employer pension and OPEB contributions are made from the General Fund, SCMR, Police Pension, and Fire Pension funds. The City's overall legal debt margin was \$33,033,029 at December 31, 2018.

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

Year	General Obligation Bonds		OPWC Loans	Total
	Principal	Interest	Principal	
2019	570,000	376,901	175,831	1,122,732
2020	590,000	361,563	175,830	1,127,393
2021	620,000	344,793	175,830	1,140,623
2022	645,000	324,413	175,831	1,145,244
2023	670,000	303,232	175,829	1,149,061
2024-2028	3,300,000	1,156,073	879,147	5,335,220
2029-2033	2,755,000	568,663	526,201	3,849,864
2034-2038	1,175,000	92,925	172,811	1,440,736
Total	<u>\$ 10,325,000</u>	<u>\$ 3,528,563</u>	<u>\$ 2,457,310</u>	<u>\$ 16,310,873</u>

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 10: Capital Leases

The City has entered into lease agreements as lessee for financing which relate to various equipment and vehicles. These lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of their future minimum lease payments as of inception date.

	<u>Governmental Activities</u>
Assets:	
Vehicles	\$ 1,919,374
Less: accumulated depreciation	<u>(191,615)</u>
Total	<u><u>\$ 1,727,759</u></u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2018, were as follows:

<u>Year</u>	<u>Payments</u>
2019	504,379
2020	142,827
2021	142,827
Therein After	<u>285,654</u>
Total Minimum Lease Payments	1,075,687
Less: Amount Representing Interest	<u>(53,557)</u>
Present Value of Minimum Lease Payment	<u><u>\$ 1,022,130</u></u>

Note 11: Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. Current policy credits vacation leave on the employee's anniversary date and allows the unused balance to be carried ninety days past the subsequent anniversary date. City employees are paid for earned and unused vacation leave at the time of termination of employment.

Sick leave is earned at the rate of four and six-tenths hours for every eighty hours worked for base employees, thirteen hours for firefighters, and ten hours for police patrol. Each employee with the City is paid for four eighths of the employee's earned unused sick leave upon retirement from the City, or the full balance may be transferred to another governmental agency.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 12: Defined Benefit Pension Plans

A. Net Pension Liability

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

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

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

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

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

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

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 12: 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 plan. City to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 12: Defined Benefit Pension Plans (Continued)

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

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

	State and Local
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee*	10.0 %
2018 Actual Contribution Rates	
Employer:	
Pension**	14.0 %
Post-Employment Health Care Benefits**	0.0
Total Employer	14.0 %
Employee	10.0 %

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions was \$755,571 for fiscal year ending December 31, 2018. Of this amount, \$59,514 is reported as an intergovernmental payable.

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

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 12: Defined Benefit Pension Plans (Continued)

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members 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.

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

	<u>Police</u>	<u>Firefighters</u>
2018 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2018 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,357,683 for 2018. Of this amount, \$107,355 is reported as an intergovernmental payable.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 12: Defined Benefit Pension Plans (Continued)

D. Pension Liabilities, Pension Assets, 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:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F Police	OP&F Fire	Total
Proportion of the Net Pension Liability/Asset					
Prior Measurement Date	0.0415020%	0.020787%	0.1280200%	0.1426650%	
Proportion of the Net Pension Liability/Asset					
Current Measurement Date	0.0407830%	0.019061%	0.1339190%	0.1494950%	
Change in Proportionate Share	<u>-0.0007190%</u>	<u>-0.001726%</u>	<u>0.005899%</u>	<u>0.006830%</u>	
Proportionate Share of the Net Pension					
Liability/(Asset)	\$ 6,398,062	\$ (25,948)	\$ 8,219,214	\$ 9,175,183	\$ 23,766,511
Pension Expense	\$ 1,098,978	\$ 4,545	\$ 904,891	\$ 1,086,271	\$ 3,094,685

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 Police	OP&F Fire	Total
Deferred Outflows of Resources					
Change in assumptions	\$ 764,609	\$ 2,268	\$ 358,155	\$ 399,811	\$ 1,524,843
Differences between expected and actual experience	6,533	-	124,733	139,240	270,506
Changes in proportion and differences between City contributions and proportionate share of contributions	60,872	3,128	284,419	418,548	766,967
City contributions subsequent to the measurement date	<u>744,060</u>	<u>11,511</u>	<u>633,092</u>	<u>724,591</u>	<u>2,113,254</u>
Total Deferred Outflows of Resources	<u>\$ 1,576,074</u>	<u>\$ 16,907</u>	<u>\$ 1,400,399</u>	<u>\$ 1,682,190</u>	<u>\$ 4,675,570</u>
Deferred Inflows of Resources					
Net Difference between projected and actual earnings on pension plan investments	\$ 1,373,579	\$ 4,093	\$ 284,323	\$ 317,391	\$ 1,979,386
Differences between expected and actual experience	126,086	7,730	14,869	16,599	165,284
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>125,467</u>	<u>426</u>	<u>419,988</u>	<u>294,073</u>	<u>839,954</u>
Total Deferred Inflows of Resources	<u>\$ 1,625,132</u>	<u>\$ 12,249</u>	<u>\$ 719,180</u>	<u>\$ 628,063</u>	<u>\$ 2,984,624</u>

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 12: Defined Benefit Pension Plans (Continued)

D. Pension Liabilities, Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$2,113,254 reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability 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:

Year Ending December 31:

2019	\$ 541,158	\$ (946)	\$131,515	\$222,946	\$ 894,673
2020	(165,002)	(1,057)	56,767	139,502	30,210
2021	(604,850)	(1,974)	(237,722)	(189,238)	(1,033,784)
2022	(564,424)	(1,880)	(82,870)	(52,277)	(701,451)
2023	-	(441)	145,385	168,634	313,578
Thereafter	-	(555)	35,052	39,969	74,466
Total	<u>(\$793,118)</u>	<u>(\$6,853)</u>	<u>\$48,127</u>	<u>\$329,536</u>	<u>(\$422,308)</u>

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 total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees; 3 percent, simple
	Post 1/7/2013 retirees; 3 percent, simple
	through 2018, then 2.15 percent simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 12: Defined Benefit Pension Plans (Continued)

E. Actuarial Assumptions – OPERS (Continued)

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

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees; 3 percent, simple
	Post 1/7/2013 retirees; 3 percent, simple
	through 2018, then 2.15 percent simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

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

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

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 16.82 percent for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table on the following page displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 12: Defined Benefit Pension Plans (Continued)

E. Actuarial Assumptions – OPERS (Continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
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	100.00 %	5.66 %

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

Sensitivity of the City's Proportionate Share of the Net Pension Liability 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 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

City's proportionate share of the net pension liability/(asset)	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Traditional Pension Plan	\$11,361,328	\$ 6,398,062	\$2,260,194
Combined Plan	(\$14,105)	\$ (25,948)	(\$34,119)

Changes Between Measurement Date and Report Date

In October 2018, the OPERS Board adopted certain assumption changes which will impact their valuation prepared as of January 1, 2018. The most significant change is a reduction in the assumed actuarial rate of return from 7.50 percent to 7.20 percent. Although the exact amount of these changes is now known, it has the potential to impact, it has the potential to impact the City's net pension liability.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 12: Defined Benefit Pension Plans (Continued)

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.

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:

Valuation Date	January 1, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Increases	3.25 percent
Inflation Assumptions	2.75 percent
Cost of Living Adjustments	2.20 percent and 3.00 percent Simple

Mortality rates for active members were based on the RP2014 Total employee and Healthy Annuitant Mortality Tables rolled back to 2006, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent. For disabled retirees, the mortality rates were based on the RP2014 Disabled Mortality Tables rolled back to 2006, and projected with the Conduent Modified 2016 Improvement Scale.

The most recent experience study was completed January 1, 2017.

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 12: Defined Benefit Pension Plans (Continued)

F. Actuarial Assumptions – OP&F (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	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
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	120.00 %	

Note: Assumptions are geometric.

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

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 24,113,195	\$ 17,394,397	\$ 11,914,602

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 13: Defined Benefit Multiple-Employer OPEB Plan

A. Net OPEB Liability

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

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

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

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

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

B. 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.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 13: Defined Benefit Multiple Employer OPEB Plan (Continued)

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' 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.

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 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent 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. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$404 for 2018.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 13: Defined Benefit Multiple Employer OPEB Plan (Continued)

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare 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 Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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

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

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

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 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The 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 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 \$32,077 for 2018. Of this amount, \$2,575 is reported as an intergovernmental payable.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 13: Defined Benefit Multiple Employer OPEB Plan (Continued)

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

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability			
Prior Measurement Date	0.039410%	0.270690%	
Proportion of the Net OPEB Liability			
Current Measurement Date	0.038630%	0.283414%	
Change in Proportionate Share	-0.000780%	0.012724%	
Proportionate Share of the Net OPEB			
Liability	\$ 4,194,933	\$ 16,057,841	\$ 20,252,774
OPEB Expense	\$ 330,362	\$ 1,332,499	\$ 1,662,861

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

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 3,268	\$ -	\$ 3,268
Changes of assumptions	305,435	1,566,904	1,872,339
Changes in proportion and differences between City contributions and proportionate share of contributions	-	527,284	527,284
City contributions subsequent to the measurement date	404	32,077	32,481
Total Deferred Outflows of Resources	\$309,107	\$2,126,265	\$2,435,372
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ -	\$ 80,989	\$ 80,989
Net difference between projected and actual earnings on OPEB plan investments	312,494	105,700	418,194
Changes in proportion and differences between City contributions and proportionate share of contributions	57,335	-	57,335
Total Deferred Inflows of Resources	\$369,829	\$186,689	\$556,518

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 13: Defined Benefit Multiple Employer OPEB Plan (Continued)

D. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

\$32,481 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 on the following page:

Year Ending December 31:	OPERS	OP&F	Total
2019	\$ 42,056	\$ 267,902	\$ 309,958
2020	42,056	267,902	309,958
2021	(67,116)	267,902	200,786
2022	(78,122)	267,902	189,780
2023	-	294,327	294,327
Thereafter	-	541,564	541,564
Total	<u>\$ (61,126)</u>	<u>\$ 1,907,499</u>	<u>\$ 1,846,373</u>

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 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:

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 13: Defined Benefit Multiple Employer OPEB Plan (Continued)

E. 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 percent 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. 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 %

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 13: Defined Benefit Multiple Employer OPEB Plan (Continued)

E. Actuarial Assumptions – OPERS (Continued)

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

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

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

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$5,573,150	\$4,194,933	\$3,079,970

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

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 13: Defined Benefit Multiple Employer OPEB Plan (Continued)

E. Actuarial Assumptions – OPERS (Continued)

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$4,013,657	\$4,194,933	\$4,382,187

F. 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.

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

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

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	3.24 percent
Prior measurement date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 13: Defined Benefit Multiple Employer OPEB Plan (Continued)

F. Actuarial Assumptions – OP&F (Continued)

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

<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.

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 on the following page:

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 13: Defined Benefit Multiple Employer OPEB Plan (Continued)

F. Actuarial Assumptions – OP&F (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	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
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	120.00 %	

Note: Assumptions are geometric.

* 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 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. 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.

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 13: Defined Benefit Multiple Employer OPEB Plan (Continued)

F. Actuarial Assumptions – OP&F (Continued)

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$20,072,495	\$16,057,841	\$12,968,741

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:

Year	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
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 healthcare 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.

	1% Decrease	Current Rates	1% Increase
City's proportionate share of the net OPEB liability	\$12,474,020	\$16,057,841	\$20,887,620

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 NOL is not known.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 14: Defined Benefit Single Employer OPEB Plan

A. Net OPEB Liability

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

The net OPEB liability represents the actuarial present value of projected benefit payments attributable to past periods of service. The net 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 these estimates annually.

The City has control over the benefit terms through Council approved ordinances and is financed through the City's General Fund; however, the City received the benefits of retiree's services for the required number of years and the retirees have reached the eligible age that requires the City to provide this OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions comes solely and directly from the City for enrollee's health care reimbursements and life insurance premiums are paid directly to the insurer on behalf of the cover retiree. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable.

B. Plan Description

The City provides post-employment health care and life insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through council-approved ordinance. The activity of the plan is reported in the City's General Fund as part of the general government expenditure function.

C. Benefits Provided

The City provides post-employment health care and life insurance benefits (OPEB) to its retirees. In order to be eligible for the benefit, a retired employee or surviving spouse must be at least age 65 plus 10 consecutive years of service prior to retirement. In addition, a retired employee/surviving spouse must be enrolled in Medicare Part B to be eligible for the benefit.

Post-employment benefits include reimbursement of costs associated with health care coverage up to \$1,200 per year and a life insurance of \$5,000 which the City provides the premium payment. Dependents of eligible retirees will continue to receive the post-employment benefits at the time of the retiree's death.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 14: Defined Benefit Single Employer OPEB Plan (Continued)

C. Benefits Provided (Continued)

As of January 1, 2017, the City had 274 participants. Of that number, 136 were active employees and 138 were retirees and dependents that were currently receiving the post-employment mentioned on the previous page. The valuation excluded 61 retirees from the liability as they did not receive any benefits in 2016 or 2017. It is assumed that they will not be rejoining the plan in the future.

D. Funding Policy

The City's annual contributions to the plan are approved by council through ordinance 10064-2016. The City's contractually required contributions were \$102,714 for 2018. The plan does not require matching contributions from employees during their period of employment.

E. 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 was determined by an actuarial valuation as of January 1, 2017, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of the OPEB's cost accruals, the actual payment, and interest accruals during the year. The City's net OPEB liability was based on the aforementioned actuarial valuation. Following is information related to the Net OPEB Liability and OPEB expense:

Net OPEB Liability	\$	1,835,770
OPEB Expense	\$	226,290

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

	Other OPEB
Deferred Outflows of Resources	
Differences between expected and actual experience	41,180
City contributions subsequent to the measurement date	102,714
Total Deferred Outflows of Resources	\$143,894
Deferred Inflows of Resources	-
Total Deferred Inflows of Resources	\$0

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 14: Defined Benefit Single Employer OPEB Plan (Continued)

E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

\$102,714 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:

Year Ending December 31:		Other OPEB
	2019	\$3,132
	2020	3,132
	2021	3,132
	2022	3,132
	2023	3,132
	Thereafter	25,520
Total		<u>\$ 41,180</u>

F. Actuarial Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC's of the employer are subject to continual revision 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 the OPEB and plan members. The total OPEB liability was determined by an actuarial valuation as of January 1, 2017, 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:

Annual Wage Increases	3.50 percent
Single Discount Rate:	3.20 Percent
Investment Rate of Return	3.20 percent
Municipal Bond Rate	3.20 percent
Actuarial Value of Assets	Market Value
Funding Policy	Pay-as-you-go
Actuarial Cost Method	Entry Age Normal
Annual Per-Capita Claims Cost	\$1,200 - for 2017 and beyond
Medical	Medicare Part B Reimbursement

Annual Per-Capita Claims Cost	Year	Cost/\$1,000	Coverage	Total Premium
Life Insurance*	2017	0.245	\$ 5,000	\$ 14.70
	2018	0.341	5,000	20.46

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 14: Defined Benefit Single Employer OPEB Plan (Continued)

F. Actuarial Assumptions (Continued)

Mortality for participants is based on the SOA RP-2014 Blue Collar Mortality with Scale MP-2017. No disabilities are assumed for the active population. For retirees currently disabled, no recovery from disability is assumed.

For future police and fire retirees, participation assumes that 90% of future retirees will elect to receive Medicare Part B Supplement and the reimbursement. 100% of future retirees will elect for life insurance.

For future City retirees, participation assumes that 90% of future retirees will elect to receive Medicare Part B Supplement and the reimbursement. 100% of future retirees will elect for life insurance.

For current retirees, the actual elections as reported are used. It is assumed current retirees will continue coverage until death. Spouses are assumed to be 3 years younger than the member.

G. Discount Rate

The total OPEB liability was calculated using the discount rate of 3.20 percent. Since the plan is funded by a “pay-as-you-go” system, the 20-year AA rated municipal bond rate was used as both the discount and investment rate of return. The municipal bond rate was determined through www.fmsbonds.com/market-yields/ on May 3, 2018.

Sensitivity of the City's 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 3.20 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.20 percent), or one percentage point higher (4.20 percent) than the current rate.

	1% Decrease (2.20%)	Current Discount Rate (3.20%)	1% Increase (4.20%)
City's proportionate share of the net OPEB liability	\$ 2,113,075	\$ 1,835,770	\$ 1,598,425

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 1,604,826	\$ 1,835,770	\$ 2,125,740

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 14: Defined Benefit Single Employer OPEB Plan (Continued)

H. Changes in the Net OPEB Liability

The following tables represent the changes in the Net OPEB Liability during the measurement period based on actuarial valuation date of January 1, 2017:

Reconciliation of Total OPEB Liability

1/1/17 Net OPEB Liability	\$ 1,785,707
Service Cost	36,438
Interest Cost	56,918
contributions	(87,605)
new outflow - experience	44,312
12/31/17 Net OPEB Liability	<u>\$ 1,835,770</u>

Reconciliation of Fiduciary Net Postion

1/1/17 Fiduciary Net Position	\$ -
Employer Contributions	87,605
Total Benefits Paid	(87,605)
12/31/17 Fiduciary Net Position	<u>\$ -</u>

Net OPEB Liability

Total OPEB Liability	\$ 1,835,770
Fiduciary Net Position	-
Net OPEB Liability	<u>\$ 1,835,770</u>

Due to the plan using the pay-as-you-go method, there will be no Fiduciary Net Position.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 15: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the year, the City contracted with Wichert Insurance Services, Inc. to manage its insurance coverage. The City's insurance carrier for all coverages is Selective Insurance Co. of America. The coverage limits, on December 31, 2018, per occurrence for all types of coverage are as follows:

<u>Type of Coverage</u>	<u>Coverage</u>
Property:	
Blanket building and contents	\$ 53,429,509
Business income and extra expense	Actual Loss Sustained-12 mos.
General liability:	
Commercial general liability, which includes:	2,000,000
Employee benefits	1,000,000
Employers liability (Ohio stop gap)	1,000,000
Automotive liability	1,000,000
Excess liability:	
Umbrella, which includes:	10,000,000
All underlying liabilities	
Public officials and law enforcement	
Other types of coverages:	
Contractors equipment	1,190,325
EDP equipment	346,585
Employee dishonesty	1,000,000
Valuable papers	100,000
Accounts receivable	100,000
Law enforcement	1,000,000
Public Officials	1,000,000
Flood	Each Occurrence 5,000,000 Aggregate 10,000,000
Earthquake	Each Occurrence 5,000,000 Aggregate 10,000,000

There were no reductions in insurance coverage from the previous year, nor have settlements exceeded insurance coverage in any of the prior three fiscal years.

During 2017, the City switched from self-funded program for health insurance to a shared-funding plan provided by a commercial insurance carrier. The City will pay up to a predetermined amount towards each employee's health care costs after employee's health care costs after employees meet their deductible. Once this "funding corridor" has been met, the insurance company will pay the employee's remaining annual health care costs.

All pending claims activity is reported in Internal Service Fund, which will be closed out subsequently. The Internal Service fund is still being maintained until City is certain that all prior claims have been paid out as there is uncertainty as to exactly when claims will be processed. As of December 31, 2018, there are no known claims payable to the City. The changes in fund's claims liability amount for the last three years follow:

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 15: Risk Management (Continued)

	<u>Beginning of Year Liability</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at Year End</u>
2016	157,875	1,484,467	(1,543,327)	99,015
2017	99,015	13,168	(112,183)	-
2018	-	-	-	-

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

Note 15: Construction and Other Significant Commitments

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

<u>Project</u>	<u>Amount</u>	<u>Paid</u>	<u>on Contract</u>
Holland Rd Reconstruction	\$ 2,277,245	\$ 27,554	\$ 2,249,691
Total	<u>\$ 2,277,245</u>	<u>\$ 27,554</u>	<u>\$ 2,249,691</u>

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are components of fund balance for subsequent year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. As of December 31, 2018, the City's commitments for encumbrances in the governmental funds were as follows:

	<u>Encumbrances Outstanding</u>
Major Funds:	
General	\$ 762,001
Capital Improvements	1,103,800
Nonmajor Funds:	
Special Revenue Funds	329,601
Total	<u>\$ 2,195,402</u>

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 16: Interfund Transfers

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

Transfer To	Transfer From		Total
	General Fund	Capital Improvements Fund	
General Fund	\$ -	\$ 120,812	\$ 120,812
Capital Improvements Fund	571,500		571,500
Other Governmental Funds	1,835,032	872,216	2,707,248
Total	<u>\$ 2,406,532</u>	<u>\$ 993,028</u>	<u>\$ 3,399,560</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 and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

Note 17: Contingencies/Pending Litigation

A. Grants

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2018.

B. Litigation

There are claims and lawsuits that are pending against the City. The amount of the liability from these claims and lawsuits, if any, cannot be reasonably estimated at this time. However, in the opinion of management, any such claims and lawsuits will not have a material adverse effect on the overall financial position of the City at December 31, 2018.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 18: 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 other governmental funds are presented below:

Fund Balances	General Fund	Capital Improvements Fund	Other Governmental Funds	Total
<i>Nonspendable</i>				
Prepaid Items	\$ 409,736	\$ -	\$ -	\$ 409,736
Materials and Supplies Inventory	177,090	-	-	177,090
<i>Total Nonspendable</i>	<u>586,826</u>	<u>-</u>	<u>-</u>	<u>586,826</u>
<i>Restricted for</i>				
Police Pension	-	-	28,084	28,084
Other Law Enforcement	-	-	411,607	411,607
Streets and Highways	-	-	1,524,751	1,524,751
FEMA	-	-	54,663	54,663
CDBG	-	-	36,290	36,290
Debt Service	-	-	706,933	706,933
Capital Improvements	-	214,400	-	214,400
Snow Rd. Resurfacing	-	13,203	-	13,203
<i>Total Restricted</i>	<u>-</u>	<u>227,603</u>	<u>2,762,328</u>	<u>2,989,931</u>
<i>Committed to</i>				
Income Tax Allocation - Capital	-	1,423,097	-	1,423,097
Admissions Tax	708,246	-	-	708,246
Hotel and Motel Tax	671,554	-	-	671,554
Property Insurance	1,171,834	-	-	1,171,834
Retiree Accrued Benefits	73,826	-	-	73,826
Economic Development	-	-	417,541	417,541
Brook Park Road Corridor	-	-	57,835	57,835
Special Recreation	-	-	458,922	458,922
Ditch Cleaning Program	-	224,069	-	224,069
Sound Insulation Program	-	183,661	-	183,661
Street Programs	-	1,780,255	-	1,780,255
<i>Total Committed</i>	<u>2,625,460</u>	<u>3,611,082</u>	<u>934,298</u>	<u>7,170,840</u>
<i>Assigned to</i>				
Fiscal Year 2019 Appropriations	752,918	-	-	752,918
Park Concessions	6,291	-	-	6,291
Debt Service	-	-	1,313,686	1,313,686
Safety Forces	558,730	-	-	558,730
Recreation	7,309	-	-	7,309
Community Development	7,799	-	-	7,799
Sanitation	16,394	-	-	16,394
Streets	89,440	-	-	89,440
General Government	15,711	-	-	15,711
Other	2,550	-	-	2,550
<i>Total Assigned</i>	<u>1,457,142</u>	<u>-</u>	<u>1,313,686</u>	<u>2,770,828</u>
<i>Unassigned (Deficit)</i>	<u>6,109,471</u>	<u>-</u>	<u>(14,709)</u>	<u>6,094,762</u>
Total Fund Balances	<u><u>\$ 10,778,899</u></u>	<u><u>\$ 3,838,685</u></u>	<u><u>\$ 4,995,603</u></u>	<u><u>\$ 19,613,187</u></u>

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2018

Note 19: Tax Abatement Disclosure

The City of Brook Park provides tax incentive programs through Ohio Revised Code Chapter 3735.65-70 and/or Chapter 5709 (Community Re-Investment Act (CRA)) and through a payroll tax rebate program. The city established its CRA and has amended its program twice so that the entire city is covered by the CRA.

The CRA program provides the city with an important economic development tool to stimulate growth and redevelopment in its industrial, commercial and residential bases. The abate program provides a direct incentive property tax exemption for improvements to real estate within the City. Improvements to residential property (not containing more than 2 residential units) valued exceeding \$2,500 are available to receive a 10-year, 100% property tax abatement for the increase in assessed value resulting from the improvement. Remodeling in excess of \$5,000 to residential multi-family, commercial & industrial properties are eligible to receive a 12-year 100% abatement from the increase in assessed value resulting from the improvement. Likewise, construction of new commercial or industrial improvements (excluding properties primarily used in retail sales) are eligible for a 100%, fifteen (15) year abatement of real property taxes arising from the increase in assessed value resulting from the improvement. All CRA property tax abatements are reported to the State of Ohio on an annual basis.

Below is the information relevant to the disclosure of the CRA property tax abatement program for the year ended December 31, 2018:

Property	Date Certified	Project Type	Project Invoice	Value Subject to Exemption	Number of Jobs
Vinas LLC	7/16/2013	Commercial	\$ 2,103,508	all	5
Horchy	1/13/2014	Residential	72,100	all	n/a
Moore	8/17/2015	Residential	192,500	all	n/a
Kuharik	11/26/2016	Residential	38,315	all	n/a
Bogdan R.E.	10/21/2015	Commercial	1,750,000	all	17
Lakeview Motor	7/24/2015	Commercial	3,900,000	all	15
18301 Brookpark	8/1/2016	Commercial	2,300,000	all	15
West 161st Investments Inc.	3/20/2017	Commercial	3,220,900	all	15

In the past the city has offered an income tax rebate (up to 50% for a defined period (up to five (5) years)) to entities with established multi-million dollar payrolls who agree to maintain established and negotiated payrolls for a defined period of years (7 years or longer). Like rebates have been offered to businesses with multi-million dollar payrolls in order to keep the business from relocating out of city due to a competitive rebate offer or to entice a business to relocate to our City by matching an income tax rebate offered by a competitive jurisdiction. No income tax rebates have been authorized by the City in the past four (4) years.

City of Brook Park, Ohio

Required Supplementary Information

Schedule of the City's Proportionate Share of the Net Pension Liability

Ohio Public Employees Retirement System

Last Five Years (1)

Traditional Plan	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.040783%	0.041502%	0.040125%	0.048064%	0.048064%
City's Proportionate Share of the Net Pension Liability	\$6,398,062	\$9,424,398	\$6,950,154	\$5,797,055	\$5,666,119
City's Covered Payroll	\$5,388,477	\$5,364,108	\$4,993,992	\$5,912,167	\$6,018,854
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	118.74%	175.69%	139.17%	98.05%	94.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%
Combined Plan	2018	2017	2016	2015	2014
City's Proportion of the Net Pension (Asset)	0.019061%	0.020787%	0.027150%	0.024994%	0.024994%
City's Proportionate Share of the Net Pension (Asset)	(\$25,948)	(\$11,569)	(\$13,212)	(\$9,623)	(\$2,623)
City's Covered Payroll	\$78,062	\$80,917	\$98,792	\$92,050	\$106,362
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	33.24%	14.30%	13.37%	10.45%	2.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	137.28%	116.55%	116.90%	114.83%	104.33%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

City of Brook Park, Ohio

Requires Supplementary Information

Schedule of the City's Proportionate Share of the Net Pension Liability

Ohio Police and Fire Pension Fund

Last Five Years (1)

Police	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.1339190%	0.1280200%	0.1288433%	0.1437298%	0.1437298%
City's Proportionate Share of the Net Pension Liability	\$8,219,214	\$8,108,677	\$8,288,580	\$7,445,803	\$7,000,092
City's Covered Payroll	\$3,262,589	\$3,076,132	\$2,916,400	\$3,354,032	\$3,061,875
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	251.92%	263.60%	284.21%	222.00%	228.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	71.71%	73.00%
Fire	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.1494950%	0.1426650%	0.1403890%	0.1516112%	0.1516112%
City's Proportionate Share of the Net Pension Liability	\$9,175,183	\$9,036,258	\$9,031,323	\$7,854,092	\$7,383,941
City's Covered Payroll	\$2,977,945	\$2,786,979	\$2,569,609	\$2,812,226	\$2,830,504
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	308.10%	324.23%	351.47%	279.28%	260.87%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	71.71%	73.00%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

City of Brook Park, Ohio
Required Supplementary Information
Schedule of City Contributions – Net Pension Liability
Ohio Public Employees Retirement System
Last Six Years (1)

	2018	2017	2016	2015	2014	2013
<u>Contractually Required Contributions</u>						
Traditional Plan	744,060	700,502	643,693	599,279	709,460	782,451
Combined Plan	<u>11,511</u>	<u>10,148</u>	<u>9,710</u>	<u>11,855</u>	<u>11,046</u>	<u>13,827</u>
Total Required Contributions	\$755,571	\$710,650	\$653,403	\$611,134	\$720,506	\$796,278
Contributions in Relation to the Contractually Required Contribution	<u>(\$755,571)</u>	<u>(\$710,650)</u>	<u>(\$653,403)</u>	<u>(\$611,134)</u>	<u>(\$720,506)</u>	<u>(\$796,278)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll						
Traditional Plan	\$5,314,714	\$5,388,477	\$5,364,108	\$4,993,992	\$5,912,167	\$6,018,854
Combined Plan	\$82,221	\$78,062	\$80,917	\$98,792	\$92,050	\$106,362
<u>Pension Contributions as a Percentage of Covered Payroll</u>						
Traditional Plan	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
Combined Plan	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

See accompanying notes to the required supplementary information

City of Brook Park, Ohio

Required Supplementary Information

Schedule of City Contributions – Net Pension Liability

Ohio Police and Fire Pension Fund

Last Ten Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>Contractually Required Contributions</u>										
Police	\$633,092	\$619,892	\$584,465	\$554,116	\$637,266	\$481,633	\$388,484	\$395,232	\$405,512	\$440,584
Fire	\$724,591	\$699,817	\$654,940	\$603,858	\$660,873	\$572,611	\$517,304	\$538,686	\$538,555	\$561,992
Total Required Contributions	\$1,357,683	\$1,319,709	\$1,239,405	\$1,157,974	\$1,298,139	\$1,054,244	\$905,788	\$933,918	\$944,067	\$1,002,576
Contributions in Relation to the Contractually Required Contribution	(\$1,357,683)	(\$1,319,709)	(\$1,239,405)	(\$1,157,974)	(\$1,298,139)	(\$1,054,244)	(\$905,788)	(\$933,918)	(\$944,067)	(\$1,002,576)
Contribution Deficiency / (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>City's Covered Payroll</u>										
Police	\$3,332,063	\$3,262,589	\$3,076,132	\$2,916,400	\$3,354,032	\$3,061,875	\$3,046,933	\$3,099,859	\$3,180,486	\$3,455,561
Fire	\$3,083,366	\$2,977,945	\$2,786,979	\$2,569,609	\$2,812,226	\$2,830,504	\$2,998,864	\$3,122,817	\$3,122,058	\$3,257,925
<u>Pension Contributions as a Percentage of Covered Payroll</u>										
Police	19.00%	19.00%	19.00%	19.00%	19.00%	[1]	12.75%	12.75%	12.75%	12.75%
Fire	23.50%	23.50%	23.50%	23.50%	23.50%	[1]	17.25%	17.25%	17.25%	17.25%

[1] – The portion of the City's contributions to fund pension obligations from January 1, 2013 thru May 31, 2013, for both police officers and firefighters was 14.81 percent and 19.31 percent, respectively. The portion of the City's contributions to fund pension obligations from June 1, 2013 thru December 31, 2013 for both police officers and firefighters was 16.65 percent and 21.15 percent, respectively.

See accompanying notes to the required supplementary information

City of Brook Park, Ohio

Required Supplementary Information

Schedule of the City's Proportionate Share of the Net OPEB Liability

Ohio Public Employees Retirement System

Last Two Years (1)

	2018	2017
City's Proportion of the Net OPEB Liability	0.038630%	0.039410%
City's Proportionate Share of the Net OPEB Liability	\$ 4,194,933	\$ 3,980,544
City's Covered Payroll	\$ 5,472,234	\$ 5,446,304
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	76.66%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.05%

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

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

See accompanying notes to the required supplementary information

City of Brook Park, Ohio

Required Supplementary Information

Schedule of the City's Proportionate Share of the Net OPEB Liability

Ohio Police and Fire Pension Fund

Last Two Years (1)

	2018	2017
City's Proportion of the Net OPEB Liability	0.283414%	0.270690%
City's Proportionate Share of the Net OPEB Liability	\$ 16,057,841	\$ 12,849,046
City's Covered Payroll	\$ 6,240,534	\$ 5,863,111
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	257.32%	219.15%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.13%	15.96%

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

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

See accompanying notes to the required supplementary information

City of Brook Park, Ohio

Required Supplementary Information

Schedule of the City's Net OPEB Liability

Other Post-Employment Benefits – Single Employer

Last Two Years (1)

	2018	2017
Total OPEB Liability	\$ 1,835,770	\$ 1,785,707
OPEB Plan's Fiduciary Net Position	-	-
Net OPEB Liability	\$ 1,835,770	\$ 1,785,707
City's Covered Payroll	\$ 11,712,768	\$ 11,309,415
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	15.67%	15.79%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%

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

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

See accompanying notes to the required supplementary information

City of Brook Park, Ohio

Required Supplementary Information

Schedule of the City's Contributions – Net OPEB Liability

Ohio Public Employees Retirement System

Last Four Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 404	\$ 37,871	\$ 108,926	\$ 101,855
Contributions in Relation to the Contractually Required Contribution	<u>(404)</u>	<u>(37,871)</u>	<u>(108,926)</u>	<u>(101,855)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 5,407,031	\$ 5,472,234	\$ 5,446,304	\$ 5,098,548
Contributions as a Percentage of Covered Payroll	0.01%	0.69%	2.00%	2.00%

(1) Information prior to 2015 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

See accompanying notes to the required supplementary information

City of Brook Park, Ohio

Required Supplementary Information

Schedule of the City's Contributions – Net OPEB Liability

Ohio Police and Fire Pension Fund

Last Ten Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually Required Contribution	\$ 32,077	\$ 31,203	\$ 29,316	\$ 27,430	\$ 30,831	\$ 213,304	\$ 408,091	\$ 420,031	\$ 425,422	\$ 233,250
Contributions in Relation to the Contractually Required Contribution	(32,077)	(31,203)	(29,316)	(27,430)	(30,831)	(213,304)	(408,091)	(420,031)	(425,422)	(233,250)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 6,415,429	\$ 6,240,534	\$ 5,863,111	\$ 5,486,009	\$ 6,166,258	\$ 5,892,379	\$ 6,045,797	\$ 6,222,676	\$ 6,302,544	\$ 3,455,561
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%	3.62%	6.75%	6.75%	6.75%	6.75%

See accompanying notes to the required supplementary information

City of Brook Park, Ohio

Required Supplementary Information

Schedule of the City's Contributions - Net OPEB Liability

Other Post-Employment Benefits – Single Employer

Last Two Years

	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 102,714	\$ 217,407
Contributions in Relation to the Contractually Required Contribution	<u>(102,714)</u>	<u>(217,407)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 11,712,768	\$ 11,309,415
Contributions as a Percentage of Covered Payroll	0.88%	1.92%

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

See accompanying notes to the required supplementary information

City of Brook Park, Ohio

Notes to the Required Supplementary Information

For the Year Ended December 31, 2018

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2018.

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

Net OPEB Liability

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

Changes in assumptions: For 2018, the single discount rate changed from 4.23 percent to 3.85 percent

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2018.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the investment rate of return was reduced from 8.25 percent to 8.00 percent (b) the projected salary increases was reduced from 4.25% to 3.75% (c) the payroll increases was reduced from 3.75% to 3.25% (d) the inflation assumptions was reduced from 3.25% to 2.75% (e) the cost of living adjustments was reduced from 2.60% to 2.20% (f) rates of withdrawal, disability and service retirement were updated to reflect recent experience (g) mortality rates were updated to the RP-2014 Total Employee and Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2016 (h) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2016.

Net OPEB Liability

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

Changes in assumptions: For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

Combining Statements

City of Brook Park, Ohio

Fund Descriptions

Non-Major Governmental Funds

For The Year Ended December 31, 2018

Non-Major Special Revenue Funds

Street Maintenance Fund

The Street Maintenance Fund accounts for ninety-two and one half percent (92.5%) of the state gasoline tax and motor vehicle registration fees restricted for street maintenance and repair.

State Highway Fund

The State Highway Fund accounts for seven and one half percent (7.5%) of the state gasoline tax and motor vehicle registration fees restricted for maintenance and repair of state highways within the City.

Permissive Tax Fund

The Permissive Tax Fund accounts for additional motor vehicle registration fees restricted for maintenance and repair of streets within the City.

Economic Development Fund

The Economic Development Fund accounts for parking fees and proceeds received from the sale of City owned property committed for expenditures essential to the development of the City.

Brook Park Road Corridor Fund

The Brook Park Road Corridor Fund accounts for funds received from the City of Cleveland as a result of a legal settlement committed for attorney fees, land acquisition, grants or loans to Brook Park Road businesses and other expenditures related to the overall improvement of the corridor.

CDBG Fund

The CDBG Fund accounts for funds received from the Community Development Block Grant passed through from the Cuyahoga County. The grant funds were utilized for the W. 147th/Elm Street road project.

Special Recreation Fund

The Special Recreation Fund accounts for operations of City sponsored recreation programs committed by participation fees and facility rentals.

Law Enforcement Fund

The Law Enforcement Fund accounts for confiscated monies from criminal offenses and restricted, by state statute, for expenditures that would enhance the operation of the police department.

DWI Enforcement and Education Fund

The DWI Enforcement and Education Fund accounts for fine monies used by the law enforcement agency to pay costs related to DWI enforcement and for educating the public about laws governing the operation of a motor vehicle under the influence of alcohol.

Federal Forfeiture Fund

The Federal Forfeiture Fund accounts for confiscated monies from a Federal task force and restricted for expenditures that would enhance the operation of the police department.

City of Brook Park, Ohio

Fund Descriptions

Non-Major Governmental Funds

For The Year Ended December 31, 2018

Non-Major Special Revenue Funds (continued)

Community Diversion Fund

The Community Diversion Fund accounts for reimbursements received from Cuyahoga County Juvenile Court to promote and develop a community diversion program to address juvenile misdemeanor and status offenders.

Retiree Accrued Benefits Fund

The Retiree Accrued Benefits Fund accounts for funds allocated to pay for the accrued compensated absences paid out to employees upon retirement. Due to the implementation of GASB Statement No. 54, the fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget.

Continuing Training Program Fund

The Continuing Training Program Fund accounts for restricted funds to provide for the training of the City's safety forces.

FEMA Fund

The FEMA Fund accounts for restricted funds that are used to reimburse costs incurred as a result of a natural disaster.

Police Pension Fund

The Police Pension Fund accounts for the accumulation of property taxes levied for the payment of current employer's pension contributions.

Fire Pension Fund

The Fire Pension Fund accounts for the accumulation of property taxes levied for the payment of current employer's pension contributions.

Southwest General Health Center Fund

The Southwest General Health Center Fund accounts for a special property tax levied to provide resources to support a health care facility.

Non-Major Debt Service Fund

General Obligation Debt Service Fund

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

City of Brook Park, Ohio
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 2,983,083	\$ 1,323,732	\$ 4,306,815
Accrued Interest Receivable	3,518	-	3,518
Intergovernmental Receivable	572,250	696,887	1,269,137
Property Taxes Receivable	360,678	-	360,678
Special Assessments Receivable	-	78,563	78,563
Total Assets	<u>3,919,529</u>	<u>2,099,182</u>	<u>6,018,711</u>
Liabilities:			
Accounts Payable	\$ 34,659	\$ -	\$ 34,659
Accrued Wages and Benefits	7,880	-	7,880
Intergovernmental Payable	116,981	-	116,981
Total Liabilities	<u>159,520</u>	<u>-</u>	<u>159,520</u>
Deferred Inflows of Resources:			
Property Taxes	346,547	-	346,547
Unavailable Revenue - Delinquent Property Taxes	14,131	-	14,131
Unavailable Revenue - Other	424,347	78,563	502,910
Total Deferred Inflows of Resources	<u>785,025</u>	<u>78,563</u>	<u>863,588</u>
Fund Balances:			
Restricted	2,055,395	706,933	2,762,328
Committed	934,298	-	934,298
Assigned	-	1,313,686	1,313,686
Unassigned (Deficit)	(14,709)	-	(14,709)
Total Fund Balances	<u>2,974,984</u>	<u>2,020,619</u>	<u>4,995,603</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,919,529</u>	<u>\$ 2,099,182</u>	<u>\$ 6,018,711</u>

City of Brook Park, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For The Year Ended December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES			
Property Taxes	\$ 310,616	\$ -	\$ 310,616
Intergovernmental	1,005,803	-	1,005,803
Interest	32,134	-	32,134
Licenses and Permits	49,225	-	49,225
Fines and Forfeitures	10,708	-	10,708
Charges for Services	125,125	-	125,125
Contributions and Donations	1,000	-	1,000
Special Assessments	-	40,652	40,652
Total Revenues	<u>1,534,611</u>	<u>40,652</u>	<u>1,575,263</u>
EXPENDITURES			
Security of Persons and Property:			
Police and Others	670,631	-	670,631
Fire	758,999	-	758,999
Public Health and Welfare	102,296	-	102,296
Leisure Time Activities	111,934	-	111,934
Community Development	251,136	-	251,136
Transportation	664,021	-	664,021
General Government	-	4,151	4,151
Capital Outlay	133,756	-	133,756
Debt Service:			
Principal Retirement	-	770,831	770,831
Interest and Fiscal Charges	-	392,337	392,337
Total Expenditures	<u>2,692,773</u>	<u>1,167,319</u>	<u>3,860,092</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,158,162)</u>	<u>(1,126,667)</u>	<u>(2,284,829)</u>
OTHER FINANCING SOURCES			
Sale of Capital Assets	60,201	-	60,201
Transfer In	1,455,602	1,251,646	2,707,248
Total Other Financing Sources	<u>1,515,803</u>	<u>1,251,646</u>	<u>2,767,449</u>
Net Change in Fund Balances	357,641	124,979	482,620
Fund Balances - Beginning of Year	2,617,343	1,895,640	4,512,983
Fund Balances - End of Year	<u>\$ 2,974,984</u>	<u>\$ 2,020,619</u>	<u>\$ 4,995,603</u>

City of Brook Park, Ohio
Combining Balance Sheet
Non-Major Special Revenue Funds
December 31, 2018

	Street Maintenance	State Highway	Permissive Tax	Economic Development	Brook Park Road Corridor
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 453,304	\$ 714,885	\$ 215,980	\$ 441,361	\$ 57,835
Accrued Interest Receivable	996	1,524	460	-	-
Intergovernmental Receivable	402,822	32,662	3,568	-	-
Property Taxes Receivable	-	-	-	-	-
Total Assets	857,122	749,071	220,008	441,361	57,835
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ 949	\$ 23,820	\$ -
Accrued Wages and Benefits	7,880	-	-	-	-
Intergovernmental Payable	1,472	-	-	-	-
<i>Total Liabilities</i>	9,352	-	949	23,820	-
Deferred Inflows of Resources:					
Property Taxes	-	-	-	-	-
Unavailable Revenue - Delinq. Property Taxes	-	-	-	-	-
Unavailable Revenue - Other	269,311	21,838	-	-	-
<i>Total Deferred Inflows of Resources</i>	269,311	21,838	-	-	-
Fund Balances:					
Restricted	578,459	727,233	219,059	-	-
Committed	-	-	-	417,541	57,835
Unassigned (Deficit)	-	-	-	-	-
<i>Total Fund Balances (Deficit)</i>	578,459	727,233	219,059	417,541	57,835
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 857,122	\$ 749,071	\$ 220,008	\$ 441,361	\$ 57,835

(Continued)

City of Brook Park, Ohio
Combining Balance Sheet
Non-Major Special Revenue Funds
December 31, 2018

	CDBG	Special Recreation	Law Enforcement	DWI Enforcement & Education	Federal Forfeiture	Community Diversion
ASSETS						
Equity in Pooled Cash and Cash Equivalents	\$ 36,290	\$ 458,922	\$ 88,435	\$ 27,347	\$ 264,173	\$ 17,771
Accrued Interest Receivable	-	-	-	-	538	-
Intergovernmental Receivable	112,602	-	-	-	-	-
Property Taxes Receivable	-	-	-	-	-	-
Total Assets	148,892	458,922	88,435	27,347	264,711	17,771
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 9,890	\$ -
Accrued Wages and Benefits	-	-	-	-	-	-
Intergovernmental Payable	-	-	-	-	-	-
Total Liabilities	-	-	-	-	9,890	-
Deferred Inflows of Resources:						
Property Taxes	-	-	-	-	-	-
Unavailable Revenue - Delinq. Property Taxes	-	-	-	-	-	-
Unavailable Revenue - Other	112,602	-	-	-	-	-
Total Deferred Inflows of Resources	112,602	-	-	-	-	-
Fund Balances:						
Restricted	36,290	-	88,435	27,347	254,821	17,771
Committed	-	458,922	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-	-
Total Fund Balances (Deficit)	36,290	458,922	88,435	27,347	254,821	17,771
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 148,892	\$ 458,922	\$ 88,435	\$ 27,347	\$ 264,711	\$ 17,771

Continuing Training Program	FEMA	Police Pension	Fire Pension	Southwest General Health Center	Total Nonmajor Special Revenue Funds
\$ 23,233	\$ 54,663	\$ 84,464	\$ 44,420	\$ -	\$ 2,983,083
-	-	-	-	-	3,518
-	-	6,959	6,959	6,678	572,250
-	-	122,674	122,674	115,330	360,678
23,233	54,663	214,097	174,053	122,008	3,919,529
-	-	\$ -	\$ -	\$ -	\$ 34,659
-	-	-	-	-	7,880
-	-	56,380	59,129	-	116,981
-	-	56,380	59,129	-	159,520
-	-	117,871	117,871	110,805	346,547
-	-	4,803	4,803	4,525	14,131
-	-	6,959	6,959	6,678	424,347
-	-	129,633	129,633	122,008	785,025
23,233	54,663	28,084	-	-	2,055,395
-	-	-	-	-	934,298
-	-	-	(14,709)	-	(14,709)
23,233	54,663	28,084	(14,709)	-	2,974,984
\$ 23,233	\$ 54,663	\$ 214,097	\$ 174,053	\$ 122,008	\$ 3,919,529

City of Brook Park, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Special Revenue Funds

For The Year Ended December 31, 2018

	Street Maintenance	State Highway	Permissive Tax	Economic Development	Brook Park Road Corridor	CDBG	Special Recreation
REVENUES							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	808,240	65,531	46,765	41,074	-	-	-
Interest	8,446	14,304	4,175	-	-	-	-
Fees, Licenses, and Permits	-	-	-	49,225	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-
Charges for Services	-	-	-	7,743	-	-	117,382
Contributions and Donations	-	-	-	-	-	-	1,000
Total Revenues	816,686	79,835	50,940	98,042	-	-	118,382
EXPENDITURES							
Security of Persons and Property:							
Police and Others	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
Public Health and Welfare	-	-	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-	-	111,934
Community Environment	-	-	-	250,844	-	292	-
Transportation	620,347	27,483	16,191	-	-	-	-
Capital Outlay	20,430	-	-	724	-	112,602	-
Total Expenditures	640,777	27,483	16,191	251,568	-	112,894	111,934
Excess of Revenues Over (Under) Expenditures	175,909	52,352	34,749	(153,526)	-	(112,894)	6,448
OTHER FINANCING SOURCES							
Sale of Capital Assets	-	-	-	60,201	-	-	-
Transfer In	-	-	-	260,000	-	112,602	-
Total Other Financing Sources	-	-	-	320,201	-	112,602	-
Net Change in Fund Balances	175,909	52,352	34,749	166,675	-	(292)	6,448
Fund Balances - Beginning of Year	402,550	674,881	184,310	250,866	57,835	36,582	452,474
Fund Balances - End of Year	\$ 578,459	\$ 727,233	\$ 219,059	\$ 417,541	\$ 57,835	\$ 36,290	\$ 458,922

Law Enforcement	DWI Enforcement & Education	Federal Forfeiture	Community Diversion	Continuing Training Program	FEMA	Police Pension	Fire Pension	Southwest General Health Center	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,851	\$ 110,851	\$ 88,914	\$ 310,616
-	-	-	3,000	-	-	13,918	13,918	13,357	1,005,803
-	-	5,209	-	-	-	-	-	-	32,134
-	-	-	-	-	-	-	-	-	49,225
9,783	925	-	-	-	-	-	-	-	10,708
-	-	-	-	-	-	-	-	-	125,125
-	-	-	-	-	-	-	-	-	1,000
<u>9,783</u>	<u>925</u>	<u>5,209</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>124,769</u>	<u>124,769</u>	<u>102,271</u>	<u>1,534,611</u>
11,984	258	21,788	331	-	-	636,270	-	-	670,631
-	-	-	-	-	-	-	758,999	-	758,999
-	-	-	-	-	-	-	-	102,296	102,296
-	-	-	-	-	-	-	-	-	111,934
-	-	-	-	-	-	-	-	-	251,136
-	-	-	-	-	-	-	-	-	664,021
-	-	-	-	-	-	-	-	-	133,756
<u>11,984</u>	<u>258</u>	<u>21,788</u>	<u>331</u>	<u>-</u>	<u>-</u>	<u>636,270</u>	<u>758,999</u>	<u>102,296</u>	<u>2,692,773</u>
<u>(2,201)</u>	<u>667</u>	<u>(16,579)</u>	<u>2,669</u>	<u>-</u>	<u>-</u>	<u>(511,501)</u>	<u>(634,230)</u>	<u>(25)</u>	<u>(1,158,162)</u>
-	-	-	-	-	-	-	-	-	60,201
-	-	-	-	-	-	508,000	575,000	-	1,455,602
-	-	-	-	-	-	508,000	575,000	-	1,515,803
<u>(2,201)</u>	<u>667</u>	<u>(16,579)</u>	<u>2,669</u>	<u>-</u>	<u>-</u>	<u>(3,501)</u>	<u>(59,230)</u>	<u>(25)</u>	<u>357,641</u>
90,636	26,680	271,400	15,102	23,233	54,663	31,585	44,521	25	2,617,343
<u>\$ 88,435</u>	<u>\$ 27,347</u>	<u>\$ 254,821</u>	<u>\$ 17,771</u>	<u>\$ 23,233</u>	<u>\$ 54,663</u>	<u>\$ 28,084</u>	<u>\$ (14,709)</u>	<u>\$ -</u>	<u>\$ 2,974,984</u>

City of Brook Park, Ohio

Fund Descriptions

Agency Funds

For The Year Ended December 31, 2018

Agency Funds

Cash Bonds Held Fund

The Cash Bonds Held Fund accounts for deposits to insure the proper repair of street openings.

Mayor's Court Fund

The Mayor's Court Fund accounts for the collection and distribution of court fines and forfeitures.

Board of Building Standards Fund

The Board of Building Standards Fund accounts for the collection and distribution of State required building code fees.

Payroll Deduction Employees' Share Fund

The Payroll Deduction Employees' Share Fund accounts for employees' payroll deductions which are to be distributed to other agencies.

Pension Employee Withholding

The Pension Employee Withholding Fund accounts for employees' pension portion, which is to be distributed to other agencies.

City Withholding Fund

The City Withholding Fund accounts for City's pension portion, which is to be distributed to other agencies.

City of Brook Park, Ohio

Combining Statement of Assets and Liabilities

Agency Funds

December 31, 2018

	Cash Bonds Held	Mayor's Court	Board of Building Standards	Payroll Deduction Employees' Share	Pension Employee Withholding	City Withholding	Total
Assets							
Equity in Pooled Cash and							
Cash Equivalents	\$ 76,009	\$ -	\$ 4,419	\$ 27,798	\$ 126	\$ -	\$ 108,352
Cash and Cash Equivalents:							
in Segregated Accounts	-	28,858	-	-	-	-	28,858
Total Assets	<u>\$ 76,009</u>	<u>\$ 28,858</u>	<u>\$ 4,419</u>	<u>\$ 27,798</u>	<u>\$ 126</u>	<u>\$ -</u>	<u>\$ 137,210</u>
Liabilities							
Deposits Held and Due to Others	<u>\$ 76,009</u>	<u>\$ 28,858</u>	<u>\$ 4,419</u>	<u>\$ 27,798</u>	<u>\$ 126</u>	<u>\$ -</u>	<u>\$ 137,210</u>

City of Brook Park, Ohio

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For The Year Ended December 31, 2018

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
Cash Bonds Held				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 69,509	\$ 20,333	\$ 13,833	\$ 76,009
Liabilities				
Deposits Held and Due to Others	\$ 69,509	\$ 20,333	\$ 13,833	\$ 76,009
Mayor's Court				
Assets				
Cash and Cash Equivalents: in Segregated Accounts	\$ 45,388	\$ -	\$ 16,530	\$ 28,858
Liabilities				
Deposits Held and Due to Others	\$ 45,388	\$ -	\$ 16,530	\$ 28,858
Board of Building Standards				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 3,129	\$ 4,606	\$ 3,316	\$ 4,419
Liabilities				
Deposits Held and Due to Others	\$ 3,129	\$ 4,606	\$ 3,316	\$ 4,419
Payroll Deduction Employees' Share				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 33,501	\$ 75,891	\$ 81,594	\$ 27,798
Liabilities				
Deposits Held and Due to Others	\$ 33,501	\$ 75,891	\$ 81,594	\$ 27,798
Pension Employee Withholding				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 126	\$ -	\$ -	\$ 126
Liabilities				
Deposits Held and Due to Others	\$ 126	\$ -	\$ -	\$ 126
City Withholding				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 3	\$ -	\$ 3	\$ -
Liabilities				
Deposits Held and Due to Others	\$ 3	\$ -	\$ 3	\$ -
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 106,268	\$ 100,830	\$ 98,746	\$ 108,352
Cash and Cash Equivalents: in Segregated Accounts	45,388	-	16,530	28,858
Total Assets	\$ 151,656	\$ 100,830	\$ 115,276	\$ 137,210
Liabilities				
Deposits Held and Due to Others	\$ 151,656	\$ 100,830	\$ 115,276	\$ 137,210

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

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

General Fund

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 1,463,793	\$ 1,531,575	\$ 1,531,575	\$ -
Income Taxes	16,212,800	16,724,452	16,724,452	-
Other Taxes	302,083	352,954	352,954	-
Intergovernmental	547,881	588,322	588,322	-
Interest	90,000	150,352	150,352	-
Licenses and Permits	739,578	644,987	644,987	-
Fines and Forfeitures	675,000	512,326	512,326	-
Rentals	50,090	50,090	50,090	-
Charges for Services	1,901,224	2,152,202	2,152,202	-
Contributions and Donations	4,215	4,215	4,215	-
All Other Revenues	34,262	35,765	35,765	-
Total Revenues	22,020,926	22,747,240	22,747,240	-
Expenditures:				
Current:				
Security of Persons and Property				
Correctional Facility				
Personal Services	209,377	209,377	196,209	13,168
Travel and Education	1,000	728	-	728
Contractual Services	33,101	32,485	31,686	799
Supplies and Materials	11,562	12,450	9,947	2,503
Total Correctional Facility	255,040	255,040	237,842	17,198
School Guards				
Personal Services	81,970	81,970	81,162	808
Total School Guards	81,970	81,970	81,162	808
Fire Department				
Personal Services	3,660,350	3,704,669	3,663,298	41,371
Travel and Education	10,000	10,000	7,097	2,903
Contractual Services	142,079	148,948	145,490	3,458
Supplies and Materials	79,560	86,942	76,391	10,551
Total Fire Department	3,891,989	3,950,559	3,892,276	58,283
Police Department				
Personal Services	4,240,444	4,240,444	4,179,601	60,843
Travel and Education	10,065	11,615	11,384	231
Contractual Services	108,371	108,269	102,499	5,770
Supplies and Materials	136,680	135,232	130,563	4,669
Total Police Department	4,495,560	4,495,560	4,424,047	71,513

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

General Fund (continued)

For The Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Animal Control				
Personal Services	96,232	97,232	95,428	1,804
Contractual Services	10,399	12,046	11,519	527
Supplies and Materials	7,994	6,348	5,440	908
Total Animal Control	114,625	115,626	112,387	3,239
Safety Director				
Personal Services	91,819	10,738	10,738	-
Contractual Services	75	175	81	94
Supplies and Materials	100	-	-	-
Total Safety Director	91,994	10,913	10,819	94
Safety Building				
Personal Services	58,112	58,112	56,510	1,602
Travel and Education	-	-	-	-
Contractual Services	543,349	1,015,382	1,014,603	779
Supplies and Materials	4,043	5,558	5,376	182
Total Safety Building	605,504	1,079,052	1,076,489	2,563
Safety Town				
Contractual Services	3,000	3,000	3,000	-
Supplies and Materials	250	939	939	-
Total Safety Town	3,250	3,939	3,939	-
Street Lighting				
Contractual Services	422,870	408,083	387,009	21,074
Supplies and Materials	5,108	5,108	101	5,007
Total Street Lighting	427,978	413,191	387,110	26,081
Traffic Lights				
Contractual Services	83,010	89,010	86,675	2,335
Total Traffic Lights	83,010	89,010	86,675	2,335

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

General Fund (continued)

For The Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Disaster Services				
Personal Services	9,813	11,154	10,778	376
Contractual Services	2,500	2,554	2,554	-
Supplies and Materials	11,310	5,256	4,256	1,000
Total Disaster Services	23,623	18,964	17,588	1,376
Total Security of Persons and Property	10,074,543	10,513,824	10,330,334	183,490
Public Health & Welfare				
County Board of Health				
Contractual Services	79,153	82,995	82,995	-
Total County Board of Health	79,153	82,995	82,995	-
Office of Aging				
Personal Services	31,980	35,545	34,769	776
Contractual Services	235	319	174	145
Supplies and Materials	5,266	3,682	3,005	677
Total Office of Aging	37,481	39,546	37,948	1,598
Total Public Health and Welfare	116,634	122,541	120,943	1,598
Leisure Time Activities				
Recreation Commission				
Personal Services	6,927	6,927	6,927	-
Total Recreation Commission	6,927	6,927	6,927	-
Recreation Center				
Personal Services	555,278	555,278	541,962	13,316
Travel and Education	100	100	28	72
Contractual Services	173,017	179,384	175,944	3,440
Supplies and Materials	25,352	31,467	25,428	6,039
Other Expenses	750	750	138	612
Total Recreation Center	754,497	766,979	743,500	23,479
Home Day Celebration				
Personal Services	18,266	22,661	22,661	-
Contractual Services	43,000	41,477	41,286	191
Supplies and Materials	1,700	873	873	-
Total Home Day Celebration	62,966	65,011	64,820	191

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

General Fund (continued)

For The Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Parks and Play Grounds				
Personal Services	207,759	216,768	216,355	413
Travel and Education	100	100	45	55
Contractual Services	66,601	65,208	63,815	1,393
Supplies and Materials	65,609	62,951	59,068	3,883
Other Expenses	100	442	442	-
Total Parks and Play Grounds	340,169	345,469	339,725	5,744
Public Recreation				
Personal Services	26,554	26,554	18,137	8,417
Contractual Services	26,108	27,721	26,457	1,264
Supplies and Materials	1,830	2,217	387	1,830
Total Public Recreation	54,492	56,492	44,981	11,511
Total Leisure Time Activities	1,219,051	1,240,878	1,199,953	40,925
Community Development				
Planning Commission				
Personal Services	6,927	6,927	6,927	-
Supplies and Materials	50	50	-	50
Total Planning Commission	6,977	6,977	6,927	50
Community Development				
Personal Services	110,258	110,258	106,421	3,837
Travel and Education	250	3,351	3,351	-
Contractual Services	575	288	145	143
Supplies and Materials	50	132	132	-
Total Community Development	111,133	114,029	110,049	3,980
Board of Zoning Appeals				
Personal Services	8,312	8,312	8,312	-
Supplies and Materials	50	50	-	50
Total Board of Zoning Appeals	8,362	8,362	8,312	50
Building Department				
Personal Services	483,257	483,257	480,198	3,059
Travel and Education	1,958	1,747	1,228	519
Contractual Services	53,327	60,073	58,007	2,066
Supplies and Materials	5,141	5,566	4,943	623
Other Expenses	500	500	70	430
Total Building Department	544,183	551,143	544,446	6,697

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

General Fund (continued)

For The Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Tree and Tree Lawns				
Personal Services	163,481	170,408	167,846	2,562
Travel and Education	-	50	-	50
Contractual Services	5,552	5,552	5,400	152
Supplies and Materials	17,634	19,584	17,448	2,136
Total Tree and Tree Lawns	186,667	195,594	190,694	4,900
Total Community Development	857,322	876,105	860,428	15,677
Public Works				
Service Director				
Personal Services	124,391	117,391	113,847	3,544
Travel and Education	-	-	-	-
Contractual Services	11,030	12,030	11,886	144
Supplies and Materials	1,000	1,500	1,248	252
Total Service Director	136,421	130,921	126,981	3,940
Service Building				
Personal Services	86,987	86,987	80,800	6,187
Travel and Education	50	550	435	115
Contractual Services	140,812	146,836	145,079	1,757
Supplies and Materials	57,824	86,300	68,952	17,348
Total Service Building	285,673	320,673	295,266	25,407
Sanitation Department				
Personal Services	437,482	437,482	427,877	9,605
Travel and Education	100	100	90	10
Contractual Services	6,000	6,225	1,100	5,125
Supplies and Materials	575,432	638,207	604,329	33,878
Total Sanitation Department	1,019,014	1,082,014	1,033,396	48,618
Sewers, Drains, and Pump Stations				
Personal Services	677,441	677,441	641,341	36,100
Travel and Education	100	100	-	100
Contractual Services	90,583	86,683	75,088	11,595
Supplies and Materials	84,611	88,511	71,946	16,565
Total Sewers, Drains, and Pump Stations	852,735	852,735	788,375	64,360
Total Public Works	2,293,843	2,386,343	2,244,018	142,325

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

General Fund (continued)

For The Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Transportation				
Street Cleaning				
Personal Services	86,136	86,136	83,531	2,605
Travel and Education	50	50	-	50
Supplies and Materials	4,345	4,345	4,285	60
Total Street Cleaning	90,531	90,531	87,816	2,715
Traffic Signs				
Personal Services	74,402	74,402	73,539	863
Supplies and Materials	4,033	4,033	2,690	1,343
Total Traffic Signs	78,435	78,435	76,229	2,206
Snow Removal				
Personal Services	115,450	123,532	101,528	22,004
Supplies and Materials	363,326	413,326	342,972	70,354
Total Snow Removal	478,776	536,858	444,500	92,358
Total Transportation	647,742	705,824	608,545	97,279
General Government				
City Council				
Personal Services	143,121	143,121	143,064	57
Travel and Education	1,500	1,500	549	951
Contractual Services	17,218	21,848	21,362	486
Supplies and Materials	2,350	3,100	2,292	808
Total City Council	164,189	169,569	167,267	2,302
Clerk of Council				
Personal Services	105,159	86,259	76,006	10,253
Travel and Education	150	142	61	81
Contractual Services	2,050	2,258	2,258	-
Supplies and Materials	50	50	-	50
Total Clerk of Council	107,409	88,709	78,325	10,384

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

General Fund (continued)

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Mayor's Court				
Personal Services	158,574	158,574	147,258	11,316
Travel and Education	-	688	688	-
Contractual Services	12,453	12,753	11,010	1,743
Supplies and Materials	2,160	1,172	772	400
Total Mayor's Court	173,187	173,187	159,728	13,459
Civil Service Commission				
Personal Services	27,690	27,690	27,365	325
Travel and Education	150	150	-	150
Contractual Services	9,600	11,501	10,221	1,280
Supplies and Materials	3,800	1,899	123	1,776
Total Civil Service Commission	41,240	41,240	37,709	3,531
Charter Review Commission				
Contractual Services	700	700	-	700
Supplies and Materials	300	300	-	300
Total Charter Review Commission	1,000	1,000	-	1,000
Mayor's Office				
Personal Services	344,178	344,178	324,853	19,325
Travel and Education	3,250	4,044	4,042	2
Contractual Services	8,678	6,718	5,678	1,040
Supplies and Materials	6,715	7,881	6,519	1,362
Total Mayor's Office	362,821	362,821	341,092	21,729
Human Resources				
Personal Services	106,200	106,199	90,271	15,928
Travel and Education	2,700	2,686	2,629	57
Contractual Services	8,537	8,491	6,445	2,046
Supplies and Materials	500	561	514	47
Total Human Resources	117,937	117,937	99,859	18,078
Public Properties				
Personal Services	329,075	329,075	325,574	3,501
Travel and Education	100	100	-	100
Contractual Services	6,070	6,811	6,736	75
Supplies and Materials	9,253	8,512	6,196	2,316
Total Public Properties	344,498	344,498	338,506	5,992

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

General Fund (continued)

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Legal Department				
Personal Services	296,398	296,398	257,906	38,492
Travel and Education	500	200	200	-
Contractual Services	1,408	1,907	1,574	333
Supplies and Materials	519	320	226	94
Total Legal Department	298,825	298,825	259,906	38,919
Finance Department				
Personal Services	427,993	427,993	422,054	5,939
Travel and Education	-	3,231	3,231	-
Contractual Services	78,772	77,080	76,343	737
Supplies and Materials	5,387	3,848	3,727	121
Total Finance Department	512,152	512,152	505,355	6,797
Tax Department				
Personal Services	258,956	258,956	255,708	3,248
Travel and Education	940	1,223	1,118	105
Contractual Services	42,657	67,850	58,723	9,127
Supplies and Materials	18,774	19,218	17,304	1,914
Other Expenses	960,000	960,000	158,518	801,482
Total Tax Department	1,281,327	1,307,247	491,371	815,876
Retirees				
Personal Services	178,000	178,000	102,714	75,286
Total Retirees	178,000	178,000	102,714	75,286
Mechanics				
Personal Services	594,445	594,445	593,176	1,269
Travel and Education	2,500	2,500	2,160	340
Contractual Services	100	100	-	100
Travel and Education	2,510	2,510	1,571	939
Total Mechanics	599,555	599,555	596,907	2,648
Engineering				
Contractual Services	48,000	48,000	48,000	-
Total Engineering	48,000	48,000	48,000	-

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

General Fund (continued)

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Lands and Buildings				
Personal Services	11,545	11,545	971	10,574
Contractual Services	89,175	95,683	88,009	7,674
Supplies and Materials	29,659	23,151	19,094	4,057
Total Lands and Buildings	130,379	130,379	108,074	22,305
Other General Government				
Personal Services	359,022	620,022	614,603	5,419
Travel and Education	20,500	25,689	25,689	-
Contractual Services	461,296	355,255	223,687	131,568
Supplies and Materials	318,128	307,411	298,903	8,508
Other Expenses	3,000	3,000	1,300	1,700
Total Other General Government	1,161,946	1,311,377	1,164,182	147,195
Total General Government	5,522,465	5,684,496	4,498,995	1,185,501
Total Expenditures	20,731,600	21,530,011	19,863,216	1,666,795
Excess of Revenues Over (Under) Expenditures	1,289,326	1,217,229	2,884,024	1,666,795
Other Financing Sources (Uses)				
Transfer In	262,500	383,312	120,812	(262,500)
Transfers Out	(2,636,430)	(2,769,238)	(2,506,738)	262,500
Total Other Financing Sources (Uses)	(2,373,930)	(2,385,926)	(2,385,926)	-
Net Change in Fund Balance	(1,084,604)	(1,168,697)	498,098	1,666,795
Cash Fund Balance - Beginning of Year	7,371,453	7,371,453	7,371,453	-
Current Year Encumbrances	-	-	762,001	762,001
Cash Fund Balance - End of Year	\$ 6,286,849	\$ 6,202,756	\$ 8,631,552	\$ 2,428,796

See accompanying notes to the basic financial statements.

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual Capital Improvements Fund For The Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$ 2,759,964	\$ 2,884,668	\$ 2,884,668	\$ -
Intergovernmental	31,949	31,949	31,949	-
Fines and Forfeitures	15,505	18,402	18,402	-
Charges for Services	2,920	3,465	3,465	-
All Other Revenues	412	489	489	-
Total Revenues	2,810,750	2,938,973	2,938,973	-
Expenditures:				
Community Development				
Contractual Services	213,211	224,211	210,421	13,790
Total Community Development	213,211	224,211	210,421	13,790
Public Works				
Sewers and Drains				
Contractual Services	23,581	1,603	1,603	-
Total Public Works	23,581	1,603	1,603	-
Transportation				
Street Paving and Repair				
Contractual Services	500,808	525,935	316,030	209,905
Supplies and Materials	4,000	5,015	2,600	2,415
Total Transportation	504,808	530,950	318,630	212,320
General Government				
Income Tax Department				
Personal Services	57,144	57,144	56,382	762
Travel and Education	235	306	236	70
Contractual Services	10,639	16,937	8,468	8,469
Supplies and Materials	2,438	2,549	1,119	1,430
Other	240,000	240,000	39,630	200,370
Total Income Tax Department	310,456	316,936	105,835	211,101
Total General Government	310,456	316,936	105,835	211,101

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual Capital Improvements Fund (continued) **For The Year Ended December 31, 2018**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Capital Outlay				
Building Department	10,445	10,445	9,446	999
Council	105,346	106,576	87,213	19,363
Finance Department	3,912	6,412	4,652	1,760
Fire Department	175,385	224,385	222,534	1,851
Human Resources	-	210	210	-
Lands and Buildings	4,147,347	4,070,465	4,050,105	20,360
Legal Department	437	5,437	4,974	463
Mayor's Court	-	3,086	3,086	-
Mayor's Office	6,413	6,413	6,413	-
Mechanics	318	11,053	11,053	-
Police Department	114,787	167,787	159,769	8,018
Recreation Center	3,402	42,402	30,585	11,817
Safety Building	110,638	321,638	312,381	9,257
Sanitation	320,868	320,868	320,868	-
Service Building	3,983	5,256	5,256	-
Sewers and Drains	102,940	204,817	204,817	-
Snow Removal	97,475	117,475	109,387	8,088
Street Paving and Repair	1,156,382	2,006,803	897,277	1,109,526
Tax Department	918	3,418	1,049	2,369
Trees and Tree Lawns	-	469	469	-
Total Capital Outlay	6,360,996	7,635,415	6,441,544	1,193,871
Total Expenditures	7,413,052	8,709,115	7,078,035	1,631,080
Excess of Revenues Over (Under) Expenditures	(4,602,302)	(5,770,142)	(4,139,062)	1,631,080
Other Financing Sources (Uses)				
Sale of Capital Assets	9,163	10,875	10,875	-
Transfers In	531,500	571,500	571,500	-
Transfers Out	(872,260)	(993,027)	(993,027)	-
Total Other Financing Sources (Uses)	(331,597)	(410,652)	(410,652)	-
Net Change in Fund Balance	(4,933,899)	(6,180,794)	(4,549,714)	1,631,080
Cash Fund Balance - Beginning of Year	7,117,568	7,117,568	7,117,568	-
Current Year Encumbrances	-	-	1,103,800	1,103,800
Cash Fund Balance - End of Year	\$ 2,183,669	\$ 936,774	\$ 3,671,654	\$ 2,734,880

See accompanying notes to the basic financial statements.

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget (Non-GAAP Budgetary Basis) and Actual

Street Maintenance Fund

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 796,590	\$ 805,642	\$ 805,642	\$ -
Interest	3,500	8,041	8,041	-
Total Revenues	<u>800,090</u>	<u>813,683</u>	<u>813,683</u>	<u>-</u>
Expenditures:				
Current:				
Transportation				
Street Paving and Repair				
Personal Services	566,536	566,536	535,821	30,715
Travel and Education	150	150	45	105
Contractual Services	25,355	21,505	8,280	13,225
Supplies and Materials	97,603	101,452	91,780	9,672
Total Transportation	<u>689,644</u>	<u>689,643</u>	<u>635,926</u>	<u>53,717</u>
Capital Outlay				
Contractual Services	173,877	173,877	52,382	121,495
Total Capital Outlay	<u>173,877</u>	<u>173,877</u>	<u>52,382</u>	<u>121,495</u>
Total Expenditures	<u>863,521</u>	<u>863,520</u>	<u>688,308</u>	<u>175,212</u>
Net Change in Fund Balance	(63,431)	(49,837)	125,375	175,212
Cash Fund Balance - Beginning of Year	312,054	312,054	312,054	-
Current Year Encumbrances	-	-	15,875	15,875
Cash Fund Balance - End of Year	<u>\$ 248,623</u>	<u>\$ 262,217</u>	<u>\$ 453,304</u>	<u>\$ 191,087</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

State Highway Fund

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 64,595	\$ 65,322	\$ 65,322	\$ -
Interest	7,100	14,036	14,036	-
Total Revenues	<u>71,695</u>	<u>79,358</u>	<u>79,358</u>	<u>-</u>
Expenditures:				
Current:				
Transportation				
Street Paving and Repair				
Personal Services	-	156	156	-
Supplies and Materials	57,608	57,552	30,615	26,937
Total Expenditures	<u>57,608</u>	<u>57,708</u>	<u>30,771</u>	<u>26,937</u>
Net Change in Fund Balance	14,087	21,650	48,587	26,937
Cash Fund Balance - Beginning of Year	663,010	663,010	663,010	-
Current Year Encumbrances	-	-	3,288	3,288
Cash Fund Balance - End of Year	<u>\$ 677,097</u>	<u>\$ 684,660</u>	<u>\$ 714,885</u>	<u>\$ 30,225</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

Permissive Tax Fund

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 47,380	\$ 46,691	\$ 46,691	\$ -
Interest	2,000	4,057	4,057	-
Total Revenues	<u>49,380</u>	<u>50,748</u>	<u>50,748</u>	<u>-</u>
Expenditures:				
Current:				
Transportation				
Street Paving and Repair				
Contractual Services	13,244	13,244	6,144	7,100
Supplies and Materials	59,158	59,158	16,053	43,105
Total Transportation	<u>72,402</u>	<u>72,402</u>	<u>22,197</u>	<u>50,205</u>
Capital Outlay				
Contractual Services	78,361	78,361	78,361	-
Total Capital Outlay	<u>78,361</u>	<u>78,361</u>	<u>78,361</u>	<u>-</u>
Total Expenditures	<u>150,763</u>	<u>150,763</u>	<u>100,558</u>	<u>50,205</u>
Net Change in Fund Balance	(101,383)	(100,015)	(49,810)	50,205
Cash Fund Balance - Beginning of Year	180,474	180,474	180,474	-
Current Year Encumbrances	-	-	85,316	85,316
Cash Fund Balance - End of Year	<u>\$ 79,091</u>	<u>\$ 80,459</u>	<u>\$ 215,980</u>	<u>\$ 135,521</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

Economic Development Fund

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 20,985	\$ 41,074	\$ 41,074	\$ -
Fees, Licenses, and Permits	25,150	49,225	49,225	-
Charges for Services	-	9,743	9,743	-
Total Revenues	<u>46,135</u>	<u>100,042</u>	<u>100,042</u>	<u>-</u>
Expenditures:				
Current:				
Community Development				
Travel and Education	3,500	3,217	335	2,882
Contractual Services	448,361	502,440	434,235	68,205
Supplies and Materials	2	726	724	2
Other	-	480	480	-
Total Community Development	<u>451,863</u>	<u>506,863</u>	<u>435,774</u>	<u>71,089</u>
Capital Outlay				
Contractual Services	53,177	53,177	6,193	46,984
Total Capital Outlay	<u>53,177</u>	<u>53,177</u>	<u>6,193</u>	<u>46,984</u>
Total Expenditures	<u>505,040</u>	<u>560,040</u>	<u>441,967</u>	<u>118,073</u>
Excess of Revenues Over (Under) Expenditures	(458,905)	(459,998)	(341,925)	118,073
Other Financing Sources				
Sale of Capital Assets	-	60,201	60,201	-
Transfers In	260,000	260,000	260,000	-
Total Other Financing Sources	<u>260,000</u>	<u>320,201</u>	<u>320,201</u>	<u>-</u>
Net Change in Fund Balance	(198,905)	(139,797)	(21,724)	118,073
Cash Fund Balance - Beginning of Year	254,335	254,335	254,335	-
Current Year Encumbrances	-	-	208,750	208,750
Cash Fund Balance - End of Year	<u>\$ 55,430</u>	<u>\$ 114,538</u>	<u>\$ 441,361</u>	<u>\$ 326,823</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget (Non-GAAP Budgetary Basis) and Actual

Brook Park Road Corridor Fund

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Cash Fund Balance - Beginning of Year	\$ 57,835	\$ 57,835	\$ 57,835	\$ -
Cash Fund Balance - End of Year	\$ 57,835	\$ 57,835	\$ 57,835	\$ -

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget (Non-GAAP Budgetary Basis) and Actual

CDBG Fund

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Community Development				
Supplies and Materials	\$ -	\$ 292	\$ 292	\$ -
Capital Outlay	-	112,602	112,602	-
Total Community Development	-	112,894	112,894	-
Other Financing Sources				
Transfers In	-	112,602	112,602	-
Total Other Financing Sources	-	112,602	112,602	-
Net Change in Fund Balance	-	(292)	(292)	-
Cash Fund Balance - Beginning of Year	\$ 36,582	\$ 36,582	\$ 36,582	\$ -
Cash Fund Balance - End of Year	\$ 36,582	\$ 36,290	\$ 36,290	\$ -

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

Special Recreation Fund

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 103,000	\$ 117,382	\$ 117,382	\$ -
Contributions and Donations	-	1,000	1,000	-
Total Revenues	<u>103,000</u>	<u>118,382</u>	<u>118,382</u>	<u>-</u>
Expenditures:				
Current:				
Leisure Time Activities				
Public Recreation				
Parks & Playground				
Travel and Education	-	550	550	-
Contractual Services	9,750	33,274	32,679	595
Supplies and Materials	69,800	72,151	71,178	973
Other	2,500	2,500	1,235	1,265
Capital Outlay	-	13,575	12,772	803
Total Expenditures	<u>82,050</u>	<u>122,050</u>	<u>118,414</u>	<u>3,636</u>
Net Change in Fund Balance	20,950	(3,668)	(32)	3,636
Cash Fund Balance - Beginning of Year	452,475	452,475	452,475	-
Current Year Encumbrances	-	-	6,480	6,480
Cash Fund Balance - End of Year	<u>\$ 473,425</u>	<u>\$ 448,807</u>	<u>\$ 458,923</u>	<u>\$ 10,116</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

Law Enforcement Fund

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 1,500	\$ 9,783	\$ 9,783	\$ -
Total Revenues	<u>1,500</u>	<u>9,783</u>	<u>9,783</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police and Others				
Travel and Education	1,500	4,000	1,324	2,676
Supplies and Materials	2,711	211	-	211
Capital Outlay	26,214	26,214	10,659	15,555
Total Expenditures	<u>30,425</u>	<u>30,425</u>	<u>11,983</u>	<u>18,442</u>
Net Change in Fund Balance	(28,925)	(20,642)	(2,200)	18,442
Cash Fund Balance - Beginning of Year	90,635	90,635	90,635	-
Cash Fund Balance - End of Year	<u>\$ 61,710</u>	<u>\$ 69,993</u>	<u>\$ 88,435</u>	<u>\$ 18,442</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget (Non-GAAP Budgetary Basis) and Actual

DWI Enforcement and Education Fund

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 1,750	\$ 925	\$ 925	\$ -
Total Revenues	<u>1,750</u>	<u>925</u>	<u>925</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property				
Travel and Education	5,000	4,742	-	4,742
Supplies and Materials	-	258	258	-
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>258</u>	<u>4,742</u>
Net Change in Fund Balance	(3,250)	(4,075)	667	4,742
Cash Fund Balance - Beginning of Year	26,680	26,680	26,680	-
Cash Fund Balance - End of Year	<u>\$ 23,430</u>	<u>\$ 22,605</u>	<u>\$ 27,347</u>	<u>\$ 4,742</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

Federal Forfeiture Fund

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 3,200	\$ 5,184	\$ 5,184	\$ -
All Other Revenues	1,315	-	-	-
Total Revenues	<u>4,515</u>	<u>5,184</u>	<u>5,184</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police and Others				
Travel and Education	1,000	1,000	263	737
Supplies and Materials	500	500	-	500
Capital Outlay	75,717	75,717	21,525	54,192
Total Expenditures	<u>77,217</u>	<u>77,217</u>	<u>21,788</u>	<u>55,429</u>
Net Change in Fund Balance	(72,702)	(72,033)	(16,604)	55,429
Cash Fund Balance - Beginning of Year	270,887	270,887	270,887	-
Current Year Encumbrances	-	-	9,890	9,890
Cash Fund Balance - End of Year	<u>\$ 198,185</u>	<u>\$ 198,854</u>	<u>\$ 264,173</u>	<u>\$ 65,319</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget (Non-GAAP Budgetary Basis) and Actual

Community Diversion Fund

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police and Others				
Personal Services	1,154	1,154	234	920
Contractual Services	100	100	7	93
Supplies and Materials	100	100	90	10
Total Expenditures	<u>1,354</u>	<u>1,354</u>	<u>331</u>	<u>1,023</u>
Net Change in Fund Balance	1,646	1,646	2,669	1,023
Cash Fund Balance - Beginning of Year	15,102	15,102	15,102	-
Cash Fund Balance - End of Year	<u><u>\$ 16,748</u></u>	<u><u>\$ 16,748</u></u>	<u><u>\$ 17,771</u></u>	<u><u>\$ 1,023</u></u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget (Non-GAAP Budgetary Basis) and Actual

Retiree Accrued Benefits Fund

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Public Works				
Sewers and Drains				
Personal Services	\$ 105,000	\$ 105,000	\$ 34,311	\$ 70,689
Total Expenditures	<u>105,000</u>	<u>105,000</u>	<u>34,311</u>	<u>70,689</u>
Other Financing Sources				
Transfers In	80,000	80,000	80,000	-
Total Other Financings Sources	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Net Change in Fund Balance	(25,000)	(25,000)	45,689	70,689
Cash Fund Balance - Beginning of Year	28,137	28,137	28,137	-
Cash Fund Balance - End of Year	<u>\$ 3,137</u>	<u>\$ 3,137</u>	<u>\$ 73,826</u>	<u>\$ 70,689</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual Continuing Training Program Fund For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,600	\$ 14,400	\$ 14,400	\$ -
Total Revenues	<u>4,600</u>	<u>14,400</u>	<u>14,400</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property				
Travel and Education	\$ 5,000	\$ 5,000	\$ -	\$ 5,000
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Net Change in Fund Balance	(400)	9,400	14,400	5,000
Cash Fund Balance - Beginning of Year	8,833	8,833	8,833	-
Cash Fund Balance - End of Year	<u>\$ 8,433</u>	<u>\$ 18,233</u>	<u>\$ 23,233</u>	<u>\$ 5,000</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual

FEMA Fund

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Cash Fund Balance - Beginning of Year	\$ 54,663	\$ 54,663	\$ 54,663	\$ -
Cash Fund Balance - End of Year	\$ 54,663	\$ 54,663	\$ 54,663	\$ -

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

Police Pension Fund

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 106,810	\$ 110,851	\$ 110,851	\$ -
Intergovernmental	13,945	13,918	13,918	-
Total Revenues	<u>120,755</u>	<u>124,769</u>	<u>124,769</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police and Others				
Personal Services	680,241	680,241	632,845	47,396
Total Expenditures	<u>680,241</u>	<u>680,241</u>	<u>632,845</u>	<u>47,396</u>
Excess of Revenues Over (Under) Expenditures	(559,486)	(555,472)	(508,076)	47,396
Other Financing Sources				
Transfers In	508,000	508,000	508,000	-
Total Other Financing Sources	<u>508,000</u>	<u>508,000</u>	<u>508,000</u>	<u>-</u>
Net Change in Fund Balance	(51,486)	(47,472)	(76)	47,396
Cash Fund Balance - Beginning of Year	84,540	84,540	84,540	-
Cash Fund Balance - End of Year	<u>\$ 33,054</u>	<u>\$ 37,068</u>	<u>\$ 84,464</u>	<u>\$ 47,396</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

Fire Pension Fund

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 106,810	\$ 110,851	\$ 110,851	\$ -
Intergovernmental	13,945	13,918	13,918	-
Total Revenues	<u>120,755</u>	<u>124,769</u>	<u>124,769</u>	<u>-</u>
Expenditures:				
Current:				
Fire				
Personal Services	759,962	759,962	754,552	5,410
Total Expenditures	<u>759,962</u>	<u>759,962</u>	<u>754,552</u>	<u>5,410</u>
Excess of Revenues Over (Under) Expenditures	(639,207)	(635,193)	(629,783)	5,410
Other Financing Sources				
Transfers In	575,000	575,000	575,000	-
Total Other Financing Sources	<u>575,000</u>	<u>575,000</u>	<u>575,000</u>	<u>-</u>
Net Change in Fund Balance	(64,207)	(60,193)	(54,783)	5,410
Cash Fund Balance - Beginning of Year	99,203	99,203	99,203	-
Cash Fund Balance - End of Year	<u>\$ 34,996</u>	<u>\$ 39,010</u>	<u>\$ 44,420</u>	<u>\$ 5,410</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

Southwest General Health Center Fund

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 85,346	\$ 88,914	\$ 88,914	\$ -
Intergovernmental	13,380	13,357	13,357	-
Total Revenues	<u>98,726</u>	<u>102,271</u>	<u>102,271</u>	<u>-</u>
Expenditures:				
Current:				
Public Health and Welfare				
Contractual Services	98,751	102,296	102,296	-
Total Expenditures	<u>98,751</u>	<u>102,296</u>	<u>102,296</u>	<u>-</u>
Net Change in Fund Balance	(25)	(25)	(25)	-
Cash Fund Balance - Beginning of Year	25	25	25	-
Cash Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

General Obligation Fund

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 63,353	\$ 63,353	\$ 63,353	\$ -
Special Assessments	58,400	40,652	40,652	-
Total Revenues	<u>121,753</u>	<u>104,005</u>	<u>104,005</u>	<u>-</u>
Expenditures:				
Current:				
General Government				
Contractual Services	750	4,500	4,152	348
Total General Government	<u>750</u>	<u>4,500</u>	<u>4,152</u>	<u>348</u>
Debt Service:				
Principal	770,830	770,830	770,830	-
Interest & Fiscal Charges	392,338	392,338	392,338	-
Bond Issuance Costs	-	-	-	-
Total Debt Service	<u>1,163,168</u>	<u>1,163,168</u>	<u>1,163,168</u>	<u>-</u>
Total Expenditures	<u>1,163,918</u>	<u>1,167,668</u>	<u>1,167,320</u>	<u>348</u>
Excess of Revenues Over (Under) Expenditures	(1,042,165)	(1,063,663)	(1,063,315)	348
Other Financing Sources				
Transfers In	<u>1,251,646</u>	<u>1,251,646</u>	<u>1,251,646</u>	<u>-</u>
Total Other Financing Sources	<u>1,251,646</u>	<u>1,251,646</u>	<u>1,251,646</u>	<u>-</u>
Net Change in Fund Balance	209,481	187,983	188,331	348
Cash Fund Balance - Beginning of Year	<u>1,135,401</u>	<u>1,135,401</u>	<u>1,135,401</u>	<u>-</u>
Cash Fund Balance - End of Year	<u>\$ 1,344,882</u>	<u>\$ 1,323,384</u>	<u>\$ 1,323,732</u>	<u>\$ 348</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Equity-

Budget (Non-GAAP Budgetary Basis) and Actual

Self Insured Medical Benefits Fund

For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 1,779,182	\$ 1,769,676	\$ -	\$ (1,769,676)
Total Revenues	<u>1,779,182</u>	<u>1,769,676</u>	<u>-</u>	<u>(1,769,676)</u>
Expenses				
Current:				
Fringe Benefits	1,779,182	1,780,030	10,354	1,769,676
Contractual Services	650	-	-	-
Total Expenses	<u>1,779,832</u>	<u>1,780,030</u>	<u>10,354</u>	<u>1,769,676</u>
Net Change in Fund Equity	(650)	(10,354)	(10,354)	-
Cash Fund Equity - Beginning of Year	<u>3,067,960</u>	<u>3,067,960</u>	<u>3,067,960</u>	<u>-</u>
Cash Fund Equity - End of Year	<u>\$ 3,067,310</u>	<u>\$ 3,057,606</u>	<u>\$ 3,057,606</u>	<u>\$ -</u>

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STATISTICAL SECTION

City of Brook Park, Ohio

Statistical Section

This part of 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>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2 – S7
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	S8 - S13
Debt Capacity	
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.	S14–S17
Economic and Demographic Information	
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S18-S19
Operating Information	
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.	S20-S23

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Brook Park, Ohio
Net Position by Component
Accrual Basis of Accounting
Last Ten Fiscal Years

Table 1

	2009	2010	Restated (1) 2011	2012	2013	2014	Restated (2) 2015	2016	Restated (3) 2017	2018
Governmental activities:										
Net investment in										
Capital assets	\$ 66,056,261	\$ 69,340,252	\$ 69,624,618	\$ 69,659,655	\$ 68,500,606	\$ 67,365,271	\$ 66,736,815	\$ 67,797,950	\$ 71,280,520	\$ 70,660,770
Restricted for:										
Capital projects	6,705,275	5,173,026	5,358,279	3,309,139	3,377,216	5,257,973	1,841,871	2,148,752	6,592,223	4,037,105
Debt service	574,620	651,203	634,751	730,029	747,956	803,224	3,994,770	3,726,530	1,162,932	1,370,897
Other purposes	366,682	501,409	615,393	1,180,925	1,257,622	1,270,567	1,156,438	219,890	298,572	347,549
Recreation	-	-	-	-	-	-	-	403,637	452,474	458,922
Public Safety	-	-	-	-	-	-	-	509,594	388,716	370,603
Economic development	1,341,950	507,980	357,863	456,696	449,730	304,469	1,263,245	800,811	250,866	417,541
Street paving and repair	1,240,057	1,402,084	1,527,587	1,646,532	1,778,891	2,023,577	2,441,997	2,284,811	1,552,700	1,815,900
Unrestricted	5,585,468	5,286,791	5,119,842	5,897,052	6,066,741	6,952,423	(7,673,180)	(7,147,730)	(28,253,077)	(29,332,329)
Total net position - governmental activities	<u>\$ 81,870,313</u>	<u>\$ 82,862,745</u>	<u>\$ 83,238,333</u>	<u>\$ 82,880,028</u>	<u>\$ 82,178,762</u>	<u>\$ 83,977,504</u>	<u>\$ 69,761,956</u>	<u>\$ 70,744,245</u>	<u>\$ 53,725,926</u>	<u>\$ 50,146,958</u>

(1) - Restatement done due to the implementation of GASB 65

(2) - Restatement done due to the implementation of GASB 68

(3) - Restatement doen due to the implementation of GASB 75

Note: A portion of the 2012 net position was reclassified between restricted and unrestricted. This reclass did not affect the total 2012 net position.

City of Brook Park, Ohio

Changes in Net Position

Accrual Basis of Accounting

Last Ten Fiscal Years

Table 2

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Program revenues:										
Charges for services										
General government	\$ 483,471	\$ 551,319	\$ 565,523	\$ 578,665	\$ 824,690	\$ 694,869	\$ 796,582	\$ 658,301	\$ 898,000	\$ 763,062
Security of persons and property	1,350,977	1,262,634	922,977	991,409	721,429	1,257,395	1,225,940	1,315,914	1,197,804	1,117,801
Public health and welfare	25,956	20,622	18,294	16,413	16,966	5,229	190	220	130	310
Transportation	46,222	13,218	-	-	9,028	4,266	4,706	3,000	1,000	-
Leisure time activities	603,543	589,582	543,853	504,117	459,719	312,411	244,830	241,017	311,662	304,216
Community development	1,313,937	1,257,755	1,310,136	1,352,244	1,357,232	1,350,029	1,477,072	1,395,370	1,435,498	1,470,735
Public works	109,097	26,060	4,749	-	-	-	-	-	16,462	3,465
Total charges for services	3,933,203	3,721,190	3,365,532	3,442,848	3,389,064	3,624,199	3,749,320	3,613,822	3,860,556	3,659,589
Operating grants and contributions										
General government	-	9,000	7,035	58,103	10,292	21,137	37,576	27,842	-	-
Security of persons and property	3,004	35,846	16,893	12,899	119,180	48,522	98,194	77,796	33,690	18,795
Transportation	949,509	949,074	937,085	948,382	920,547	897,051	950,483	889,600	890,305	920,560
Leisure time activities	-	-	-	-	12,000	-	-	-	5,000	6,000
Community development	-	-	-	-	-	3,360	25,744	290,153	-	41,074
Public works	-	-	-	-	23,764	24,751	32,358	2,121	-	-
Total operating grants and contributions	952,513	993,920	961,013	1,019,384	1,085,783	994,821	1,144,355	1,287,512	928,995	986,429
Capital grants and contributions										
General government	-	-	185,500	-	-	1,420,975	58,288	-	30,140	-
Security of persons and property	103,500	3,000	117,755	7,968	-	-	-	-	-	112,602
Transportation	1,156,966	-	1,267,992	1,938,948	5,971	95,581	-	-	2,429,074	-
Leisure time activities	-	35,000	-	-	-	-	-	-	-	-
Community development	-	-	306,298	29,713	-	150,000	-	-	-	-
Public works	183,223	3,958,586	-	-	59,447	476,965	1,283,315	585,456	291,844	58,988
Total capital grants and contributions	1,443,689	3,996,586	1,877,545	1,976,629	65,418	2,143,521	1,341,603	585,456	2,751,058	171,590
Total program revenues	6,329,405	8,711,696	6,204,090	6,438,861	4,540,265	6,762,541	6,235,278	5,486,790	7,540,609	4,817,608

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

Table 2

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
General government	5,200,887	4,979,667	5,047,013	5,957,703	4,614,338	4,902,511	4,548,339	4,756,377	4,432,813	4,274,233
Security of persons and property	12,524,620	12,160,835	11,430,668	11,068,045	11,287,480	10,985,542	10,659,035	12,063,794	12,555,307	13,944,020
Public health and welfare	393,134	542,592	412,809	314,932	313,017	278,394	230,016	209,629	247,059	148,650
Transportation	2,504,805	2,613,821	2,486,308	3,213,847	3,083,726	3,210,908	3,081,564	2,946,070	3,610,372	4,656,162
Leisure time activities	2,818,681	2,581,318	2,562,792	2,305,024	2,198,184	2,095,119	1,508,908	1,567,408	1,752,451	3,144,157
Community development	1,507,000	1,790,631	1,428,069	1,035,202	886,092	1,088,706	1,160,879	1,637,055	1,371,587	1,264,341
Public works	4,308,772	3,537,459	3,547,146	3,501,691	3,230,274	3,218,651	3,080,342	3,228,252	4,130,367	3,141,480
Interest and fiscal charges	47,563	44,829	46,100	98,982	264,510	284,964	230,077	238,212	512,537	394,353
Total primary government expenses	29,305,462	28,251,152	26,960,905	27,495,426	25,877,621	26,064,795	24,499,160	26,646,797	28,612,493	30,967,396
Net (expense)/revenue	(22,976,057)	(19,539,456)	(20,756,815)	(21,056,565)	(21,337,356)	(19,302,254)	(18,263,882)	(21,160,007)	(21,071,884)	(26,149,788)
General revenues										
Property taxes	2,134,450	2,026,186	1,994,242	1,986,778	1,807,889	1,684,574	1,769,793	1,836,353	1,852,018	1,840,585
Municipal income taxes and Other Taxes	17,343,214	17,029,564	17,801,257	17,768,862	18,134,634	18,556,361	19,570,562	19,608,280	19,774,881	19,911,095
Grants and entitlements										
not restricted to specific programs	1,944,138	2,016,732	1,393,561	878,135	615,425	790,071	716,253	618,590	600,624	596,775
Investment income	150,111	29,733	4,702	7,157	2,045	4,746	19,345	62,985	112,037	188,782
All other revenues	-	4,603	2,428	57,328	76,097	65,244	1,265	16,088	24,845	33,583
Total general revenues	21,571,913	21,106,818	21,196,190	20,698,260	20,636,090	21,100,996	22,077,218	22,142,296	22,364,405	22,570,820
Change in net position	\$ (1,404,144)	\$ 1,567,362	\$ 439,375	\$ (358,305)	\$ (701,266)	\$ 1,798,742	\$ 3,813,336	\$ 982,289	\$ 1,292,521	\$ (3,578,968)

City of Brook Park, Ohio
Fund Balances, Governmental Funds
Modified Accrual Basis of Accounting
Last Ten Fiscal Years

Table 3

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund:										
Nonspendable	\$ -	\$ 370,218	\$ 283,312	\$ 266,001	\$ 261,923	\$ 273,738	\$ 295,958	\$ 333,786	\$ 236,118	\$ 586,826
Committed	-	3,763,449	3,229,970	2,767,778	1,874,885	1,481,623	1,661,168	1,987,936	2,251,239	2,625,460
Assigned	-	1,109,427	414,414	277,395	266,035	250,794	216,578	2,639,376	404,642	1,457,142
Unassigned	-	684,449	1,415,476	3,064,486	3,070,287	3,375,377	6,697,552	4,787,899	6,028,519	6,109,471
Reserved	581,663	-	-	-	-	-	-	-	-	-
Unreserved	3,445,039	-	-	-	-	-	-	-	-	-
Total general fund	4,026,702	5,927,543	5,343,172	6,375,660	5,473,130	5,381,532	8,871,256	9,748,997	8,920,518	10,778,899
All other governmental funds:										
Nonspendable	-	-	-	-	-	-	-	-	392	-
Restricted	-	3,793,076	4,316,404	3,980,814	6,967,254	6,231,265	5,247,066	4,026,978	5,307,204	2,989,931
Committed	-	3,747,047	3,568,496	2,246,761	4,091,320	4,055,013	3,957,344	4,336,381	4,452,527	4,545,380
Assigned	-	2,669,474	2,639,466	1,757,135	859,276	891,596	891,596	1,128,496	1,105,049	1,313,686
Unassigned (Deficit)	-	(455,619)	(445,746)	(354,414)	(102,722)	(153,258)	(27,198)	(66,984)	-	(14,709)
Reserved	2,354,819	-	-	-	-	-	-	-	-	-
Unreserved:										
Designated:										
Accrued retiree benefits	1,534,236	-	-	-	-	-	-	-	-	-
Undesignated, reported in:										
Special revenue	2,551,083	-	-	-	-	-	-	-	-	-
Debt service	493,635	-	-	-	-	-	-	-	-	-
Capital project	5,770,241	-	-	-	-	-	-	-	-	-
Total all other governmental funds	12,704,014	9,753,978	10,078,620	7,630,296	11,815,128	11,024,616	10,068,808	9,424,871	10,865,172	8,834,288
Total governmental funds	\$ 16,730,716	\$ 15,681,521	\$ 15,421,792	\$ 14,005,956	\$ 17,288,258	\$ 16,406,148	\$ 18,940,064	\$ 19,173,868	\$ 19,785,690	\$ 19,613,187

Note: In 2011, the City implemented GASB Statement No. 54. As a result, the 2010 fund balances were reclassified to reflect the effects of GASB Statement No.54.

City of Brook Park, Ohio

Changes in Fund Balances, Governmental Funds

Modified Accrual Basis of Accounting

Last Ten Fiscal Years

Table 4

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Property Taxes	\$ 2,223,343	\$ 2,031,983	\$ 2,002,050	\$ 1,952,842	\$ 1,827,212	\$ 1,735,105	\$ 1,777,005	\$ 1,832,246	\$ 1,854,778	\$ 1,842,191
Income Taxes	16,863,883	16,959,103	17,465,889	17,603,699	17,577,172	18,097,977	19,271,134	19,055,491	19,436,285	19,794,513
Other Taxes	274,922	271,452	325,486	213,567	338,001	345,238	344,687	375,180	294,893	354,703
Intergovernmental	4,553,194	6,508,356	3,772,270	3,537,753	1,861,096	3,952,536	2,969,726	2,177,933	4,243,934	1,593,681
Interest	240,545	33,181	4,893	7,172	2,045	4,746	19,345	62,985	112,067	188,782
Licenses and Permits	411,410	547,492	705,694	689,562	739,328	699,901	855,440	751,259	642,082	693,099
Fines and Forfeitures	294,582	531,713	350,017	408,470	268,370	535,859	851,371	715,504	707,177	529,567
Rentals	3,000	2,500	1,975	3,550	3,850	1,650	87,998	90,176	53,299	50,090
Charges for Services	2,273,175	2,360,691	1,984,816	1,867,450	1,785,589	1,773,668	1,688,949	1,662,569	1,763,713	2,352,928
Contributions and Donations	22,176	15,208	219,725	190,820	91,648	72,075	35,724	38,735	1,825	5,215
Special Assessments	84,655	82,933	85,071	85,066	85,512	82,455	82,987	63,354	60,216	40,652
All Other Revenues	521,282	478,617	700,243	471,719	722,235	443,236	472,446	676,328	646,469	30,229
Total Revenues	<u>27,766,167</u>	<u>29,823,229</u>	<u>27,618,129</u>	<u>27,031,670</u>	<u>25,302,058</u>	<u>27,744,446</u>	<u>28,456,812</u>	<u>27,501,760</u>	<u>29,816,738</u>	<u>27,475,650</u>
Expenditures:										
Current:										
Security of persons and property	11,981,074	11,588,747	11,540,053	11,014,188	11,017,683	10,799,690	10,162,731	10,775,343	11,049,682	11,221,844
Public health and welfare	404,083	433,317	408,973	309,741	307,431	272,808	218,934	203,908	234,788	140,349
Leisure time activities	2,418,962	2,176,888	2,243,478	2,031,832	1,878,129	1,841,553	1,196,974	1,264,030	1,266,269	1,296,096
Community development	1,758,463	1,168,046	1,942,284	1,037,516	895,478	1,372,890	1,149,580	1,673,383	1,218,055	1,187,445
Public works	3,600,960	2,942,100	3,052,788	2,820,750	2,456,099	2,795,928	2,275,222	2,492,120	2,391,617	1,727,642
Transportation	1,593,031	1,560,812	1,643,494	4,243,551	2,427,129	1,250,950	1,212,767	1,310,713	1,903,259	2,391,326
General government	5,100,208	4,826,362	4,791,064	5,556,723	6,957,185	5,589,126	4,546,852	4,624,175	3,747,761	3,717,179
Capital Outlay	5,437,258	5,420,568	3,648,548	2,968,253	1,270,804	3,985,506	5,578,459	4,146,644	12,707,301	4,139,254
Debt Service:										
Principal retirement	175,000	228,733	287,467	388,374	398,374	608,374	764,579	541,847	1,372,623	1,469,126
Interest and fiscal charges	58,375	53,477	48,075	90,704	84,467	314,141	282,883	257,212	350,414	428,968
Bond issuance costs	-	-	64,143	2,491	115,166	-	-	-	160,098	-
Total expenditures	<u>32,527,414</u>	<u>30,399,050</u>	<u>29,670,367</u>	<u>30,464,123</u>	<u>27,807,945</u>	<u>28,830,966</u>	<u>27,388,981</u>	<u>27,289,375</u>	<u>36,401,867</u>	<u>27,719,229</u>
Excess of revenues over (under) expenditures	<u>(4,761,247)</u>	<u>(575,821)</u>	<u>(2,052,238)</u>	<u>(3,432,453)</u>	<u>(2,505,887)</u>	<u>(1,086,520)</u>	<u>1,067,831</u>	<u>212,385</u>	<u>(6,585,129)</u>	<u>(243,579)</u>

City of Brook Park, Ohio

Changes in Fund Balances, Governmental Funds (continued)

Modified Accrual Basis of Accounting

Last Ten Fiscal Years

Table 4

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other financing sources (uses):										
General Obligation Bond issued	-	-	1,705,000	-	5,520,000	-	-	-	4,980,000	-
OWDA Loan issued	339,187	-	-	-	-	-	-	-	-	-
OPWC loans issued	271,129	92,896	25,243	-	-	-	1,429,520	19,611	-	-
Premium on Debt issuance	-	-	25,873	-	253,973	-	-	-	219,628	-
Capital leases	157,445	-	-	2,006,371	-	150,879	-	-	1,997,323	-
Sale of capital assets	50,190	8,660	36,393	10,246	14,216	53,531	36,565	1,808	-	71,076
Transfers in	2,313,639	3,423,113	1,390,040	3,534,965	2,817,504	2,010,532	3,726,485	3,757,891	5,227,068	3,399,560
Transfers out	(2,313,639)	(3,423,113)	(1,390,040)	(3,534,965)	(2,817,504)	(2,010,532)	(3,726,485)	(3,757,891)	(5,227,068)	(3,399,560)
Total other financing sources (uses)	817,951	101,556	1,792,509	2,016,617	5,788,189	204,410	1,466,085	21,419	7,196,951	71,076
Net change in fund balances	<u>\$ (3,943,296)</u>	<u>\$ (474,265)</u>	<u>\$ (259,729)</u>	<u>\$ (1,415,836)</u>	<u>\$ 3,282,302</u>	<u>\$ (882,110)</u>	<u>\$ 2,533,916</u>	<u>\$ 233,804</u>	<u>\$ 611,822</u>	<u>\$ (172,503)</u>
Debt service as a percentage of noncapital expenditures	0.85%	1.11%	1.29%	1.88%	1.97%	3.73%	4.77%	3.39%	6.48%	7.65%

City of Brook Park, Ohio

Assessed Valuations and Estimated True Values

Last Ten Years

Table 5

Collection Year	Residential/ Agricultural Real Property	Other Real Property	Public Utility Tangible	Tangible Personal Property	Total	Estimated True Value of Real Property	Direct Tax Rate
2009	315,453,260	169,275,580	8,664,680	29,901,423	523,294,943	1,384,939,543	4.75
2010	290,810,300	148,270,160	9,019,390	-	448,099,850	1,254,515,600	4.75
2011	291,898,930	171,886,210	9,310,360	-	473,095,500	1,325,100,400	4.75
2012	291,695,680	171,577,480	9,584,670	-	472,857,830	1,323,637,600	4.75
2013	256,589,630	153,158,610	10,334,750	-	420,082,990	1,170,709,257	4.75
2014	256,527,620	153,604,430	11,308,840	-	421,440,890	1,171,805,857	4.75
2015	256,334,940	149,203,660	11,718,840	-	417,257,440	1,158,681,714	4.75
2016	250,842,440	146,587,480	11,850,930	-	409,280,850	1,135,514,057	4.75
2017	250,821,870	147,770,180	12,450,870	-	411,042,920	1,138,834,429	4.75
2018	250,684,950	150,127,270	13,387,250	-	414,199,470	1,145,177,771	4.75

Source: Cuyahoga County Fiscal Officer

Note: In Collection Year 2010, tangible personal property taxes were completely phased out. Therefore, this tax will no longer be levied.

City of Brook Park, Ohio

Property Tax Rates – Direct and Overlapping Governments (Per \$1,000 of Assessed Valuation)

Last Ten Years

Table 6

Collection Year	City of Brook Park			Berea City School District	Polaris Vocational School	Cuyahoga County Commissioners	Special (2) Taxing Districts	Total Tax Levy
	General Fund	Special Funds (1)	Total Levy					
2009	\$ 3.85	\$ 0.90	\$ 4.75	\$ 74.90	\$ 2.40	\$ 13.32	\$ 7.28	\$ 102.65
2010	3.85	0.90	4.75	74.90	2.40	13.32	7.58	102.95
2011	3.85	0.90	4.75	75.00	2.40	13.22	7.58	102.95
2012	3.85	0.90	4.75	78.90	2.40	13.22	7.58	106.85
2013	3.85	0.90	4.75	78.90	2.40	13.22	7.58	106.85
2014	3.85	0.90	4.75	78.80	2.40	14.05	8.48	108.48
2015	3.85	0.90	4.75	78.00	2.40	14.05	9.38	108.58
2016	3.85	0.90	4.75	82.20	3.09	14.05	9.38	113.47
2017	3.85	0.90	4.75	82.20	3.09	14.05	9.88	113.97
2018	3.85	0.90	4.75	82.20	3.09	14.05	9.88	113.97

Source: Cuyahoga County Fiscal Officer

(1) – Southwest General Hospital, Police & Firemen Pension Fund, and Tri City Senior Center. Tri City Senior Center was not renewed in 2007 and is excluded after the 2006 rate.

(2) – Metroparks, Port Authority, County Library, Community College

City of Brook Park, Ohio

Real Property Tax Levies And Collections

Last Ten Years

Table 7a

<u>Year</u>	<u>Current Tax Levy</u>	<u>Current Collections</u>	<u>Percentage of Current Collections To Current Levy</u>	<u>Prior Year Collections</u>	<u>Total Collections (1)</u>	<u>Percentage of Total Collections To Current Levy</u>
2009	\$ 2,310,821	\$ 2,234,522	97%	\$ 51,048	\$ 2,285,570	99%
2010	2,199,507	2,134,591	97%	65,000	2,199,591	100%
2011	2,219,407	2,114,938	95%	71,669	2,186,607	99%
2012	2,225,730	2,072,366	93%	73,996	2,146,362	96%
2013	1,998,706	1,908,141	95%	59,236	1,967,377	98%
2014	1,985,143	1,802,931	91%	66,265	1,869,196	94%
2015	1,968,424	1,847,043	94%	31,346	1,878,389	95%
2016	1,937,631	1,840,233	95%	45,838	1,886,071	97%
2017	1,960,980	1,905,677	97%	50,368	1,956,045	100%
2018	1,965,013	1,913,522	97%	48,507	1,962,029	100%

Source: Cuyahoga County Fiscal Officer

(1) State reimbursement of rollback and homestead exemptions is included

Note: The County is aware of the requirement to report delinquent tax collections by levy year rather than by collection year. The County's current computer system tracks levy amounts by either current levy or delinquent levy. Once amounts become part of the delinquent levy, the ability to track information by levy year is lost. The County is looking at options to provide this information in the future.

City of Brook Park, Ohio

Tangible Personal Property Tax Levies And Collections

Last Ten Years

Table 7b

Year	Current Tax Levy	Current Collections	Percentage of Current Collections To Current Levy	Prior Year Collections	Total Collections	Percentage of Total Collections To Current Levy
2009	\$ 5,822	\$ 5,819	100%	\$ 24,757	\$ 30,576	525%
2010	3,070	3,070	100%	-	3,070	100%
2011	-	-	0%	984	984	0%
2012	-	-	0%	152	152	0%
2013	-	-	0%	67	67	0%
2014	-	-	0%	-	-	0%
2015	-	-	0%	-	-	0%
2016	-	-	0%	-	-	0%
2017	-	-	0%	-	-	0%
2018	-	-	0%	-	-	0%

Source: Cuyahoga County Fiscal Officer

Note: In 2010, tangible personal property taxes were completely phased out. Therefore, this tax will no longer be levied. Refer to the Note provided in Table 7a which provides an explanation for the percentages of total collections exceeding the current levies.

City of Brook Park, Ohio

Principal Taxpayers - Real Estate Tax 2018 and 2009

Table 8

Name of Taxpayer	December 31, 2018	
	Assessed	Percent of
	Value (1) (2)	Total Assessed Value
Cleveland Electric Illum Co	\$ 10,185,680	2.54%
CP-Snow Prop, LLC	5,815,260	1.45%
Ford Motor Engine Plt.	5,250,000	1.31%
MWP Co	4,656,940	1.16%
Laich, Walter	4,615,380	1.15%
Brook Park Station, LLC	3,549,010	0.89%
MWP Co	3,481,730	0.87%
Cleveland ADC, LLC	3,227,460	0.81%
Ford Motor CO.	2,940,010	0.73%
Techpark Ltd Partnership	2,938,680	0.73%
Total	<u>\$ 46,660,150</u>	<u>11.64%</u>
Total Assessed Valuation	<u>400,812,220</u>	

Name of Taxpayer	December 31, 2009	
	Assessed	Percent of
	Value (1) (2)	Total Assessed Value
Ford Motor Company	\$ 18,999,030	3.69%
M.W.P. Company	10,112,230	1.96%
Cleveland Electric Illuminating	7,693,610	1.49%
Tech Park Limited Partnership	7,172,080	1.39%
Laich, Walter	6,345,510	1.23%
Albrecht Inc.	5,207,690	1.01%
CP-Snow Prop, LLC	4,705,330	0.91%
Brookgate Associates, LLC	4,237,050	0.82%
CP-Cleveland ADC, LLC	3,664,510	0.71%
Foseco Metallurgical Inc.	2,245,810	0.44%
Total	<u>\$ 70,382,850</u>	<u>13.65%</u>
Total Assessed Valuation	<u>514,630,263</u>	

Source: Cuyahoga County Fiscal Officer

(1) Excludes Public Utilities

(2) The amounts presented represent the assessed values upon which 2018 collections were based.

City of Brook Park, Ohio**Municipal Income Tax Revenues By Source****Modified Accrual Basis of Accounting****Last Ten Years****Table 9**

<u>Withheld Year</u>	<u>Individual Tax</u>	<u>Municipal Direct Tax</u>	<u>Business Direct Tax</u>	<u>Income Tax Collections</u>
2009	\$ 14,835,940	\$ 688,482	\$ 1,339,461	\$ 16,863,883
2010	14,904,762	610,161	1,444,180	16,959,103
2011	15,407,196	754,473	1,304,220	17,465,889
2012	15,348,105	681,180	1,574,414	17,603,699
2013	15,290,038	708,829	1,578,305	17,577,172
2014	15,607,541	693,255	1,797,181	18,097,977
2015	16,689,291	861,607	1,720,236	19,271,134
2016	16,601,871	854,375	1,599,245	19,055,491
2017	16,751,040	871,010	1,857,938	19,479,988
2018	17,125,289	886,236	1,544,868	19,556,393

Source: City Financial Records

City of Brook Park, Ohio

Ratio of Outstanding Debt to Total Personal Income and Debt per Capita

Last Ten Years

Table 10

Fiscal Year	Governmental Activities					Total	Percentage of Personal Income	Per Capita
	General Obligation Bonds (1)	General Obligation Notes (1)	OPWC Loans	OWDA Loan	Lease Purchase Agreements			
2009	1,430,000	-	1,949,332	339,187	650,507	4,369,026	1.01%	206
2010	1,250,000	-	1,993,495	-	222,556	3,466,051	0.75%	180
2011	2,765,000	-	1,921,271	-	2,403	4,688,674	1.02%	244
2012	2,480,000	750,000	1,817,897	-	1,616,919	6,664,816	1.45%	347
2013	7,977,641	-	1,714,523	-	1,253,966	10,946,130	2.38%	570
2014	7,456,470	-	1,611,149	-	984,644	10,052,263	2.19%	523
2015	7,060,299	-	2,921,137	-	719,597	10,701,033	2.33%	557
2016	6,654,127	-	2,788,901	-	449,965	9,892,993	2.15%	515
2017	11,340,263	-	2,633,141	-	1,720,425	15,693,829	3.41%	817
2018	10,718,111	-	2,457,310	-	1,022,130	14,197,551	3.09%	739

(1) – Amounts include associated premiums

Source: City Financial Records

- Population and Personal Income data are presented on Table 15
- The OPWC Loans are in the City's name; however, \$696,887 of the total outstanding at December 31, 2018 will be reimbursed by the City of Cleveland.
- The funding structure of the OWDA Loan was changed from a loan to grant during 2010. Therefore, the City is no longer required to repay the \$339,187.

City of Brook Park, Ohio

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Years

Table 11

Year	Gross Bonded Debt (1)	Accumulated Resources Restricted For Repayment	Net General Bonded Debt	Assessed Value (3)	Population (2)	Ratio of Net Bonded Debt to Assessed Value	Debt per Capita
2008	1,605,000	(541,282)	1,063,718	523,967,001	21,218	0.20%	50.13
2009	1,430,000	(574,620)	855,380	523,294,943	21,218	0.16%	40.31
2010	1,250,000	(651,203)	598,797	448,099,850	19,212	0.13%	31.17
2011	2,765,000	(634,751)	2,130,249	473,095,500	19,212	0.45%	110.88
2012	2,480,000	(730,029)	1,749,971	472,857,830	19,212	0.37%	91.09
2013	7,977,641	(747,956)	7,229,685	420,082,990	19,212	1.72%	376.31
2014	7,456,470	(803,224)	6,653,246	421,440,890	19,212	1.58%	346.31
2015	7,060,299	(3,994,770)	3,065,529	417,257,440	19,212	0.73%	159.56
2016	6,654,127	(3,726,530)	2,927,597	409,280,850	19,212	0.72%	152.38
2017	11,340,263	(1,162,932)	10,177,331	411,042,920	19,212	2.48%	529.74
2018	10,718,111	(1,370,897)	9,347,214	414,199,470	19,212	2.26%	486.53

(1) Includes all general obligation bonded debt and unamortized premiums.

(2) Source: 2000 and 2010 U.S. Census

(3) Office of the County Fiscal Officer, Cuyahoga County, Ohio

City of Brook Park, Ohio

Computation of Direct and Overlapping Debt

December 31, 2018

Table 12

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	(1) <u>Percentage Applicable to City of Brook Park</u>	<u>Amount Applicable to City of Brook Park</u>
Direct Debt:			
City of Brook Park (2)			
General Obligation Bonds	\$ 10,718,111	100.00%	\$ 10,718,111
OPWC Loan	2,457,310	100.00%	2,457,310
Capital Leases	1,022,130	100.00%	1,022,130
Total Direct Debt	<u>14,197,551</u>		<u>14,197,551</u>
Overlapping Debt:			
Berea City School District	109,890,000	26.57%	29,197,773
Cleveland City School District	241,262,353	0.44%	1,061,554
Cuyahoga County	188,010,000	1.63%	3,064,563
Cuyahoga Community College	212,260,000	1.63%	3,459,838
Total Overlapping Debt	<u>751,422,353</u>		<u>36,783,728</u>
Total	<u>\$ 765,619,904</u>		<u>\$ 50,981,279</u>

Source: Cuyahoga County Fiscal Officer

(1) Percentages determined by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

(2) Amounts include associated premiums.

City of Brook Park, Ohio

Legal Debt Margin

Last Ten Fiscal Years

Table 13

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed Valuation	\$ 523,294,943	\$ 448,099,850	\$ 473,095,500	\$ 472,857,830	\$ 420,082,990	\$ 421,440,890	\$ 417,257,440	\$ 409,280,850	\$ 411,042,920	\$ 414,199,470
Overall debt limit - 10.5% of assessed value	54,945,969	47,050,484	49,675,028	49,650,072	44,108,714	44,251,293	43,812,031	42,974,489	43,159,507	43,490,944
Gross indebtedness	1,430,000	3,466,051	4,686,271	5,047,897	9,692,164	9,067,619	9,981,436	9,443,028	13,973,404	13,175,421
Less: debt outside limitation	-	(1,235,389)	(1,140,359)	(1,077,005)	(1,013,652)	(950,299)	(886,946)	(823,593)	(760,240)	(696,887)
Less: amount available in debt service fund	(493,635)	(1,802,168)	(1,757,346)	(1,725,522)	(1,901,974)	(1,872,159)	(1,805,318)	(2,111,431)	(1,895,640)	(2,020,619)
Net debt within 10.5% limit	936,365	428,494	1,788,566	2,245,370	6,776,538	6,245,161	7,289,172	6,508,004	11,317,524	10,457,915
Legal Debt Margin	\$ 54,009,604	\$ 46,621,990	\$ 47,886,462	\$ 47,404,702	\$ 37,332,176	\$ 38,006,132	\$ 36,522,859	\$ 36,466,485	\$ 31,841,983	\$ 33,033,029
Debt Limit - 5.5% of assessed unvoted value	\$ 28,781,222	\$ 24,645,492	\$ 26,020,253	\$ 26,007,181	\$ 23,104,564	\$ 23,179,249	\$ 22,949,159	\$ 22,510,447	\$ 22,607,361	22,780,971
Gross indebtedness authorized by council:	1,430,000	3,466,051	4,686,271	4,686,271	9,692,164	9,067,619	9,981,436	9,443,028	13,973,404	13,175,421
Less: debt outside limitation	-	(1,235,389)	(1,140,359)	(1,077,005)	(1,013,652)	(950,299)	(886,946)	(823,593)	(760,240)	(696,887)
Less: amount available in debt service fund	(493,635)	(1,802,168)	(1,757,346)	(1,725,522)	(1,901,974)	(1,872,159)	(1,805,318)	(2,111,431)	(1,895,640)	(2,020,619)
Net debt within 5.5% limit	936,365	428,494	1,788,566	1,883,744	6,776,538	6,245,161	7,289,172	6,508,004	11,317,524	10,457,915
Unvoted debt margin	\$ 27,844,857	\$ 24,216,998	\$ 24,231,687	\$ 24,123,437	\$ 16,328,026	\$ 16,934,088	\$ 15,659,987	\$ 16,002,443	\$ 11,289,837	\$ 12,323,056

Source: Cuyahoga County Fiscal Officer and City Financial Records

City of Brook Park, Ohio

Principal Employers

Current Year and 2009

Table 14

<u>Employer</u>	2018	
	<u>Employees</u>	<u>Percentage of</u>
Ford Motor Company	1,691	7.28%
Department of the Interior	1,671	7.19%
Marc Glassman Inc.	710	3.06%
DSS Holdings	589	2.54%
Minute Men Temps	546	2.35%
Group Management	487	2.10%
Credit First National	296	1.27%
Global Payment Holding	278	1.20%
City of Brook Park	268	1.15%
Alycon Technical	262	1.13%
Total	<u>6,798</u>	<u>29.27%</u>
Total City Employment	<u>23,234</u>	<u>100.00%</u>

<u>Employer</u>	2009	
	<u>Employees</u>	<u>Percentage of</u>
Department of the Interior	1,522	7.60%
Ford Motor Company	1,405	7.02%
Marc Glassman Inc.	539	2.69%
City of Brook Park	385	1.92%
PNC Bank	343	1.71%
Berea City School District	309	1.54%
Vesusius USA Corporation	250	1.25%
SGT Inc.	203	1.01%
Sierra Lobo Inc.	138	0.69%
GXS inc	133	0.66%
Total	<u>5,227</u>	<u>26.10%</u>
Total City Employment	<u>20,028</u>	<u>100.00%</u>

Source: City Income Tax Department.

City of Brook Park, Ohio
Demographic and Economic Statistics
Last Ten Years

Table 15

Year	Population (1)	Total Personal Income (4)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)
2009	21,218	433,080,598	20,411	46,333	39.8	7,181	8.9%
2010	19,212	459,704,736	23,928	53,264	43.8	7,099	9.5%
2011	19,212	459,704,736	23,928	53,264	43.8	7,017	7.1%
2012	19,212	459,704,736	23,928	53,264	43.8	7,122	6.6%
2013	19,212	459,704,736	23,928	53,264	43.8	6,681	7.2%
2014	19,212	459,704,736	23,928	53,264	43.8	6,361	5.3%
2015	19,212	459,704,736	23,928	53,264	43.8	6,491	5.5%
2016	19,212	459,704,736	23,928	53,264	43.8	6,537	5.5%
2017	19,212	459,704,736	23,928	53,264	43.8	6,379	5.6%
2018	19,212	459,704,736	23,928	53,264	43.8	6,064	5.0%

(1) Source: 2000 and 2010 U. S. Census

(2) Source: Ohio Department of Education Website

(3) Source: Ohio Bureau of Employment Services, U.S. Department of Labor, Bureau of Labor Statistics for Cleveland

(4) Computation of per capita personal income multiplied by population

City of Brook Park, Ohio

Full Time Employees by Function/Program

Last Ten Years

Table 16

	2009 (1)	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function/program:										
General government:										
Council	2.00	2.00	2.00	1.50	1.00	1.00	1.00	1.00	1.00	1.00
Finance	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
Tax	4.50	4.00	3.00	3.50	3.00	3.00	3.00	3.00	3.00	3.00
Law	2.00	2.00	1.00	1.50	1.00	1.00	1.00	1.00	2.00	2.00
Mayor's office	2.00	2.00	2.00	2.00	3.00	2.00	2.00	3.00	3.00	3.50
Human resources	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Civil service	0.50	0.50	-	0.50	-	0.50	0.50	0.50	0.50	0.50
Clerk of courts	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Security of persons and property:										
Safety department	10.00	11.00	9.00	9.00	11.00	8.00	6.00	6.00	3.00	3.00
Animal warden	2.00	1.00	1.00	1.50	1.00	1.50	1.50	1.50	1.50	1.50
Police	44.00	43.00	39.00	39.00	41.00	38.00	36.00	36.00	36.00	35.00
Police administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Property maintenance	3.50	4.00	4.00	3.00	4.00	4.00	3.00	3.00	4.00	4.00
Fire	42.00	37.00	34.00	34.00	36.00	33.00	30.00	30.00	30.00	30.00
Fire administration	1.00	1.00	1.00	-	-	-	-	-		1.00
Public health and welfare:										
Office of aging	2.50	2.50	2.50	1.50	-	-	-	-		1.50
Leisure time activities:										
Recreation	9.00	7.50	7.00	6.00	6.00	7.00	6.00	5.00	5.00	5.00
Community development:										
Building	6.00	6.00	5.00	4.00	4.00	5.00	5.00	5.00	5.50	5.00
Economic development	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Transportation:										
Service	50.50	43.50	43.00	40.50	36.00	39.00	31.00	36.00	36.00	33.00
Public works:										
Service	5.00	5.00	4.00	3.00	3.00	1.00	1.00	1.00	1.00	1.00
Service dispatch	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Totals	196.50	181.00	166.50	159.50	159.00	153.00	136.00	141.00	140.50	141.00

Source: City Payroll Records

City of Brook Park, Ohio

Operating Indicators by Function/Program

Last Ten Years

Table 17

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function/program:										
General government:										
Council and clerk										
Number of ordinances passed	87	55	66	60	55	75	44	67	40	43
Number of resolutions passed	24	21	27	40	27	24	26	37	29	39
Finance department:										
Number of checks/vouchers issued (excluding payroll)	5,666	5,115	5,016	4,877	4,444	4,260	3,893	3,617	3,282	3,124
Number of purchase orders issued	1,507	1,349	1,344	1,320	1,226	1,151	1,035	1,037	995	966
Number of W-2 forms issued	385	351	335	348	377	374	322	302	276	272
City W-2 wages (in millions)	14	14	13	13	12	12	12	11	12	12
Agency ratings - Fitch	AA-3	AA	AA	AA	AA-	AA-	AA-	AA-	AA-	AA-
Income tax department:										
Number of individual returns	10,256	10,572	10,379	10,022	9,970	9,984	10,085	10,473	10,398	10,358
Number of business returns	1,615	1,668	1,659	1,758	1,779	1,810	1,922	1,820	1,800	1,800
Number of business withholding accounts	1,561	1,591	1,476	1,552	1,480	1,554	1,568	1,553	1,581	1,604
Civil service:										
Number of exams given	1	2	6	4	5	2	1	2	1	3
Building department										
Number of permits issued	1,331	1,439	1,401	1,330	1,408	1,392	1,510	1,309	1,314	1,320
Security of persons and property:										
Police:										
Number of traffic citations issued	3,463	2,853	2,203	2,389	2,338	4,900	7,959	5,886	6,258	3,766
Number of parking citations issued	1,444	2,125	2,197	2,412	1,619	1,850	2,279	2,257	2,479	2,335
Number of criminal arrests	531	814	1,078	928	731	684	707	487	646	537
Animal warden service calls responded to per annual report	163	187	129	768	1,209	1,171	1,095	1,177	1,244	1,326

City of Brook Park, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 17

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Security of persons and property:										
Fire:										
EMS calls	2,102	2,190	2,282	2,447	2,204	2,549	2,572	2,639	2,901	2,573
Fire and fire-related calls	423	418	411	449	423	429	446	440	576	607
Hydrants tested	1,250	1,250	1,250	1,250	1,250	1,149	1,206	1,206	1,206	1,206
Leisure time activities:										
Recreation:										
Number of memberships	7,746	4,762	3,968	3,358	2,153	2,653	3,100	3,187	2,767	1,348
Community development:										
Parking fees collected due to										
Economic development dept.	\$ 1,051,743	\$ 995,999	\$ 976,591	\$ 975,500	\$ 968,732	\$ 965,031	\$ 985,439	\$985,758	\$ 987,855	\$ 991,597
Public works:										
Refuse disposal per year (tons)	9,858	10,901	10,930	10,870	7,129	7,423	9,483	9,734	8,840	10,502
Refuse disposal costs per year	\$ 468,255	\$ 386,998	\$ 378,919	\$ 361,016	\$ 272,325	\$ 298,457	\$ 340,659	\$ 357,231	\$ 429,612	\$ 469,575
Percentage of waste recycled	2.41%	2.00%	4.00%	9.00%	10.42%	15.44%	10.00%	12.79%	10.11%	10.38%
Transportation:										
Snowfall in inches	85.20	58.40	69.50	38.90	68.10	64.60	60.00	68.00	68.1	30.7
Cost of salt purchased	\$ 238,218	\$ 222,818	\$ 100,124	\$ 127,428	\$ 167,207	\$ 188,632	\$ 213,392	\$ 201,121	\$ 88,532	\$ 197,521
Asphalt used in road maintenance										
(tons)	425	348	76	272	336	211	283	173	130	203
Concrete used in road maintenance										
(yards)	590	110	244	179	290	161	202	261	245	90
Number of trees removed	98	78	207	175	213	109	84	183	-	85
Number of trees planted	102	80	8	15	100	-	-	-	-	-
Senior citizen driveway plowing										
participants	1,312	1,210	1,140	1,096	1,149	-	-	-	-	-

Source: Information was provided from the various departments within the City

(2) Information does not include amended returns, voids, etc.

N/A- Information is not available

City of Brook Park, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Table 18

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function/program:										
General government:										
City Hall square footage	16,880	16,880	16,880	16,880	16,880	16,880	16,880	16,880	16,880	5,600
Other departmental vehicles	12	12	12	12	12	12	12	12	12	12
Security of persons and property:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Square footage of Police (and Fire) building	16,072	16,072	16,072	16,072	16,072	16,072	16,072	16,072	16,072	16,072
Number of vehicles	33	33	33	41	34	30	30	33	30	35
Number of street lights	2,565	2,565	2,565	2,565	2,565	2,565	2,565	2,565	2,565	2,565
Number of traffic lights	44	44	44	44	44	44	44	44	44	44
Fire:										
Stations	3	3	2	2	2	2	2	2	2	2
Square footage of station	16,072	16,072	16,072	16,072	16,072	16,072	16,072	16,072	16,072	16,072
Square footage of station - Ruple	3,807	3,807	3,807	3,807	3,807	3,807	3,807	3,807	3,807	3,807
Number of Vehicles	15	15	14	14	13	14	14	14	14	14
Leisure time activities:										
Recreation:										
Number of Parks	7	7	7	7	7	7	7	7	7	7
Number of Pools	2	2	2	2	2	2	2	2	2	2
Number of Diving Tanks	1	1	1	1	1	1	1	1	1	1
Square footage of Recreation Center	105,300	105,300	105,300	105,300	105,300	105,300	105,300	105,300	105,300	105,300
Public works:										
Streets (miles)	46	46	46	46	46	46	46	46	46	46
Service vehicles	74	74	74	74	74	74	74	75	75	77

Source: Information is provided from the City's capital asset records

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