# 2022 ANNUALREPORT CITY OF BROOK PARK, OHIO

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2022

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**INTRODUCTORY SECTION** 

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City of Brook Park

Finance Department

Gregory M. Cingle Finance Director

Mary J. Maylut Assistant Finance Director

June 15, 2023

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 Annual Comprehensive Financial Report (ACFR) of the city of Brook Park (City) for the fiscal year ended December 31, 2022.

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 Zupka and Associates. 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, 2022, 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, 2022, 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 auditor.

#### **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 atlarge 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. economy was resilient. It grew 2.1% in 2022 despite the war in Ukraine, lingering effects of the coronavirus pandemic, rising prices and higher interest rates. Some of the factors are as follows:

- In its quest to tame inflation, the Federal Reserve raised the federal funds rate seven times in 2022, ending at a rate of 4.50%. The Federal Reserve did not adjust the federal funds rate (0.00%) in 2020.
- 2022 calendar year realized employment gains of 4.5 million jobs. Theses steady job gains were despite high profile layoffs in the technology, housing and finance sectors.
- It was a volatile year for stock markets. All three U.S. indices ended the year with negative returns, S&P 500 down 19.44%; Dow Jones Industrial Average (DJIA) down 8.78% and the Nasdaq Composite down 33.10%.

# II. Major/Local Economic Activity. The City continues to work to build upon its existing economic base and take advantage of our unique place as the "Gateway" to Cuyahoga County and the Region.

- The City of Brook Park remains an active member of the Aerozone Alliance ("Alliance") and works to leverage the assets of Cleveland Hopkins International Airport, Ohio Aerospace Alliance, and The NASA Glenn Research Center into transformational economic growth.
- The City of Brook Park is working closely with the Ohio Aerospace Institute (OAI) and the Aerozone Alliance to secure an agreement with Blue Abyss to buy nearly 13 acres of City owned land. Blue Abyss is an advanced research center devoted to deep sea and space research. The Center is a \$250 million training complex consisting of a 167 foot-deep-pool and a 150-room boutique hotel. The Blue Abyss complex is expected to take two and a half years to construct.
- The City of Brook Park is actively engaged in the redevelopment of the 208 acres formerly home to Ford Engine Plant 2. This site, now known as the Forward Innovation Center ("FIC") offers very attractive multimodal access to Cleveland Hopkins International Airport, the Port of Cleveland, highways and rail. The Forward Innovation Center will welcome it's first tenant, Victory Packaging, in 2023.

# III. Redevelopment Planning.

- The City has received \$1.5M in funding from Cuyahoga County to demolish and clear the former Brook Park Memorial Elementary School, located on our Central Campus. This will create 5 additional acres of green space within our Central Campus
- The City of Brook Park is actively marketing the former Brookview Elementary School campus. This site is nearly 10 acres of prime land located on Snow Road and provides the opportunity for substantive economic development on a main commercial corridor.

# **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 102 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 ACFR for the fiscal year ended December 31, 2022. 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 ACFR. 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 30 years. We believe that our current ACFR 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 ACFR. We would like to express special appreciation to the independent accounting firm of Zupka and Associates 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

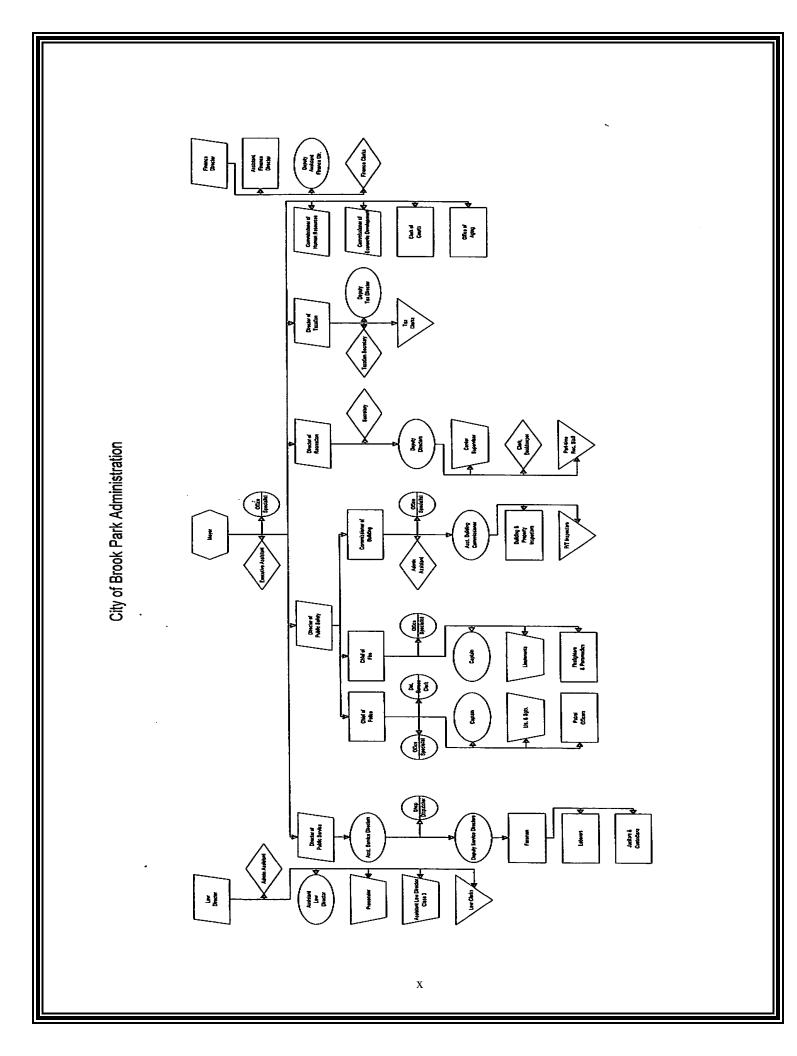
# City of Brook Park Ohio

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

December 31, 2021

Christophen P. Monill

Executive Director/CEO



# City of Brook Park, Ohio

**Elected Officials** 

# December 31, 2022

Mayor	Edward Orcutt
Council Member – President	Mike Vecchio
Council Member – At-Large	Nora Coyne
Council Member – At-Large	Brian K. Poindexter
Council Member – At-Large	Richard A. Salvatore
Council Member – Ward 1	Tom Troyer
Council Member – Ward 2	Jim Mencini
Council Member – Ward 3	Steve Roberts
Council Member – Ward 4	Richard D. Scott
Finance Director	Gregory M. Cingle
Law Director	Carol Horvath

# FINANCIAL SECTION



# INDEPENDENT AUDITOR'S REPORT

City of Brook Park Cuyahoga County 6161 Engle Road Brook Park, Ohio 44142

To the Members of City Council:

#### Report on the Financial Statements

#### Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund and the American Rescue Plan Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

#### **Responsibilities of Management for the Financial Statements**

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

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

City of Brook Park Cuyahoga County Independent Auditor's Report Page 2

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

#### Required Supplementary Information

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

City of Brook Park Cuyahoga County Independent Auditor's Report Page 3

#### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### Other Information

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

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

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

reptor & associates

Zupka & Associates Certified Public Accountants

June 15, 2023

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# **City of Brook Park, Ohio** Management's Discussion and Analysis (Unaudited) **For the Year Ended December 31, 2022**

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, 2022. 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 2022 are:

- Revenue from municipal income and other taxes totaled \$22,800,692.
- Total assets and deferred outflows of resources increased by \$4,146,563 or a 3.50 percent increase from 2021. This increase was attributed mainly to the acquisition of property that the City intends to resell at a later date and increase in Municipal Income Tax Receivable.
- Total net position increased by \$4,568,000 or a 7.26 percent from 2021.
- Total liabilities and deferred inflows of resources decreased by \$421,437. This was a 0.76 percent decrease from 2021. This is mainly attributed to a decrease of \$4,143,717 in net pension liability.
- At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$28,584,323 an increase of \$602,473 in comparison with the prior year's amount. Approximately 39.71 percent of this total amount, or \$11,351,640, 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 \$11,351,640 or 52.19 percent of General Fund expenditures (not including other financing uses).

# Using This Annual Comprehensive Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the City 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.

# Reporting the City of Brook Park as a Whole

# Statement of Net Position and Statement of Activities

While the Annual Comprehensive Financial Report 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 2022?" 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 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, American Rescue Plan, 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, 2022

# 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 23 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, American Rescue Plan, 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 Annual Comprehensive Financial Report 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 26.

# 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 one custodial fund to report within the fiduciary fund category.

# 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 31.

### Other information

In addition to the basic financial statements and the accompanying notes, this Annual Comprehensive Financial Report 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 88.

#### 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 2022 as compared to 2021.

Table Net Posit		
	2022	2021
ASSETS		 
Current and other assets	\$ 40,259,619	\$ 37,661,719
Net pension asset	72,257	57,357
Net OPEB asset	1,015,883	593,747
Capital assets, net	72,482,430	73,515,709
Total Assets	 113,830,189	 111,828,532
DEFERRED OUTFLOWS OF RESOURCES		
Deferral on Refunding	42,389	46,302
Pension	6,682,613	3,995,726
OPEB	2,137,888	2,675,956
<b>Total Deferred Outflows of Resources</b>	8,862,890	6,717,984
LIABILITIES		
Current and other liabilities	3,681,417	2,814,320
Long-term liabilities:		
Due within one year	2,077,379	1,952,348
Due in more than one year		
Net Pension Liability	18,805,743	22,949,460
Net OPEB Liability	5,041,285	4,935,012
Other amounts	11,465,729	12,617,652
Total Liabilities	41,071,553	 45,268,792
DEFERRED INFLOWS OF RESOURCES		
Property taxes	2,183,623	2,246,366
Pension	9,518,221	4,708,403
OPEB	2,397,491	3,368,764
<b>Total Deferred Inflows of Resources</b>	 14,099,335	 10,323,533
NET POSITION		
Net investment in capital assets	61,803,892	61,916,012
Restricted	5,400,529	5,503,202
Unrestricted	317,770	(4,465,023)
Total Net Position	\$ 67,522,191	\$ 62,954,191

# City of Brook Park, Ohio Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2022

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2022 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The City previously 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, net pension asset and net OPEB asset.

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, 2022

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.

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 2022 by \$67,522,191. Due to the recording of GASB 68 and GASB 75, the City's unrestricted net position was \$317,770.

The largest portion of the City's total net position reflects its net investment in capital assets, i.e. land, construction in progress, buildings and improvements, 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 increased by \$2,001,657 during the current year. This increase was largely attributed to current and other assets increasing as a result of the City purchasing a building for future economic development and an increase in Net OPEB Asset as a result of changes relating to GASB 75.

Total liabilities decreased by \$4,197,239, which is primarily due to the decrease in net pension liability coupled with the continued pay down of the City's debt.

The changes in deferred outflows of resources and deferred inflows of resources are all due to the recording of GASB statements No. 68 and 75 as previously discussed.

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.

Total Net Position including GASB 68 and GASB 75 Add:	\$ 67,522,191
Net Pension Liability	18,805,743
Net OPEB Liability	5,041,285
Deferred Inflows - Pension	9,518,221
Deferred Inflows - OPEB	2,397,491
Less:	
Deferred Outflows - Pension	6,682,613
Deferred Outflows - OPEB	2,137,888
Net Pension Asset	72,257
Net OPEB Asset	 1,015,883
Total Net Position without GASB 68 and GASB 75	\$ 93,376,290

# Table 2Net Position without GASB 68 and GASB 75

Table 3 shows the changes in net position for 2022 as compared with 2021.

# Table 3Changes in Net Position

	2022	2021
REVENUES		
Program Revenues:		
Charges for services	\$ 3,255,065	\$ 2,746,275
Operating grants and contributions	1,437,963	1,439,705
Capital grants and contributions	385,508	717,381
Total Program Revenues	5,078,536	4,903,361
General Revenues:		
Property taxes	2,365,016	1,998,643
Municipal income and other taxes	22,800,692	20,498,863
Grants and entitlements	933,208	792,313
Investment income	65,181	4,922
All other revenues	681,203	395,915
Total General Revenues	26,845,300	23,690,656
Total Revenues	31,923,836	28,594,017
EXPENSES		
Program Expenses:		
Security of persons and property	12,480,768	10,688,331
General government	4,921,067	3,579,725
Public works	3,361,595	2,680,307
Leisure time activities	1,356,474	2,149,141
Transportation	3,676,089	3,075,121
Community development	1,052,125	594,908
Public health and welfare	287,474	253,179
Interest and fiscal charges	220,244	288,012
Total Expenses	27,355,836	23,308,724
Change in Net Position	4,568,000	5,285,293
Net Position - Beginning of Year	62,954,191	57,668,898
Net Position - End of Year	\$ 67,522,191	\$ 62,954,191

# City of Brook Park, Ohio Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2022

# 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 2022, the revenues generated from municipal income tax and other miscellaneous taxes amounted to \$22,800,692. The 11.23 percent increase in income tax collections from 2021 to 2022 is due increased wages from local businesses.

For 2022, 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. Of the \$31,923,836 in total revenue, municipal income tax and other taxes accounted for 71.42 percent, property taxes accounted for 7.41 percent, charges for services accounted for 10.20 percent, and operating grants and contributions accounted for 4.50 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 an increase of \$508,790, or 18.53% in charges for services due to increased activity in the building department for permits and related fees. Property Taxes and Grants and entitlements increased by \$507,268 as a result of the increase in assessed property values generating additional property tax and related income.

The provisions of GASB Statements 68 and 75 require the City to recognize a pension/OPEB adjustment that decreased expenses by \$2,784,754 in 2022. As a result, it is difficult to ascertain the true operational cost of services and the changes in cost of service from year to year. The table below shows the total expenses by function with the GASB Statements 68 and 75 pension and OPEB expenses removed.

# Table 4 Expenses

	2022	2021
EXPENSES		
Program Expenses:		
Security of persons and property	\$ 12,896,840	\$ 12,485,744
General government	5,908,890	5,551,173
Public works	3,905,790	3,640,599
Leisure time activities	1,662,451	2,722,753
Transportation	3,905,774	3,489,907
Community development	1,327,892	1,154,564
Public health and welfare	312,709	291,150
Interest and fiscal charges	220,244	288,012
Total Expenses	\$ 30,140,590	\$ 29,623,902

# City of Brook Park, Ohio Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2022

The largest program functions for the City relate to security of persons and property accounting for 42.79% of program expenditures. This is followed by General Government, Public works, and Transportation which account for 19.60%, 12.96%, and 12.96% respectively. Transportation saw the sharpest increase from 2021 at \$415,867. This is attributed to the increase of road projects performed in 2022. Leisure time Activities saw decrease of \$1,060,302, or 38.94%, which is mainly attributed to a decrease depreciation expense for the function.

# Program Expenses

For the year ended December 31, 2022, the City's total cost of services was \$30,140,590, with a net cost of services totaling \$25,062,054.

Table 5 itemizes fiscal year 2022 program expenses by specific function (excluding the pension and OPEB expenses as previously mentioned).
Table 5

Program Expenses			
	Total Cost	Net Cost	
	of Services	of Services	
	2022	2022	
Security of persons and property	\$ 12,896,840	\$ 12,048,774	
General government	5,908,890	5,187,357	
Public works	3,905,790	3,827,243	
Transportation	1,662,451	411,092	
Leisure time activities	3,905,774	3,364,631	
Community development	1,327,892	(302,491)	
Public health and welfare	312,709	305,204	
Interest and fiscal charges	220,244	220,244	
Total cost of service	\$ 30,140,590	\$ 25,062,054	

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.

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 \$28,584,323. Of that amount, \$11,351,640 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, 2022, the total fund balance for the General Fund was \$15,681,593, of which \$11,351,640 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 52.19 percent of total General Fund expenditures, while total fund balance represents 72.10 percent of that same amount.

During 2022, the General fund balance increased by \$1,680,777 or 12.00 percent. This increase is mainly due to the increases in Property Taxes and Municipal Income Taxes revenue.

# American Rescue Plan Act

The American Rescue Plan Act fund accounts for the grant proceeds to local governments who have been financially impacted by the COVID-19 Pandemic. This fund did not maintain a balance at December 31, 2022. The fund maintained a cash balance of \$1,841,155 that was reported as unearned revenue until it is spent by the City.

# 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, 2022, the total fund balance for the Capital Improvements Fund was \$4,602,947, of which \$4,388,547 was committed due to constraints imposed by Council and \$214,400 was restricted by external constraints. The fund balance decreased by \$356,325 during 2022. This decrease is mainly due increased spending on various city projects.

# **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.

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 2022, the City amended its General Fund budget twice. 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.

# City of Brook Park, Ohio Management's Discussion and Analysis (Unaudited) (continued) For the Year Ended December 31, 2022

For the General Fund, the final budget basis revenue plus other financing sources was \$25,318,502 as compared to the original budget estimate plus other financing sources of \$23,126,525. The final budget was higher than the original budget. The final appropriations plus other financing uses of \$25,978,368 were sufficient to meet the actual expenditures plus other financing uses for the year, which amounted to \$23,821,575. This is a result on of finance budgeting with conservatism.

# **Capital Assets and Debt Administration**

#### Capital Assets

As of December 31, 2022, the City had \$72,482,430 invested in land, construction in progress, buildings and improvements, improvements other than buildings, machinery and equipment, furniture and fixtures, vehicles and infrastructure. Table 6 shows fiscal year 2022 balances of capital assets, net of depreciation, as compared to 2021.

### Table 6 Capital Assets at Year End (Net of Depreciation)

	2022	2021
Land	\$ 3,109,966	\$ 3,109,966
Construction in progress	3,524,241	2,204,978
Buildings and improvements	6,511,877	6,650,520
Improvements other than buildings	233,616	291,802
Machinery and equipment	1,096,333	961,366
Furniture and fixtures	44,926	15,789
Vehicles	3,309,560	2,959,321
Infrastructure:		
Streets	37,823,995	39,895,280
Sewers	15,645,165	16,210,840
Water Lines	1,182,751	1,215,847
Total Capital Assets	\$ 72,482,430	\$ 73,515,709

In 2022, the \$1,033,279 decrease in total capital assets was a result of depreciation totaling \$3,642,395. This was slightly offset by the capital additions of \$1,299,638.

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 7 of the basic financial statements.

# Debt

On December 31, 2022, the City had \$13,543,108 in outstanding debt, with \$2,077,379 of that debt due within one year. Table 7 below summarizes general obligation bonds, financed purchases payable, and OPWC loans.

# Table 7 Outstanding Debt at Year End

	2022 2021			
General obligation bonds	\$	7,905,000	\$	8,600,000
Financed Purchases Payable		968,526		961,944
OPWC loans		1,875,589		2,057,820
Total outstanding debt	\$	10,749,115	\$	11,619,764

As of December 31, 2022, the City's overall legal debt margin was \$49,072,402, with an unvoted debt margin of \$21,993,355.

More detailed information about the City's debt liabilities is presented in Notes 8 and 9 of the basic financial statements.

# **Current Financial Related Activities**

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 Annual Comprehensive Financial Report 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 Annual Comprehensive Financial Report or need additional financial information, please contact Assistant Finance Director Mary J. Maykut, 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, 2022

	Governmental Activities
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 29,622,324
Cash and Cash Equivalents:	22.245
In Segregated Accounts	33,345
Materials and Supplies Inventory Accounts Receivable	122,516
Accrued Interest Receivable	379,688
Intergovernmental Receivable	11,262
Prepaid Items	1,467,787 365,940
Municipal Income Taxes Receivable	4,112,252
Property Taxes Receivable	2,288,370
Other Taxes Receivable	2,288,370
Special Assessments Receivable	58,394
Nondepreciable Capital Assets	6,634,207
Depreciable Capital Assets	65,848,223
Assets held for Resale	1,790,000
Net Pension Asset (See Note 11)	72,257
Net OPEB Asset (See Note 12)	1,015,883
Total Assets	113,830,189
100017155005	
DEFERRED OUTFLOWS OF RESOURCES	
Deferral on Refunding	42,389
Pension	6,682,613
OPEB	2,137,888
Total Deferred Outflows of Resources	8,862,890
LIABILITIES	
Accounts Payable	635,617
Contracts Payable	277,145
Accrued Wages and Benefits	418,742
Intergovernmental Payable	190,811
Accrued Interest Payable	23,436
Retainage Payable	102,497
Unearned Revenue	2,033,169
Long-term Liabilities:	
Due within one year	2,077,379
Due in more than one year:	
Net Pension Liability (See Note 11)	18,805,743
Net OPEB Liability (See Notes 12 & 13)	5,041,285
Other amounts	11,465,729
Total Liabilities	41,071,553
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	2,183,623
Pension	9,518,221
OPEB	2,397,491
Total Deferred Inflows of Resources	14,099,335
νιέτ δοςιτίονι	
NET POSITION Net Investment in Capital Assets	61,803,892
Restricted for:	01,005,892
Debt Services	1,388,155
	682,357
Capital Projects Street Paving and Repair	082,357 2,738,058
Public Safety Other Purposes	314,606
Other Purposes Unrestricted	277,353 317,770
Total Net Position	
LUTAI INCL LOSITION	\$ 67,522,191

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, 2022**

	Program Revenues							Net (Expense) Revenue and Changes in Net		
	Expenses		Charges for Services		Operating Grants and Contributions		Capital Grants and Contributions		Position Governmental Activities	
Governmental activities:		<b>.</b>								
Security of Persons and Property										
Police and Others	\$	7,487,199	\$ 91,	199 \$	75,616	\$	-	\$	(7,320,384)	
Fire		4,993,569	636,	.02	22,825		22,324		(4,312,318)	
Public Health and Welfare		287,474	7,	505	-		-		(279,969)	
Leisure Time Activities		1,356,474	383,	978	7,240		149,925		(815,331)	
Community Development		1,052,125	1,442,	)18	38,365		150,000		578,258	
Public Works		3,361,595	2,	900	44,042		31,605		(3,283,048)	
Transportation		3,676,089		-	1,234,200		17,159		(2,424,730)	
General Government		4,921,067	691,	363	15,675		14,495		(4,199,534)	
Interest and Fiscal Charges		220,244		-	-		-		(220,244)	
Total Governmental activities	\$	27,355,836	\$ 3,255,	)65 \$	1,437,963	\$	385,508		(22,277,300)	
	Pro C	eral Revenues: operty Taxes lev General Purpose Other Purposes unicipal Income	vied for: es	d for:					1,971,404 393,612	
	Municipal Income Taxes levied for: General Purposes								19,297,411	
Capital Outlay								3,350,984		
	Other Taxes								152,297	
	Grants & Entitlements not restricted to specific programs								933,208	
		Investment Income							65,181	
	All Other Revenues								681,203	
	Total General Revenues								26,845,300	
	Change in Net Position							4,568,000		
	Net Position - Beginning of Year								62,954,191	
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The notes to the basic financial statements are an integral part of this statement

Balance Sheet – Governmental Funds **December 31, 2022** 

American Capital Other Total Rescue Improvements Governmental Governmental General Fund Plan Fund Funds Funds ASSETS **OUTFLOWS OF RESOURCES** Assets: Equity in Pooled Cash and Cash Equivalents \$ 13,771,706 \$ 1,841,155 \$ 4,518,345 \$ 6,681,552 \$ 26,812,758 Cash and Cash Equivalents: In Segregated Accounts 33,345 33,345 Materials and Supplies Inventory 122,516 122,516 Accrued Interest Receivable 8,465 2,797 11,262 Accounts Receivable 369,237 10,451 379,688 430,543 1,037,244 Intergovernmental Receivable 1,467,787 365,940 Prepaid Items 365,940 -Municipal Income Tax Receivable 3,289,802 822,450 4,112,252 Property Taxes Receivable 1,891,146 397,224 2,288,370 Special Assessments Receivable 58,394 58,394 Other Taxes Receivable 7,741 7,741 Asset Held for Resale 240,000 1,550,000 1,790,000 Total Assets 20,530,441 1,841,155 \$ 5,340,795 \$ 9,737,662 \$ 37,450,053 \$ \$ LIABILITIES, DEFERRED INFLOWS OF **RESOURCES AND FUND BALANCES** Liabilities: Accounts Payable \$ 413,638 \$ 184,804 \$ 635,617 \$ 37.175 \$ Accrued Wages and Benefits 405,754 12,988 418,742 Contracts Payable 275,639 1,506 277,145 Intergovernmental Payable 28.206 162.605 190.811 Retainage Payable 32,188 70,309 102,497 -Unearned Revenue 55.032 136.982 2,033,169 1,841,155 Total Liabilities 902,630 1,841,155 345,002 569,194 3,657,981 **Deferred Inflows of Resources:** Property Taxes 1,804,576 379,047 2,183,623 -Unavailable Revenue - Delinquent Property Taxes 18,177 104,747 86,570 Unavailable Revenue - Income Taxes 1,571,385 392,846 1,964,231 --471,461 Unavailable Revenue - Other 483,687 955,148 3,946,218 392,846 868,685 5,207,749 **Total Deferred Inflows of Resources** -Fund Balances: Reserved for: Nonspendable 488,456 488,456 214,400 3,549,935 Restricted 3,335,535 3,380,442 4,388,547 Committed 3,663,130 11,432,119 Assigned 461,055 1,301,118 1,762,173 Unassigned 11,351,640 11,351,640 15,681,593 **Total Fund Balances** 4,602,947 8,299,783 28,584,323 **Total Liabilities, Deferred Inflows** of Resources and Fund Balances 20,530,441 \$ 1,841,155 \$ 5,340,795 \$ 9,737,662 \$ 37,450,053 \$

Reconciliation of Total Governmental Funds Balances to Net Position of Governmental Activities **December 31, 2022** 

Total Governmental Funds Balance		\$ 28,584,323
Amounts reported for Governmental Activities in the Statement are different because:	t of Net Position	
Capital Assets used in Governmental Activities are not finan	cial resources	
and, therefore, are not reported in the funds		72,482,430
Other long-term assets are not available to pay for current-pe and, therefore, are unavailable revenues in the funds:	eriod expenditures	
Delinquent property taxes	\$ 104,747	
Municipal income	1,964,231	
Special assessments	58,394	
Intergovernmental	733,721	
Charges for services	163,033	
Total		3,024,126
In the Statement of Activities, interest is accrued on outstand		
bonds, whereas in Governmental funds, an interest expend	iture	(22, 426)
is reported when due.		(23,436)
Internal Service funds are used by management to charge the of certain activities, such as insurance to individual funds. of the Internal Service funds are included in Governmental Activities in the Statement of Net Position.	The assets	2,809,566
The net pension liability/asset and net OPEB Liability are no current period; therefore, the liability/asset and related defe are not reported in governmental funds:		
Deferred Outflows - Pension	6,682,613	
Deferred Inflows - Pension	(9,518,221)	
Net Pension Liability/Asset	(18,733,486)	
Deferred Outflows - OPEB	2,137,888	
Deferred Inflows - OPEB	(2,397,491)	
Net OPEB Liability/Asset	(4,025,402)	
Total		(25,854,099)
Long-term liabilities, including bonds payable, are not due a current period and therefore are not reported in the funds:	nd payable in the	
General obligation bonds	(7,905,000)	
OPWC loans	(1,875,589)	
Unamortized bond premiums	(247,135)	
Deferral on refunding	42,389	
Financed Purchases Payable	(968,526)	
Accrued compensated absences	(2,546,858)	
Total	<u>.</u>	 (13,500,719)
Net Position of Governmental Activities		\$ 67,522,191

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2022

	2,313,901 ,795,019 152,297 2,625,662 65,181 804,287 555,684
Municipal Income Taxes 18,614,710 - 3,180,309 - 21	,795,019 152,297 2,625,662 65,181 804,287 555,684
	152,297 2,625,662 65,181 804,287 555,684
Other Toyas 152 207	2,625,662 65,181 804,287 555,684
	65,181 804,287 555,684
•	804,287 555,684
Interest 50,077 15,104	555,684
Licenses and Permits 731,422 72,865	
Fines and Forfeitures         476,043         -         36,626         43,015	
Rentals 57,552	57,552
•	,716,582
Contributions and Donations 51,420 3,435	54,855
Special Assessments 75,513	75,513
All Other Revenues         562,250         -         68,871	631,121
Total Revenues         25,087,751         92,066         3,423,738         2,244,099         30	),847,654
Fire4,233,00422,825-746,7365Public Health and Welfare174,363110,176	7,637,002 5,002,565 284,539 ,370,854
Community Development 821,172 4,565 - 533,353 1	,359,090
Public Works 2,590,080 12,175 - 2	2,602,255
Transportation 363,009 4,565 - 723,177 1	,090,751
*	5,787,898
Capital Outlay 2,725,809 1,268,866 3	,994,675
Debt Service:	
*	,305,607
Interest and Fiscal Charges 18,250 226,653	244,903
	,680,139
Excess of Revenues (Under) Expenditures         3,337,992         -         (40,327)         (3,130,150)	167,515
OTHER FINANCING SOURCES (USES)	
Proceeds from Financed Purchase Payables 434,958 -	434,958
·	2,408,171
	2,408,171)
Total Other Financing Sources (Uses)         (1,657,215)         -         (315,998)         2,408,171	434,958
Net Change in Fund Balances $1,680,777$ - $(356,325)$ $(721,979)$	602,473
	, i <i>i o</i>
	,981,850
Fund Balances - End of Year       \$ 15,681,593       \$ -       \$ 4,602,947       \$ 8,299,783       \$ 28	3,584,323

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, 2022

et Change in Fund Balances-Total Governmental H	Funds	602,473
mounts reported for Governmental Activities in the Sta are different because:	atement of Activities	
Governmental funds report capital outlays as expendit Statement of Activities, the cost of those assets is all estimated useful lives as depreciation expense. This depreciation exceeded capital outlays in the current	located over their is the amount by which	
Capital Outlay	\$ 2,618,901	
Depreciation Total	(3,642,395)	(1,023,494)
In the Statement of Activities, only the loss on the disp reported, whereas, in the Governmental Funds, the p increase financial resources. Thus, the change in ne change in fund balance by the net book value of the	proceeds from the disposals t position differs from the	(9,785)
Revenues in the Statement of Activities that do not pro- resources are not reported as revenues in the funds.	ovide current financial	
Delinquent property taxes	51,115	
Municipal income taxes	853,376	
Special assessments	(10,108)	
Intergovernmental	61,067	
Charges for services Total	120,732	1,076,182
Other financing sources in the Governmental funds including liabilities in the Statement of Net Position. These so to the issuance of financed purchases payable.	-	(434,958)
Repayment of bond, financed purchases payable, and Governmental funds, but the repayment reduces long Statement of Net Position.		1,305,607
Contractually required contributions are reported as ex- governmental funds; however, the statement of net p these amounts as deferred outflows.	-	
Pension		2,201,413
OPEB		130,682
Except for amounts reported as deferred inflows/outfle in the net pension/OPEB liability are reported as per statement of activities	-	
statement of activities. Pension		(165,727)
OPEB		618,386
Some expenses reported in the Statement of Activities the use of current financial resources and therefore a as expenditures in Governmental funds.		
Accrued compensated absences	132,567	
Ammortization of loss on refunding	(3,913)	
Accrued interest on bonds	4,896	
Amortization of bond premiums Total	23,676	157,226
		137,220
Internal Service funds are used by management to cha	-	
activities, such as insurance to individual funds. The of Internal Service funds are reported in the Government		100.005
or mernar service runus are reported in the Governi	memai Acuvities.	109,995
hange in Net Position of Governmental Activities		4,568,000

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

# For the Year Ended December 31, 2022

		Budgete	d Amo	unts				ariance with nal Budget Positive
		Original		Final		Actual	(	Negative)
Revenues:		onginai		1 mai		/ letuur		(leguite)
Property Taxes	\$	1,925,585	\$	1,929,181	\$	1,929,181	\$	-
Municipal Income Taxes	+	17,192,295	+	18,722,065	+	18,722,065	+	-
Other Taxes		270,860		151,421		151,421		-
Intergovernmental		664,330		806,028		863,247		57,219
Interest		32,023		38,854		41,612		2,758
Licenses and Permits		575,401		698,130		747,690		49,560
Fines and Forfeitures		297,947		361,498		387,160		25,662
Rentals		91,297		110,770		118,633		7,863
Charges for Services		1,207,352		1,470,360		1,570,326		99,966
Contributions and Donations		39,571		48,012		51,420		3,408
All Other Revenues		374,864		512,183		535,746		23,563
Total Revenues		22,671,525		24,848,502		25,118,501		269,999
Expenditures: Current:		11 702 870		11.041.522		11 101 040		740 402
Security of Persons and Property Public Health and Welfare		11,722,870		11,841,533		11,101,040		740,493
Leisure Time Activities		163,725		176,770 1,382,514		174,247 1,292,801		2,523 89,713
Community Development		1,301,471 893,955		893,955		808,847		89,713
Public Works		2,572,263				2,623,793		
Transportation		396,039		2,741,001 499,739		420,069		117,208 79,670
General Government		7,625,993		6,457,117		5,685,039		79,070
Total Expenditures		24,676,316		23,992,629		22,105,836		1,886,793
Excess of Revenues Over		24,070,310		23,992,029		22,105,850		1,880,795
(Under) Expenditures		(2,004,791)		855,873		3,012,665		2,156,792
Other Financing Sources (Uses)								
Advances In		150,000		150,000		150,000		0
Transfer In		305,000		320,000		50,000		(270,000)
Transfers Out		(1,973,715)		(1,985,739)		(1,715,739)		270,000
Total Other Financing Sources (Uses)		(1,518,715)		(1,515,739)		(1,515,739)		
Net Change in Fund Balance		(3,523,506)		(659,866)		1,496,926		2,156,792
Cash Fund Balance - Beginning of Year		11,578,895		11,578,895		11,578,895		-
Current Year Encumbrances		-		-		475,227		475,227
Cash Fund Balance - End of Year	\$	8,055,389	\$	10,919,029	\$	13,551,048	\$	2,632,019

Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual American Rescue Plan Act Fund For the Year Ended December 31, 2022

	(	Budgeted Original	Amou	ints Final	Actual	Fina Po	ance with l Budget ositive egative)
Revenues:							
Intergovernmental	\$	970,454	\$	970,454	\$ 970,454	\$	-
Total Revenues		970,454		970,454	970,454		-
Expenditures: Current: General Government Total Expenditures		99,675 99,675		99,675 99,675	 92,066 92,066		7,609 7,609
Net Change in Fund Balance		870,779		870,779	878,388		7,609
Cash Fund Balance - Beginning of Year		962,767		962,767	 962,767		-
Cash Fund Balance - End of Year	\$	1,833,546	\$	1,833,546	\$ 1,841,155	\$	7,609

See accompanying notes to the basic financial statements.

Statement of Net Position Proprietary Fund December 31, 2022

	Governmental Activities
	Internal Service Fund
ASSETS	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 2,809,566
Total Assets	2,809,566
NET POSITION	
Unrestricted	2,809,566
Total Net Position	\$ 2,809,566

Statement of Revenues, Expenses and Changes in Net Position Proprietary Fund For The Year Ended December 31, 2022

	Governmental Activities
	Internal Service Fund
OPERATING REVENUES	
Charges for Services	\$ 148,158
Total Operating Revenues	148,158
OPERATING EXPENSES	
Contractual Services	38,163
Total Operating Expense	38,163
Operating Income	109,995
Change in Net Position	109,995
Net Position - Beginning of Year	2,699,571
Net Position- End of Year	\$ 2,809,566

# For The Year Ended December 31, 2022

	Governmental Activities
	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	Fulld
Cash Received from Charges for Services	\$ 383,491
Cash Payments for Goods and Services	(273,496)
Net Cash Provided by Operating Activities	109,995
Net increase in Cash and Cash Equivalents	109,995
Cash and Cash Equivalents - Beginning of Year	2,699,571
Cash and Cash Equivalents - End of Year	\$ 2,809,566
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING	
ACTIVITIES	<b>†</b>
Operating Income	\$ 109,995
Net Cash provided by Operating Activities	\$ 109,995

# **City of Brook Park, Ohio** Statement of Fiduciary Net Position Custodial Fund **December 31, 2022**

	Custodial Fund
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 32,711
Total Assets	32,711
LIABILITIES	
Intergovernmental Payable	13,577
Total Liabilities	\$ 13,577
NET POSITION	
Restricted For:	
Individuals, Organizations, and Other Governments	19,134
Total Net Position	\$ 19,134

Statement of Changes in Fiduciary Net Position Custodial Fund For the Year Ended December 31, 2022

	Custodial Fund			
ADDITIONS Licenses, Permits, & Fees Distributions for Other Governments Total Additions	\$	10,488 10,488		
Net Increase in Fiduciary Net Position		10,488		
Net Position - Beginning of Year <b>Net Position - End of Year</b>	\$	8,646 19,134		

Notes to the Basic Financial Statements

## 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.

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.

# **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 2022, the City of Brook Park contributed \$110,176 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.

# 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.

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

#### American Rescue Plan Act Fund

The American Rescue Plan Act fund accounts for the grant proceeds to local governments who have been financially impacted by the COVID-19 Pandemic.

#### 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 shared-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 (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's fiduciary fund is one custodial fund. The custodial fund is used to account for building code fees due to other governments.

# 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.

#### 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.

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

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

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The City has unearned revenue related to unspent portions of American Rescue Plan Act funds and cash bonds held for proper repair of street openings.

# Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for 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 11, 12, and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets 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, 2022, but which were levied to finance year 2023 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 and the statement of net position. (See Note 11, 12, and 13)

## **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 2022. The amounts reported in the budgetary statements as final reflect the amounts in the final amended official certificate of estimated resources issued during 2022.

# 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.

## 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 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.

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 2022, 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 2022, 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 \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

The City's policy is to hold investments until fair 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 2022 amounted to \$50,077, which includes \$19,735 assigned from other funds.

#### 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, 2022, 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, 2022 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:

## Description

Buildings and Improvements Machinery and Equipment Vehicles Infrastructure Estimated Lives

50 years 10 to 15 years 6 to 10 years 25 to 50 years

# 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, net OPEB Asset, deferred outflows of resources and deferred inflows of resources related to pension/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.

## **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.

# 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, 2022, 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 2022.

# 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.

# U. Asset Held for Resale

Assets held for resale represents land purchased by the City which will be sold for development purposes.

# Note 3: Change in Accounting Principles

During the year, the City implemented the following Governmental Accounting Standards Board (GASB) Statements and Implementation Guides:

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the City.

*GASB Statement No. 91, Conduit Debt Obligations.* The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation of this Statement did not have an effect on the financial statements of the City.

GASB Statement No. 92, *Omnibus 2020.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of this Statement did not have an effect on the financial statements of the City.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implication that result from the replacement of an IBOR. The implementation of this Statement did not have an effect on the financial statements of the City.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.* The objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans. The implementation of this Statement did not have an effect on the financial statements of the City.

GASB Statement No. 87, *Leases* and GASB Implementation Guide 2019-3, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lesse is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. These changes were incorporated in the City's fiscal year 2022 financial statements.

#### Note 4: 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) Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
- (c) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (d) Encumbrances are treated as expenditures (budget) rather than as a part of restricted, committed, and assigned fund balances (GAAP);
- (e) 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 and American Rescue Plan.

#### Net Change in Fund Balance

	General	American Rescue Plan		
GAAP Basis	\$ 1,680,777	\$ -		
Increase (Decrease) Due to:				
Revenue Accruals	623,101	878,388		
Advances In	150,000	-		
Expenditure Accruals	(712,584)	-		
Funds with Separate Legally Adopted Budget	230,859	-		
Outstanding Encumbrances	(475,227)			
Budget Basis	\$ 1,496,926	\$ 878,388		

# Note 5: 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.

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.

## **Note 5: Deposits and Investments** (continued)

## A. Cash on Hand

At December 31, 2022, the City had \$4,030 in undeposited cash on hand, which is included on the balance sheet of the City as part of "Equity in Pooled Cash and Cash Equivalent."

# B. Deposits

At year-end, the carrying amount of the City's deposits was \$26,516,815 (including \$33,345 of segregated accounts) and the bank balance was \$27,367,851. As of December 31, 2022, \$250,000 of the City's bank balances were covered by Federal depository insurance and the remaining \$27,117,851 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, 2022.

# C. Investments

Investments are reported at Net Asset Value. As of December 31, 2022, the City had the following investments:

			Investment Maturities (in Years)
		Credit	
	NAV	Rating (*)	<1
Investment Type			
STAR Ohio	\$ 3,167,535	AAAm	\$ 3,167,535
Total Investments	\$ 3,167,535		\$ 3,167,535

\* 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.

# **Note 5: Deposits and Investments** (continued)

# C. Investments

*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 percent of the City's total investments.

# Note 6: Receivables

Receivables at December 31, 2022 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 2020. 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.

Note 6: 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, 2022, was \$4.75 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2022 property tax receipts were based are as follows:

Category	Assessed Value	_
Real Estate	\$ 525,660,840	)
Public Utility	15,920,100	)
Total	<u>\$ 541,580,940</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 Funds, at eighty and twenty percent, respectively.

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

Note 6: Receivables (continued)

# C. Intergovernmental (continued)

A summary of the principal items of intergovernmental receivables follows:

	Amounts		
Local government funds	\$	320,034	
Homestead and rollback		133,635	
Gasoline and excise tax		567,102	
Permissive tax		3,542	
City of Cleveland (share of OPWC loan)		443,474	
Total	\$	1,467,787	

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# Note 7: Capital Assets

	Balances 12/31/2021	Additions	Disposals	Balances 12/31/2022
Governmental Activities				
Nondepreciable Assets:				
Land	\$ 3,109,966	\$ -	\$ -	\$ 3,109,966
Construction in progress	2,204,978	1,458,551	(139,288)	3,524,241
Total Nondepreciable Assets	5,314,944	1,458,551	(139,288)	6,634,207
Depreciable Assets:				
Buildings and Improvements	22,728,002	154,288	-	22,882,290
Improvements Other than Buildings	2,966,335	-	-	2,966,335
Machinery and Equipment	5,637,483	306,341	(10,902)	5,932,922
Furniture and Fixtures	143,406	32,603	-	176,009
Vehicles	10,111,801	806,406	(182,210)	10,735,997
Infrastructure:				
Streets	65,785,152	-	-	65,785,152
Sewers	28,283,759	-	-	28,283,759
Water Lines	1,748,475			1,748,475
Total Depreciable Assets	137,404,413	1,299,638	(193,112)	138,510,939
Less Accumulated Depreciation				
Buildings and Improvements	(16,077,482)	(292,931)	-	(16,370,413)
Improvements Other than Buildings	(2,674,533)	(58,186)	-	(2,732,719)
Machinery and Equipment	(4,676,117)	(166,650)	6,178	(4,836,589)
Furniture and Fixtures	(127,617)	(3,466)	-	(131,083)
Vehicles	(7,152,480)	(451,106)	177,149	(7,426,437)
Infrastructure:				
Streets	(25,889,872)	(2,071,285)	-	(27,961,157)
Sewers	(12,072,919)	(565,675)	-	(12,638,594)
Water Lines	(532,628)	(33,096)		(565,724)
Total Accumulated Depreciation	(69,203,648)	(3,642,395) *	183,327	(72,662,716)
Total Depreciable Assets, Net	68,200,765	(2,342,757)	(9,785)	65,848,223
Governmental Activities Capital Assets, Net	\$ 73,515,709	\$ (884,206)	\$ (149,073)	\$ 72,482,430

\* Depreciation was charged to governmental activities as follows:

Security of Persons and Property:	
Police and Others	\$ 110,132
Fire	116,534
Public Health and Welfare	20,447
Leisure Time Activities	206,464
Community Development	21,866
Public Works	946,679
Transportation	2,046,134
General Government	174,139
Total Depreciation Expense	\$ 3,642,395

# Note 8: Long-Term Obligations

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

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
Energy Conservation Improvement Bonds	2017	1%-4%	4,980,000
Refunding of Series 2013 Bonds	2021	1.49%	3,580,000

Changes in long-term debt activity for the year ended December 31, 2022 was as follows:

		Balances 12/31/2021		Issued		Retired		Balances 12/31/2022		Amounts Due in One Year	
General Obligation Bonds: Laich Street Improvements	\$	160.000	\$		\$	50,000	\$	110,000	\$	55,000	
Heatherwood Drive Reconstruction	Э	160,000 345,000	Ф	-	Э	50,000 65,000	Ф	280,000	Ф	65,000	
Sheldon Rd. Waterline Replacement		345,000		-		55,000		280,000		60.000	
Energy Conservation Improvement Project		4,210,000		-		180,000		4,030,000		190,000	
Refunding of Series 2013 Bonds		4,210,000		-		345,000		3,235,000		345,000	
Total General Obligation Bonds		8,600,000				695,000		7,905,000		715,000	
Finance Purchases Payable - Direct Borrowing:		0,000,000				075,000		7,705,000		/15,000	
Snow Plow Truck		114,175				56.606		57,569		57,569	
Rubbish Truck		434,988		-		70,072		364,916		71,024	
Sewer Vector		276,295				136,611		139,684		139,684	
Rear Loader		136,486		_		44,131		92,355		45,482	
Garbage Truck		-		239,422		52,610		186,812		43,381	
Police Vehicles		_		195,536		68,346		127,190		62,062	
Total Finance Purchases Payable - Direct Borrowing		961,944		434,958		428,376		968,526		419,202	
Other Long-term Obligations:		,,,,,,,		10 1,900		120,070		,00,020		,202	
Direct Borrowings and Direct Placements - OPWC Loans:											
W. 150th Project		828,463		-		97,467		730,996		97,467	
Smith/Hummel Rd		59,070		-		5,907		53,163		5,907	
Smith Rd. Sanitary Sewer		622,188		_		40,141		582,047		40,141	
City of Berea - Eastland Rd.		420,098				32,316		387,782		32,316	
Holland Road Reconstruction		420,098		-		6,400		121,601		6,400	
Total Direct Borrowings and Direct Placements		2,057,820				182,231		1,875,589		182,231	
0		, , , ,								102,231	
Unamortized Bond Premiums		270,811		-		23,676		247,135		-	
Accrued Compensated Absences		2,679,425		635,130		767,697		2,546,858		760,946	
Net Pension Liability:		5 206 421				2 224 454		2 001 077			
OPERS (See Note 11) OP&F (See Note 11)		5,206,431 17,743,029		-		2,224,454 1,919,263		2,981,977 15,823,766		-	
Total Net Pension Liability:		22,949,460				4,143,717		13,823,700			
Net OPEB Liability		22,949,400		-		4,145,717		18,803,743		-	
OP&F (See Note 12)		2,757,633		18,586		_		2,776,219		_	
Other OPEB (See Note 12)		2,177,379		87,687		-		2,265,066		-	
Total Net OPEB Liability		4,935,012		106,273		-		5,041,285		-	
Total Other Long-term Obligations		32,892,528		741,403		5,117,321		28,516,610		943,177	
Total Governmental		· · · ·		,				· · · ·		<u> </u>	
Long-term Liabilities	\$	42,454,472	\$	1,176,361	\$	6,240,697	\$	37,390,136	\$	2,077,379	

## **Note 8: Long-Term Obligations** (continued)

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 150<sup>th</sup> 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 \$443,474 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 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 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.

During 2019, the Ohio Public Works Commission (OPWC) finalized a loan to the City to finance a portion of the Holland Road Reconstruction has committed up to \$494,400 at a zero percent interest rate for twenty years. The total amount disbursed on the loan as of December 31, 2022 is \$128,001.

The City's direct borrowings from OPWC contain a provision that in an event of default the amount of such default shall bear interest thereafter at the rate of 8 percent per annum until the date of payment, and outstanding amounts became immediately due. Also, OPWC may direct the county treasurer to pay the outstanding amount from portion of the local government fund that would otherwise be appropriated to the City.

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.

## Note 8: Long-Term Obligations (continued)

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.

On November 10, 2021, the City issued \$3,580,000 in Refunding Bonds of various purpose improvement bonds, series 2013. The bonds were issued with an interest rate of 1.49 percent over the life of the bonds. The refunded bonds were recalled in December 2021. The bonds will be fully mature in 2033. The issuance resulted in a difference (savings) between the cash lows required to service the old debt and the cash flows required to service the new debt of \$962,583. The issuance resulted in an economic gain of \$549,226.

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 9 for additional information on financed purchases payable. 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 \$49,072,402 at December 31, 2022.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2022 are as follows:

		General Obli	gatio	n Bonds	B	rom Direct orrowings - PWC Loans		Principal		Interest	
Year	F	Principal		Interest		Principal		Total	Total		
2023	\$	715,000	\$	209,022	\$	182,229	\$	897,229	\$	209,022	
2024		735,000		193,551		182,229		917,229		193,551	
2025		705,000		176,646		182,230		887,230		176,646	
2026		725,000		161,386		182,229		907,229		161,386	
2027		605,000		144,518		182,230		787,230		144,518	
2028-2032		2,675,000		524,335		661,576		3,336,576		524,335	
2033-2037		1,745,000		154,315		277,265		2,022,265		154,315	
2038-2041		-		-		25,601		25,601		-	
Total	\$	7,905,000	\$	1,563,773	\$	1,875,589	\$	9,780,589		1,563,773	

## **City of Brook Park, Ohio** Notes to the Basic Financial Statements (continued) **For The Year Ended December 31, 2022**

#### Note 9: Financed Purchases Payable

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.

		vernmental Activities
Assets:		
Vehicles	\$	2,283,799
Less: accumulated depreciation		(559,912)
Total	<u>\$</u>	1,723,887

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2022, were as follows:

Year	F	ayments
2023	\$	446,626
2024		245,251
2025		128,598
2026		128,597
2027		75,988
Total Minimum Lease Payments		1,025,060
Less: Amount Representing Interest		(56,534)
Present Value of Mimimum Lease Payment	\$	968,526

In the event of default, the lender may require the City to promptly deliver possession of the collateral to the lender, and may recover all expenses and collection costs which the lender has incurred.

#### Note 10: 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.

## Note 11: Defined Benefit Pension Plans

## A. Net Pension Liability/(Asset)

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/(asset) 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/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting 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, multipleemployer 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.

## 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' Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

<b>Group A</b> 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 and Service Requirements:	Age and Service Requirements:			
Age 60 with 60 months of service credit	Age 60 with 60 months of service credit	Age 62 with 60 months of service credit			
or Age 55 with 25 years of service credit	or Age 55 with 25 years of service credit	or Age 57 with 25 years of service credit			
Formula:	Formula:	Formula:			
2.2% of FAS multiplied by years of	2.2% of FAS multiplied by years of	2.2% of FAS multiplied by years of			
service for the first 30 years and 2.5%	service for the first 30 years and 2.5%	service for the first 35 years and 2.5%			
for service years in excess of 30	for service years in excess of 30	for service years in excess of 35			

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

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

When a traditional plan 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. Cost-of-living adjustments for OPERS members in 2022 will be 3 percent for all those eligible to receive the annual benefit increase.

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

A death benefit of \$500 - \$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Tradition pension plan and the Combined Plan.

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

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

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

	State
	and Local
2022 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2022 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 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.

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

The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0% for 2022 for the Traditional and Combined plans. The portion of the employer's contribution allocated to health care was 4% for the Member-Directed plan for 2022. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution were \$740,602 for fiscal year ending December 31, 2022. Of this amount, \$25,210 is reported as and 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 <a href="https://www.op-f.org">www.op-f.org</a> or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 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 participating in the DROP program have separate eligibility requirements related to COLA.

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the members' base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent. The COLA amount for a member with at least 15 years of service credit as of July 1, 2013 is equal to 3 percent of their base pension or disability benefit.

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

	Police	Firefighters
2022 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2022 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,460,811 for 2022. Of this amount, \$162,939 is reported as an intergovernmental payable.

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

The net pension liability/asset for OPERS was measured as of December 31, 2021, and the total pension liability/asset used to calculate the net pension liability/asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net pension liability/asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

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

	-	OPERS Traditional	С	OPERS ombined nsion Plan	 OP&F Police	 OP&F Fire	 Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date		0.035160%	(	0.019870%	0.1229883%	0.1372845%	
Proportion of the Net Pension Liability/Asset		0.055100%	(	0.019870%	0.1229885%	0.1372643%	
Current Measurement Date		0.034274%	(	).018339%	0.1196989%	0.1335859%	
Change in Proportionate Share		-0.000886%	-(	0.001531%	-0.0032894%	-0.0036986%	
Proportionate Share of the Net Pension							
Liability/(Asset)	\$	2,981,977	\$	(72,257)	\$ 7,478,094	\$ 8,345,672	\$ 18,733,486
Pension Expense	\$	(909,311)	\$	(2,035)	\$ 489,664	\$ 587,409	\$ 165,727

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Г	OPERS Traditional	-	OPERS ombined	OP&F Police	OP&F Fire	Total
Deferred Outflows of Resources							
Differences between expected and	\$	152 017	¢	4.40	¢ 215 (21	\$ 240.647	\$ 608.743
actual experience	\$	152,017	\$	448	\$ 215,631	\$ 2.0,017	\$ 000,710
Changes of assumptions		372,893		3,632	1,366,676	1,525,231	3,268,432
Changes in proportion and differences							
between City contributions and				4.050	221 505	260.250	60.4.0 <b>0.5</b>
proportionate share of contributions		-		4,270	331,505	268,250	604,025
City contributions subsequent to the							
measurement date		728,525		12,077	725,494	735,317	2,201,413
Total Deferred Outflows of Resources	\$	1,253,435	\$	20,427	\$ 2,639,306	\$ 2,769,445	\$ 6,682,613
Deferred Inflows of Resources							
Net Difference between projected and							
actual earnings on pension plan investments	\$	3,546,955	\$	15,492	\$ 1,960,638	\$ 2,188,107	7,711,192
Differences between expected and							
actual experience		65,402		8,084	388,757	433,860	896,103
Changes in proportion and differences							
between City contributions and							
proportionate share of contributions		250,486		1,285	332,688	326,467	910,926
Total Deferred Inflows of Resources	\$	3,862,843	\$	24,861	\$ 2,682,083	\$ 2,948,434	\$ 9,518,221

\$2,201,413 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense on the following page:

<i>D</i> .	Pension Liabilities, Pension Asset, Pension Expense, and Deferred Outflows of Resources and
	Deferred Inflows of Resources Related to Pensions (Continued)

	OPERS Traditional	OPERS Combined	OP&F Police	OP&F Fire	Total
Year Ending December 31:					
2023	\$ (687,946)	\$ (4,178)	\$10,725	\$19,017	\$ (662,382)
2024	(1,251,717)	(5,995)	(540,127)	(619,475)	(2,417,314)
2025	(834,033)	(3,684)	(200,259)	(253,202)	(1,291,178)
2026	(564,237)	(2,837)	(162,301)	(198,861)	(928,236)
2027	-	(171)	123,691	138,215	261,735
Thereafter		354			354
Total	(\$3,337,933)	(\$16,511)	(\$768,271)	(\$914,306)	\$ (5,037,021)

#### 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, 2021, 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. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2% down to 6.9%, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented on the following page:

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

	Traditional Pension Plan	Combined Plan
Wage Inflation		
Current Measurement Date:	2.75 percent	2.75 percent
Prior Measurement Date:	3.25 percent	3.25 percent
Future Salary Increases, including inflation		
Current Measurement Date:	2.75 to 10.75 percent	2.75 to 8.25 percent
	including wage inflation	including wage inflation
Prior Measurement Date:	3.25 to 10.75 percent	3.25 to 8.25 percent
	including wage inflation	including wage inflation
COLA or Ad Hoc COLA		
Pre 1/7/2013 retirees:	3 percent, simple	3 percent, simple
Post 1/7/2013 retirees:		
Current Measurement Date:	3 percent, simple through 2022,	3 percent, simple through 2022,
	then 2.05 percent simple	then 2.05 percent simple
Prior Measurement Date:	0.50 percent, simple through 2021,	0.50 percent, simple through 2021,
	then 2.15 percent simple	then 2.15 percent simple
Investment Rate of Return		
Current Measurement Date:	6.9 percent	6.9 percent
Prior Measurement Date:	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The long-term expected rate of return on defined benefit investment assets was determined using a buildingblock 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 was a gain of 15.3 percent for 2021.

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

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 2021 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00 %	1.03 %
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	100.00 %	4.21 %

**Discount Rate** The discount rate used to measure the total pension liability was 6.9 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 6.9 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 or one-percentage-point higher than the current rate:

				Current		
City's proportionate share of the net pension liability/(asset)	1% Decrease (5.90%)		Di	scount Rate (6.90%)	1% Increase (7.90%)	
Traditional Pension Plan	\$	7,862,113	\$	2,981,977	\$	1,078,946
Combined Plan	\$	(53,917)	\$	(72,257)	\$	(86,560)

#### F. Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2021 is based on the results of an actuarial valuation date of January 1, 2021, 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. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2021, are presented below:

Valuation Date	January 1, 2021, with actuarial liabilities
	rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.50 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually,
	consisting of inflation rate of 2.75 percent plus
	productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple

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

Age	Tonee	THE
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

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

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

The most recent experience study was completed December 31, 2016.

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in 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, 2021 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return **
Domestic Equity	21.00 %	3.60 %
International Equity	14.00	4.40
Core Fixed Income *	23.00	1.10
U.S. Inflation Linked Bonds *	17.00	0.80
High Yield Fixed Income	7.00	3.00
Private Real Estate	12.00	4.80
Private Markets	8.00	6.80
Midstream Energy Infrastructure	5.00	5.00
Private Credit	5.00	4.50
Real Assets	8.00	5.90
Gold	5.00	2.40
Total	125.00 %	

Note: Assumptions are geometric

\* levered 2x

\*\* numbers are net of expected inflation

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

**Discount Rate** The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 7.50 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.

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

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	Current						
	1	% Decrease (6.50%)	Discount Rate (7.50%)		1	% Increase (8.50%)	
City's proportionate share of the net pension liability	\$	23,466,424	\$	15,823,766	\$	9,459,319	

#### Note 12: Defined Benefit Multiple-Employer OPEB Plan

#### A. Net OPEB Liability/(Asset)

The net OPEB liability/(asset) reported on the statement of net position represents a liability or asset 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/(asset) 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/(asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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 that any 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 and funded benefits are presented as a long-term *net OPEB liability or Net OPEB asset* 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. OPERS maintains a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2021, measurement date health care valuation.

In order to qualify for postemployment health care coverage, generally age and service retirees under the traditional pension and combined plans must be at least age sixty with twenty or more years of qualifying Ohio service credit, or thirty years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report 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 <u>https://www.opers.org/financial/reports.shtml</u>, 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. Beginning in 2018, health care was no longer being funded.

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

Employer contribution rates are expressed as a percentage of covered payroll. In 2022, 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 contributions to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2022 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 \$1,507 for 2022.

#### 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) a cost-sharing, multiple-employer defined post-employment healthcare plan that provides various levels of health care to retired, disabled and beneficiaries, as well as their dependents. On January 1, 2019, OP&F changed the way it supports retiree health care. A stipend-based health care model has replaced the self-insured group health care plan that had been in place. A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses. A summary of the full benefit provisions can be found in OP&F's annual comprehensive financial report. 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 annual comprehensive 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 <u>www.op-f.org</u> 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 fire employer units. Active members do not make contributions to the OPEB Plan.

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

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 2022, 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 City's contractually required contribution to OP&F was \$34,737 for 2022.

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

The net OPEB liability/(asset) and total OPEB liability/(asset) for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2021, 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, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net OPEB liability/(asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	 OPERS	 OP&F	 Total
Proportion of the Net OPEB Liability/Asset			
Prior Measurement Date	0.033327%	0.2602730%	
Proportion of the Net OPEB Liability/Asset			
Current Measurement Date	 0.032434%	 0.2532847%	
Change in Proportionate Share	 -0.000893%	-0.0069883%	
Proportionate Share of the Net OPEB			
Liability/(Asset)	\$ (1,015,883)	\$ 2,776,219	\$ 1,760,336
OPEB Expense	\$ (1,061,744)	\$ 273,244	\$ (788,500)

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

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	 OPERS	OP&F		Total	
<b>Deferred Outflows of Resources</b>					
Differences between expected and					
actual experience	\$ -	\$	126,294	\$	126,294
Changes of assumptions	-		1,228,839		1,228,839
Changes in proportion and differences					
between City contributions and					
proportionate share of contributions	-		232,027		232,027
City contributions subsequent to the					
measurement date	 1,507		34,737		36,244
Total Deferred Outflows of Resources	\$ 1,507	\$	1,621,897	\$	1,623,404
Deferred Inflows of Resources					
Net difference between projected and					
actual earnings on OPEB plan investments	\$ 484,300	\$	250,783	\$	735,083
Differences between expected and					
actual experience	154,094		366,916		521,010
Changes of assumptions	411,217		322,442		733,659
Changes in proportion and differences					
between City contributions and					
proportionate share of contributions	 113,374		174,454		287,828
Total Deferred Inflows of Resources	\$ 1,162,985	\$	1,114,595	\$	2,277,580

\$36,244 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 and increase of the net OPEB asset in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense below:

	OPERS		OP&F		 Total
Year Ending December 31:					
2023	\$	(755,605)	\$	160,481	\$ (595,124)
2024		(232,008)		123,250	(108,758)
2025		(105,818)		124,754	18,936
2026		(69,554)		(4,085)	(73,639)
2027		-		34,270	34,270
Thereafter		-		33,895	 33,895
Total	\$	(1,162,985)	\$	472,565	\$ (690,420)

#### 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, 2020, rolled forward to the measurement date of December 31, 2021. 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 Current Measurement Date: Prior Measurement Date:	2.75 percent 3.25 percent
Projected Salary Increases, including inflation Current Measurement Date: Prior Measurement Date:	2.75 to 10.75 percent, including wage inflation 3.25 to 10.75 percent, including wage inflation
Single Discount Rate:	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate Current Measurement Date: Prior Measurement Date:	1.84 percent 2.00 percent
Health Care Cost Trend Rate Current Measurement Date: Prior Measurement Date:	<ul><li>5.50 percent initial, 3.50 percent ultimate in 2034</li><li>8.50 percent initial, 3.50 percent ultimate in 2035</li></ul>
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

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.

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

During 2021, 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 14.30 percent for 2021.

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 2021 and the long-term expected real rates of return:

		Weighted Average Long-Term Expected
Asset Class	Target Allocation	Real Rate of Return (Geometric)
Fixed Income	34.00 %	0.91 %
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00 %	3.45 %

**Discount Rate** A single discount rate of 6.00 percent was used to measure the OPEB asset on the measurement date of December 31, 2021. A single discount rate of 6.00 percent was used to measure the OPEB asset on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

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

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

	Current						
	1% Decrease (5.00%)		scount Rate (6.00%)	1% Increase (7.00%)			
City's proportionate share							
of the net OPEB asset	\$ 597,434	\$	1,015,883	\$ 1,363,201			

Sensitivity of the City's Proportionate Share of the Net OPEB asset to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB asset 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 2022 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	Current Health Care						
		Cost Trend Rate					
	19	% Decrease	Α	ssumption	1% Increase		
City's proportionate share							
of the net OPEB asset	\$	1,026,860	\$	1,015,883	\$	1,002,859	

#### F. Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, 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.

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

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, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 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	2.84 percent
Prior measurement date	2.96 percent
Cost of Living Adjustments	2.2 percent simple

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

Age	Police	Fire
		(1) (2)
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

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

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

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

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

The long-term expected rate of return on 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, 2021, are summarized on the following page:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return **
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Core Fixed Income *	23.00	1.10
U.S. Inflation Linked Bonds *	17.00	0.80
High Yield Fixed Income	7.00	3.00
Private Real Estate	12.00	4.80
Private Markets	8.00	6.80
Midstream Energy Infrastructure	5.00	5.00
Private Credit	5.00	4.50
Real Assets	8.00	5.90
Gold	5.00	2.40
Total	125.00 %	

Note: Assumptions are geometric

\* levered 2x

\*\* numbers are net of expected inflation

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 1.25 times due to the application of leverage in certain fixed income asset classes in core fixed income and U.S. inflation linked bonds and the implementation approach for gold.

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

**Discount Rate** The total OPEB liability was calculated using the discount rate of 2.84 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 7.50 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.05 percent at December 31, 2021 and 2.12 percent at December 31, 2020, was blended with the long-term rate of 7.50 percent, which resulted in a blended discount rate of 2.84 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 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.84 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.84 percent), or one percentage point higher (3.84 percent) than the current rate.

				Current		
	19	% Decrease (1.84%)	Di	scount Rate (2.84%)	1	% Increase (3.84%)
City's proportionate share						
of the net OPEB liability	\$	3,489,769	\$	2,776,219	\$	2,189,679

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 because it is based on a medical benefit that is a flat dollar amount.

## Note 13: 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.

## A. Net OPEB Liability (Continued)

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.

As of January 1, 2021, the City had 205 participants (most recent information available). Of that number, 125 were active employees and 80 were retirees and dependents that were currently receiving the post-employment mentioned on the previous page.

## **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 \$94,438 for 2022. 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, 2021, rolled forward to the measurement date of December 31, 2021, 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:

Proportionate Share of the Net OPEB (Asset)	\$ 2,265,066
OPEB Expense	\$ 170,114

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
<b>Deferred Outflows of Resources</b>	
Differences between expected and	
actual experience	\$ 109,009
Changes of assumptions	311,037
City contributions subsequent to the	
measurement date	 94,438
Total Deferred Outflows of Resources	\$ 514,484
Deferred Inflows of Resources	
Differences between expected and	
actual experience	\$ 119,911
Total Deferred Inflows of Resources	\$ 119,911

\$94,438 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 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

		OPERS	
Year Ending December 31:			
2023	\$	62,812	
2024		62,812	
2025		62,812	
2026		62,812	
2027		62,812	
Thereafter	_	(13,925)	
Total	\$	300,135	

#### **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 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	2.25 percent		
Municipal Bond Rate	2.25 percent		
Acturial Value of Assets	Market Value		
Funding Policy	Pay-as-you-go		
Acturial Cost Method	Entry Age Normal 20% of pay		
Annual per Capita Claims Cost Medical	\$1,200 - for 2017 and beyond		
Medical	Medicare Part B Reimbursement		
Annual Per-Capita Claims Cost	Year Coverage Total Premium		
Life Insurance	2021 \$ 5,000 \$ 30.18		

Mortality for participants is based on the SOA RP-2014 Total Dataset Mortality with Scale MP-2021. 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 2.25 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. This rate was determined from https://www.spglobal.com/spdji/en/indices/fixed-income/sp-municipal-bond-20-year-high-grade-rate-index/#overview as of December 31, 2021.

## 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, 2021:

Reconciliation of Total OPEB Liability				
1/1/21 Net OPEB Liability	\$	2,177,379		
Service Cost		64,902		
Interest Cost		42,400		
Contributions		(91,261)		
New Inflow - experience		67,142		
New Outflow - assumptions		4,504		
12/31/21 Net OPEB Liability	\$	2,265,066		
Deconciliation of Fiduciary N	ot Poo	sition		
Reconciliation of Fiduciary Ne	110	SILIOII		
1/1/20 Fiduciary Net Position	\$	<u>-</u>		
•		- (91,261)		
1/1/20 Fiduciary Net Position		-		
1/1/20 Fiduciary Net Position Employer Contributions		- (91,261)		
1/1/20 Fiduciary Net Position Employer Contributions Total Benefits paid	\$ \$	- (91,261)		
<ul><li>1/1/20 Fiduciary Net Position</li><li>Employer Contributions</li><li>Total Benefits paid</li><li>12/31/20 Fiduciary Net Position</li></ul>	\$ \$	- (91,261)		
<ul> <li>1/1/20 Fiduciary Net Position</li> <li>Employer Contributions</li> <li>Total Benefits paid</li> <li>12/31/20 Fiduciary Net Position</li> <li><u>Net OPEB Liability</u></li> </ul>	\$	- (91,261) 91,261 -		
<ul> <li>1/1/20 Fiduciary Net Position</li> <li>Employer Contributions</li> <li>Total Benefits paid</li> <li>12/31/20 Fiduciary Net Position</li> <li><u>Net OPEB Liability</u></li> <li>Total OPEB Liability</li> </ul>	\$	- (91,261) 91,261 -		

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, 2022**

#### Note 14: 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, 2022, per occurrence for all types of coverage are as follows:

<u>Type of Coverage</u>		Coverage
Property:		¢ 50 (22 502
Blanket building and contents		\$ 50,632,593
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		55,000
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	5,000,000
Earthquake	Each Occurrence	5,000,000
Lunquite	Aggregate	5,000,000

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. As of December 31, 2022, there are no known claims payable to the City for the past two years.

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, 2022, the City's significant contractual construction commitments consisted of:

	Contract	Amount	Remaining
Project	Amount	Paid	on Contract
Middlebrook Blvd Reconstruction	\$ 797,228	\$ 627,556	\$ 169,672
Delores Blvd Reconstruction	869,312	744,599	124,713
Sylvia Reconstruction	896,118	761,180	134,938
Delores Blvd Reconstruction	574,217	507,550	66,667
Middlebrook Blvd Reconstruction	356,265	294,196	62,069
Hio Drive Reconstruction	565,411	426,075	139,336
Total	\$ 4,058,551	\$ 3,361,156	\$ 697,395

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, 2022, the City's commitments for encumbrances in the governmental funds were as follows:

Encumbrances Outstanding					
\$	475,246				
	998,548				
	803,537				
\$	2,277,331				
	0				

#### Note 16: Interfund Transfers

Interfund transfers for the year ended December 31, 2022, consisted of the following:

		_		
		Capital	Nonmajor	
	General	Improvements	Govermental	
Transfer To	Fund	Fund	Funds	Total
Economic Development Fund	\$ 250,000	\$-	\$-	\$ 250,000
Other Governmental Funds	1,407,215	750,956		2,158,171
Total	\$ 1,657,215	\$ 750,956	\$ -	\$ 2,408,171

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 16:** Interfund Transfers (continued)

The General Fund transferred \$250,000 to the Economic Development Fund to cover future costs of the fund. Also, the General Fund transferred \$550,000 and \$625,000 to the Police and Fire Pension Funds, respectively, in order to cover the City's pension costs for OP&F. The Debt Service fund received \$232,215 and \$750,956 from the General Fund and Capital Improvements Fund, respectively, to cover the costs of debt retirement.

#### 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, 2022.

#### 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, 2022.

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## **City of Brook Park, Ohio** Notes to the Basic Financial Statements (continued) **For The Year Ended December 31, 2022**

## 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	American Rescue Plan	Capital Improvements Fund	Other Governmental Funds	Total	
Nonspendable						
Prepaid Items	\$ 365,940	\$-	\$-	\$-	\$ 365,940	
Materials and Supplies Inventory	122,516				122,516	
Total Nonspendable	488,456				488,456	
Restricted for						
Police Pension	-	-	-	22,365	22,365	
Fire Pension	-	-	-	59,667	59,667	
Other Law Enforcement	-	-	-	374,304	374,304	
Streets and Highways	-	-	-	2,295,344	2,295,344	
FEMA	-	-	-	54,663	54,663	
CDBG	-	-	-	36,290	36,290	
Opioid Settlement	-	-	-	3,367	3,367	
Debt Service	-	-	-	489,535	489,535	
Capital Improvements	-	-	214,400	-	214,400	
Total Restricted	-	-	214,400	3,335,535	3,549,935	
Committed to						
Income Tax Allocation - Capital	-	-	1,855,140	-	1,855,140	
Admissions Tax	843,696	-	-	-	843,696	
Hotel and Motel Tax	1,150,661	-	-	-	1,150,661	
Property Insurance	1,165,552	-	-	-	1,165,552	
Retiree Accrued Benefits	220,533	-	-	-	220,533	
Economic Development	-	-	-	3,310,775	3,310,775	
Brook Park Road Corridor	-	-	-	57,835	57,835	
Special Recreation	-	-	-	294,520	294,520	
Ditch Cleaning Program	-	-	133,917	-	133,917	
Sound Insulation Program	-	-	154,277	-	154,277	
Street Programs	-	-	2,245,213	-	2,245,213	
Total Committed	3,380,442	-	4,388,547	3,663,130	11,432,119	
Assigned to						
Park Concessions	38,937	_	_	_	38,937	
Debt Service	-	_	_	1,301,118	1,301,118	
Purchases on Order	422,118	_	_	-	422,118	
Total Assigned	461,055			1,301,118	1,762,173	
Unassigned	11,351,640	_	-	-	11,351,640	
Total Fund Balances	\$ 15,681,593	\$ -	\$ 4,602,947	\$ 8,299,783	\$ 28,584,323	

## **City of Brook Park, Ohio** Notes to the Basic Financial Statements (continued) **For The Year Ended December 31, 2022**

#### 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 it 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 property taxes arising from the increase in assessed value resulting from the improvement to retail sales) are eligible for a 100%, fifteen (15) year abatement of real property taxes arising from the increase in assessed value resulting are reported to the State of Ohio on an annual basis.

The amount of tax abated for tax year 2022/collection year 2023 is \$25,003 at December 31, 2022.

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.

## Note 20: COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The investments of the pension and other employee benefit plan in which the City participates fluctuate with market conditions, and due to market volatility, the amounts of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**Required Supplementary Information** 

## 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 Nine Years (1)

Traditional Plan	2022			2021	2020		
City's Proportion of the Net Pension Liability	0.034274%			0.035160%	0.038175%		
City's Proportionate Share of the Net Pension Liability	\$	2,981,977	\$	5,206,431	\$	7,545,548	
City's Covered Payroll	\$	4,974,586	\$	4,952,307	\$	5,372,057	
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll		59.94%		105.13%		140.46%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%			86.88%	82.17%		
Combined Plan							
Combined Plan		2022		2021		2020	
Combined Plan City's Proportion of the Net Pension (Asset)		<b>2022</b> 0.018339%		<b>2021</b> 0.019870%		<b>2020</b> 0.019065%	
	\$		\$		\$		
City's Proportion of the Net Pension (Asset)	\$ \$	0.018339%	\$ \$	0.019870%	\$ \$	0.019065%	
City's Proportion of the Net Pension (Asset) City's Proportionate Share of the Net Pension (Asset)	+	0.018339% (72,257)		0.019870% (57,357)		0.019065% (39,755)	

(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

2019	 2018	 2017	2016	 2015	 2014
0.039360%	0.040783%	0.041502%	0.040125%	0.048064%	0.048064%
\$ 10,779,906	\$ 6,398,062	\$ 9,424,398	\$ 6,950,154	\$ 5,797,055	\$ 5,666,119
\$ 5,314,714	\$ 5,388,477	\$ 5,364,108	\$ 4,993,992	\$ 5,912,167	\$ 6,018,854
202.83%	118.74%	175.69%	139.17%	98.05%	94.14%
74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
2019	 2018	 2017	 2016	 2015	 2014
0.019224%	0.019061%	0.020787%	0.027150%	0.024994%	0.024994%
\$ (21,497)	\$ (25,948)	\$ (11,569)	\$ (13,212)	\$ (9,623)	\$ (2,623)
\$ 82,221	\$ 78,062	\$ 80,917	\$ 98,792	\$ 92,050	\$ 106,362
26.15%	33.24%	14.30%	13.37%	10.45%	2.47%
20.1570					

## 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 Nine Years (1)

Police	2022	22 2021			2020		
City's Proportion of the Net Pension Liability	0.1196989%	(	0.1229883%	0.1288465%			
City's Proportionate Share of the Net Pension Liability	\$ 7,478,094	\$	8,384,223	\$	8,679,791		
City's Covered Payroll	\$ 3,390,911	\$	3,366,079	\$	3,405,768		
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	220.53%		249.08%		254.86%		
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.03%		70.65%		69.89%		
Fire	2022		2021	2020			
City's Proportion of the Net Pension Liability	0.1335859%	(	0.1372845%		0.1465975%		
Citale Descention at the Nat Descion Lightlites	\$ 8,345,672	\$	9,358,806	\$	9,875,589		
City's Proportionate Share of the Net Pension Liability	\$ 6,545,072		, ,				
City's Covered Payroll	\$ 3,074,753	\$	3,056,762	\$	3,156,047		
		\$	3,056,762 306.17%	\$	3,156,047 312.91%		

(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

2	019	 2018	 2017	2016		 2015	 2014
0.1.	333900%	0.1339190%	 0.1280200%		0.1288433%	 0.1437298%	 0.1437298%
\$ 10,	888,149	\$ 8,219,214	\$ 8,108,677	\$	8,288,580	\$ 7,445,803	\$ 7,000,092
\$ 3,	332,063	\$ 3,262,589	\$ 3,076,132	\$	2,916,400	\$ 3,354,032	\$ 3,061,875
	326.77%	251.92%	263.60%		284.21%	222.00%	228.62%
	63.07%	70.91%	68.36%		66.77%	71.71%	73.00%
2	019	2018	2017		2016	2015	2014
	019	 2010	 2017		2010	 2010	 
0.0	150609%	 0.1494950%	 0.1426650%		0.1403890%	 0.1516112%	 0.1516112%
		\$ 	\$ -	\$		\$ 	\$
\$ 12,	150609%	0.1494950%	0.1426650%		0.1403890%	0.1516112%	0.1516112%
\$ 12,	150609% 293,674	\$ 0.1494950% 9,175,183	\$ 0.1426650% 9,036,258	\$	0.1403890% 9,031,323	\$ 0.1516112% 7,854,092	\$ 0.1516112% 7,383,941

## Required Supplementary Information Schedule of City Contributions – Net Pension Liability Ohio Public Employees Retirement System Last Ten Years (1)

	 2022	 2021	2020	 2019
Contractually Required Contributions Traditional Plan	\$ 728,525	\$ 696,442	\$ 693,323	\$ 752,088
Combined Plan	 12,077	 11,705	 12,259	 11,881
Total Required Contributions	\$ 740,602	\$ 708,147	\$ 705,582	\$ 763,969
Contributions in Relation to the Contractually Required Contribution	 (740,602)	 (708,147)	(705,582)	 (763,969)
Contribution Deficiency / (Excess)	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll				
Traditional Plan	\$ 5,203,750	\$ 4,974,586	\$ 4,952,307	\$ 5,372,057
Combined Plan	\$ 86,264	\$ 83,607	\$ 87,564	\$ 84,864
Pension Contributions as a Percentage of Covered Payroll				
Traditional Plan	14.00%	14.00%	14.00%	14.00%
Combined Plan	14.00%	14.00%	14.00%	14.00%

 2018	 2017	 2016	 2015	 2014	 2013
\$ 744,060	\$ 700,502	\$ 643,693	\$ 599,279	\$ 709,460	\$ 782,451
\$ <u>11,511</u> 755,571	\$ <u>10,148</u> 710,650	\$ <u>9,710</u> 653,403	\$ <u>11,855</u> 611,134	\$ <u>11,046</u> 720,506	\$ <u>13,827</u> 796,278
 (755,571)	 (710,650)	 (653,403)	 (611,134)	 (720,506)	 (796,278)
\$ _	\$ -	\$ 	\$ _	\$ _	\$ 
\$ 5,314,714	\$ 5,388,477	\$ 5,364,108	\$ 4,993,992	\$ 5,912,167	\$ 6,018,854
\$ 82,221	\$ 78,062	\$ 80,917	\$ 98,792	\$ 92,050	\$ 106,362
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

#### Required Supplementary Information Schedule of City Contributions – Net Pension Liability Ohio Police and Fire Pension Fund Last Ten Years

	 2022	 2021	 2020	 2019
Contractually Required Contributions Police	\$ 725,494	\$ 644,273	\$ 639,555	\$ 647,096
Fire	 735,317	 722,567	 718,339	 741,671
Total Required Contributions	\$ 1,460,811	\$ 1,366,840	\$ 1,357,894	\$ 1,388,767
Contributions in Relation to the Contractually Required Contribution	 (1,460,811)	 (1,366,840)	 (1,357,894)	(1,388,767)
Contribution Deficiency / (Excess)	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll				
Police	\$ 3,818,389	\$ 3,390,911	\$ 3,366,079	\$ 3,405,768
Fire	\$ 3,129,009	\$ 3,074,753	\$ 3,056,762	\$ 3,156,047
Pension Contributions as a Percentage of Covered Pavroll				
Police	19.00%	19.00%	19.00%	19.00%
Fire	23.50%	23.50%	23.50%	23.50%

[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.

 2018	 2017	2016		2015		 2014	 2013	
\$ 633,092	\$ 619,892	\$	584,465	\$	554,116	\$ 637,266	\$ 481,633	
724,591	 699,817		654,940		603,858	 660,873	 572,611	
\$ 1,357,683	\$ 1,319,709	\$	1,239,405	\$	1,157,974	\$ 1,298,139	\$ 1,054,244	
 (1,357,683)	 (1,319,709)		(1,239,405)		(1,157,974)	 (1,298,139)	 (1,054,244)	
\$ -	\$ -	\$	-	\$		\$ -	\$ -	
\$ 3,332,063	\$ 3,262,589	\$	3,076,132	\$	2,916,400	\$ 3,354,032	\$ 3,061,875	
\$ 3,083,366	\$ 2,977,945	\$	2,786,979	\$	2,569,609	\$ 2,812,226	\$ 2,830,504	
19.00%	19.00%		19.00%		19.00%	19.00%	[1]	

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

# Last Six Years (1)

	 2022	2021	 2020	 2019	 2018	 2017
City's Proportion of the Net OPEB Liability/Asset	0.032434%	0.033327%	0.036118%	0.037289%	0.038630%	0.039410%
City's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (1,015,883)	\$ (593,747)	\$ 4,988,834	\$ 4,861,605	\$ 4,194,933	\$ 3,980,544
City's Covered Payroll	\$ 5,058,193	\$ 5,039,871	\$ 5,456,921	\$ 5,396,935	\$ 5,466,539	\$ 5,445,025
City's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-20.08%	-11.78%	91.42%	90.08%	76.74%	73.10%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	115.57%	115.57%	47.80%	46.33%	54.14%	54.04%

(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.

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

# Last Six Years (1)

	 2022	 2021	 2020	 2019	 2018	 2017
City's Proportion of the Net OPEB Liability	0.2532847%	0.2602728%	0.2754440%	0.2840000%	0.2834140%	0.2706900%
City's Proportionate Share of the Net OPEB Liability	\$ 2,776,219	\$ 2,757,633	\$ 2,720,762	\$ 2,586,253	\$ 16,057,841	\$ 12,849,046
City's Covered Payroll	\$ 6,465,664	\$ 6,422,841	\$ 6,561,815	\$ 6,415,429	\$ 6,240,534	\$ 5,863,111
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	42.94%	42.93%	41.46%	40.31%	257.32%	219.15%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	45.42%	45.42%	47.08%	46.57%	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.

### Required Supplementary Information Schedule of the City's Net OPEB Liability Other Post-Employment Benefits – Single Employer Last Six Years (1)

	 2022	 2021	 2020	 2019	 2018	 2017
Total OPEB Liability	\$ 2,265,066	\$ 2,177,379	\$ 1,729,337	\$ 1,678,466	\$ 1,835,770	\$ 1,785,707
OPEB Plan's Fiduciary Net Position	-	-	-	-	-	-
Net OPEB Liability	\$ 2,265,066	\$ 2,177,379	\$ 1,729,337	\$ 1,678,466	\$ 1,835,770	\$ 1,785,707
City's Covered Payroll	\$ 11,523,857	\$ 11,462,712	\$ 12,018,736	\$ 11,812,364	\$ 11,707,073	\$ 11,308,136
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	19.66%	19.00%	14.39%	14.21%	15.68%	15.79%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	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.

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### Required Supplementary Information Schedule of the City's Contributions – Net OPEB Liability Ohio Public Employees Retirement System Last Eight Years (1)

	 2022	 2021	 2020
Contractually Required Contribution	\$ 1,507	\$ -	\$ 18
Contributions in Relation to the Contractually Required Contribution	 (1,507)	 	 (18)
Contribution Deficiency (Excess)	\$ 	\$ 	\$ 
City Covered Payroll	\$ 5,290,014	\$ 5,058,193	\$ 5,039,871
Contributions as a Percentage of Covered Payroll	0.03%	0.00%	0.00%

(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.

 2019	 2018	 2017	 2016	 2015
\$ 20	\$ 404	\$ 54,847	\$ 108,926	\$ 101,855
 (20)	 (404)	 (54,847)	 (108,926)	 (101,855)
\$ _	\$ _	\$ _	\$ _	\$ _
\$ 5,456,921	\$ 5,396,935	\$ 5,466,539	\$ 5,445,025	\$ 5,092,704
0.00%	0.01%	1.00%	2.00%	2.00%

# Required Supplementary Information Schedule of the City's Contributions – Net OPEB Liability

Ohio Police and Fire Pension Fund

# Last Ten Years

	 2022	 2021	 2020	 2019
Contractually Required Contribution	\$ 34,737	\$ 32,329	\$ 32,114	\$ 32,809
Contributions in Relation to the Contractually Required Contribution	 (34,737)	 (32,329)	 (32,114)	 (32,809)
Contribution Deficiency (Excess)	\$ 	\$ 	\$ 	\$ 
City Covered Payroll	\$ 6,947,398	\$ 6,465,664	\$ 6,422,841	\$ 6,561,815
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%

2018	 2017	 2016	 2015	 2014	 2013
\$ 32,077	\$ 31,203	\$ 29,316	\$ 27,430	\$ 30,831	\$ 213,304
(32,077)	 (31,203)	 (29,316)	 (27,430)	 (30,831)	 (213,304)
\$ 	\$ -	\$ 	\$ 	\$ 	\$ 
\$ 6,415,429	\$ 6,240,534	\$ 5,863,111	\$ 5,486,009	\$ 6,166,258	\$ 5,892,379
0.50%	0.50%	0.50%	0.50%	0.50%	3.62%

### Required Supplementary Information Schedule of the City's Contributions - Net OPEB Liability Other Post-Employment Benefits – Single Employer Last Six Years

	2022	2021	 2020	 2019	 2018	 2017
Contractually Required Contribution	94,438	91,261	\$ 85,917	\$ 93,076	\$ 102,714	\$ 217,407
Contributions in Relation to the Contractually Required Contribution	(94,438)	(91,261)	 (85,917)	 (93,076)	 (102,714)	 (217,407)
Contribution Deficiency (Excess)	-		\$ -	\$ -	\$ -	\$ -
City Covered Payroll	\$ 12,237,412	\$ 11,523,857	\$ 11,462,712	\$ 12,018,736	\$ 11,812,364	\$ 11,707,073
Contributions as a Percentage of Covered Payroll	0.77%	0.79%	0.75%	0.77%	0.87%	1.86%

(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.

#### **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 2014-2022.

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. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple. For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% simple through 2020 to 0.50% simple through 2021, then 2.15% simple. For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75% (b) the cost-of-living adjustments for post-1/7/2013 retirees were increased from 0.50% simple through 2021 to 3.00% simple through 2022, then 2.05% simple (c) the expected investment return was reduced from 7.20% to 6.90%.

#### Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2022.

Changes in assumptions: For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2019, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%. For 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00% (c) the health care cost trend rate changed from 10.50% initial and 3.50% ultimate in 2030 to 8.50% initial and 3.50% ultimate in 2035. For 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75%. (b) the municipal bond rate changed from 2.00% to 1.84% (c) the health care cost trend rate changed from 8.50% initial and 3.50% ultimate in 2035 to 5.50% initial and 3.50% ultimate in 2034.

#### 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 2014-2022.

*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 observation 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. For 2019-2021, there have been no OP&F pension plan amendments adopted or changes in assumptions between the measurement date and the report date that would have impacted the actuarial valuation of the pension plan as of the measurement date. For 2022, the investment rate of return was reduced from 8.00 percent to 7.50 percent.

#### Net OPEB Liability

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2018 and 2020-2022. For 2019, see below regarding changes to stipend-based model.

*Changes in assumptions:* For 2018, the single discount rate changed from 3.79 percent to 3.24 percent. For 2019, the changes of assumptions were: (a) beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years (b) beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5% (c) the single discount rate changed from 3.24 percent to 4.66 percent. For 2020, the single discount rate changed from 4.66 to 3.56. For 2021, the single discount rate changed from 3.24 percent for 2.84.

**Combining Statements** 

#### **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. 147<sup>th</sup>/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.

#### 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.

#### City of Brook Park, Ohio Fund Descriptions Non-Major Governmental Funds For The Year Ended December 31, 2022

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

#### 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.

#### **Opioid Settlement Fund**

The Opioid Settlement Fund accounts for distributions to be received from the State of Ohio, as well as allowable expenditures, consistent with the City's participation in the OneOhio Memorandum of Understanding resulting from the National Opioid Settlement Agreement and litigation.

#### Cash Bonds Held Fund

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

#### 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.

#### **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 and special assessment debt.

**City of Brook Park, Ohio** Combining Balance Sheet Non-Major Governmental Funds **December 31, 2022** 

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Assets:	¢ 5 22 4 272	¢ 1 2 47 170	¢ ( ( ) 1 550
Equity in Pooled Cash and Cash Equivalents	\$ 5,334,373	\$ 1,347,179	\$ 6,681,552 2,707
Accrued Interest Receivable Accounts Receivable	2,797	-	2,797
Intergovernmental Receivable	10,451 593,770	- 443,474	10,451 1,037,244
Property Taxes Receivable	393,770	445,474	397,224
Special Assessments Receivable		- 58,394	58,394
Asset Held for Resale	1,550,000	36,394	1,550,000
Total Assets	7,888,615	1,849,047	9,737,662
	7,000,010	1,010,017	>,
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES Liabilities:			
Accounts Payable	184,804	_	184,804
Accrued Wages and Benefits	12,988	_	12,988
Contracts Payable	1,506	-	1,506
Intergovernmental Payable	162,605	-	162,605
Retainage Payable	70,309	-	70,309
Unearned Revenue	136,982	-	136,982
Total Liabilities	569,194	-	569,194
Deferred Inflows of Resources:			
Property Taxes	379,047	-	379,047
Unavailable Revenue - Delinquent Property Taxes	18,177	-	18,177
Unavailable Revenue - Other	413,067	58,394	471,461
Total Deferred Inflows of Resources	810,291	58,394	868,685
Fund Balances:			
Restricted	2,846,000	489,535	3,335,535
Committed	3,663,130	-	3,663,130
Assigned	_	1,301,118	1,301,118
Total Fund Balances	6,509,130	1,790,653	8,299,783
<b>Total Liabilities, Deferred Inflows</b>			
of Resources and Fund Balances	\$ 7,888,615	\$ 1,849,047	\$ 9,737,662

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Governmental Funds For The Year Ended December 31, 2022

Nonmajor Nonmajor Total Nonmajor Special Debt Revenue Service Governmental Funds Fund Funds **REVENUES** Property Taxes \$ 384,720 \$ \$ 384,720 \_ 1,453,954 1,453,954 Intergovernmental Interest 15,104 15,104 Licenses and Permits 72,865 72,865 Fines and Forfeitures 43,015 43,015 Charges for Services 126,622 126,622 Contributions and Donations 3,435 3,435 Special Assessments 75,513 75,513 \_ All Other Revenues 68,871 68,871 **Total Revenues** 2,168,586 75,513 2,244,099 **EXPENDITURES** Security of Persons and Property: Police and Others 792.232 792.232 Fire 746,736 746,736 Public Health and Welfare 110,176 110,176 Leisure Time Activities 91,327 91,327 **Community Development** 533,353 533,353 Transportation 723,177 723,177 4,498 General Government 4,498 Capital Outlay 1,268,866 1,268,866 Debt Service: Principal Retirement 877,231 877,231 Interest and Fiscal Charges 226,653 226,653 5,374,249 **Total Expenditures** 4,265,867 1,108,382 Excess of Revenues Over (Under) Expenditures (2,097,281)(1,032,869)(3, 130, 150)**OTHER FINANCING SOURCES** Transfer In 1,425,000 983,171 2,408,171 **Total Other Financing Sources** 1,425,000 983,171 2,408,171 Net Change in Fund Balances (672, 281)(49,698) (721, 979)Fund Balances - Beginning of Year 7,181,411 1,840,351 9,021,762 Fund Balances - End of Year 6,509,130 1,790,653 \$ 8,299,783 \$ \$

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Combining Balance Sheet Non-Major Special Revenue Funds December 31, 2022

	Ma	Street aintenance	State Highway	Р	ermissive Tax		Economic evelopment_	 ook Park Road orridor	(	CDBG
ASSETS										
<b>OUTFLOWS OF RESOURCES</b>										
Assets:										
Equity in Pooled Cash and Cash Equivalents	\$	808,033	\$ 1,021,894	\$	354,275	\$	1,959,566	\$ 57,835	\$	36,290
Accrued Interest Receivable		988	1,188		411		-	-		-
Accounts Receivable		-	-		-		-	-		-
Intergovernmental Receivable		524,514	42,588		3,542		-	-		-
Property Taxes Receivable		-	-		-		-	-		-
Asset Held For Resale		-	 -		-		1,550,000	 -		-
Total Assets		1,333,535	 1,065,670		358,228	_	3,509,566	 57,835		36,290
Liabilities:										
Accounts Payable	\$	-	\$ -	\$	856	\$	183,601	\$ -	\$	-
Accrued Wages and Benefits		12,988	-		-		-	-		-
Contracts Payable		1,506	-		-		-	-		-
Intergovernmental Payable		1,679	-		-		-	-		-
Retainage Payable		55,119	-		-		15,190	-		-
Unearned Revenue		-	-		-		-	-		-
Total Liabilities		71,292	 -		856		198,791	 -		-
Deferred Inflows of Resources:										
Property Taxes		-	-		-		-	-		-
Unavailable Revenue - Delinq. Property Taxes		-	-		-		-	-		-
Unavailable Revenue - Other		360,649	29,292		-		-	-		-
Total Deferred Inflows of Resources		360,649	 29,292	_	-		-	 -		-
Fund Balances:										
Restricted		901,594	1,036,378		357,372		-	-		36,290
Committed		-	-		-		3,310,775	57,835		-
Total Fund Balances		901,594	 1,036,378		357,372		3,310,775	 57,835		36,290
Total Liabilities, Deferred Inflows of			 -,0,0				.,,,,,,,	 2.,000		
Resources and Fund Balances	\$	1,333,535	\$ 1,065,670	\$	358,228	\$	3,509,566	\$ 57,835	\$	36,290

(Continued)

**City of Brook Park, Ohio** Combining Balance Sheet Non-Major Special Revenue Funds **December 31, 2022** 

	Special Recreation	En	Law forcement	Enf	DWI orcement Aducation	Federal orfeiture	mmunity version	Т	ntinuing raining rogram
ASSETS						 			
OUTFLOWS OF RESOURCES									
Assets:									
Equity in Pooled Cash and Cash Equivalents	\$ 294,867	\$	101,625	\$	30,435	\$ 182,336	\$ 19,797	\$	39,901
Accrued Interest Receivable	-		-		-	210	-		-
Accounts Receivable	-		-		-	-	-		-
Intergovernmental Receivable	-		-		-	-	-		-
Property Taxes Receivable	-		-		-	-	-		-
	-		-		-	-	 -		-
Total Assets	294,867		101,625		30,435	 182,546	 19,797		39,901
Liabilities:									
Accounts Payable	\$ 347	\$	-	\$	-	\$ -	\$ -	\$	-
Accrued Wages and Benefits	-		-		-	-	-		-
Contracts Payable	-		-		-	-	-		-
Intergovernmental Payable	-		-		-	-	-		-
Retainage Payable	-		-		-	-	-		-
Unearned Revenue	-		-		-	 -	 -		-
Total Liabilities	347	_	-		-	 -	 -		-
Deferred Inflows of Resources:									
Property Taxes	-		-		-	-	-		-
Unavailable Revenue - Delinq. Property Taxes	-		-		-	-	-		-
Unavailable Revenue - Other	-		-		-	-	-		-
Total Deferred Inflows of Resources	-		-		-	 -	 -		-
Fund Balances:									
Restricted	-		101,625		30,435	182,546	19,797		39,901
Committed	294,520		-		-	-	-		-
Total Fund Balances	294,520		101,625		30,435	182,546	 19,797		39,901
Total Liabilities, Deferred Inflows of						 			
<b>Resources and Fund Balances</b>	\$ 294,867	\$	101,625	\$	30,435	\$ 182,546	\$ 19,797	\$	39,901

]			Police Pension	]	Fire Pension	(	Southwest General Health Center		)pioid ttlement	Cash Bonds Held			Total Nonmajor Special Revenue Funds
\$	54,663	\$	159,128	\$	83,830	\$	-	\$	3,367	\$	126,531	\$	5,334,373
	-		-		-		-		-		-		2,797
	-		-		-		-		-		10,451		10,451
	-		8,611		8,611		5,904		-		-		593,770
	-		147,364		147,364		102,496		-		-		397,224
	-		-		-		-		-		-		1,550,000
	54,663		315,103		239,805		108,400		3,367		136,982		7,888,615
\$	_	\$	_	\$	_	\$	_	\$	_	\$	_	\$	184,804
ψ	_	ψ	_	ψ	_	ψ	_	Ψ	_	ψ	_	ψ	12,988
	_		-		_		_		_		_		1,506
	-		136,763		24,163		-		-		-		162,605
	-		-				-		_		-		70,309
	-		-		-		-		-		136,982		136,982
	-		136,763		24,163		-		-		136,982		569,194
	_		140,618		140,618		97,811		_		_		379,047
	-		6,746		6,746		4,685		-		-		18,177
	-		8,611		8,611		5,904		_		-		413,067
	-		155,975		155,975		108,400		-		-	_	810,291
	54,663		22,365		59,667		-		3,367		-		2,846,000
	-				-		-		-		-		3,663,130
	54,663		22,365		59,667		-		3,367		-		6,509,130
\$	54,663	\$	315,103	\$	239,805	\$	108,400	\$	3,367	\$	136,982	\$	7,888,615

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds For The Year Ended December 31, 2022

	м	Street aintenance	State Highway		Permissive Tax		Economic evelopment		ook Park Road orridor	C	DBG	Special ecreation	Enf	Law orcement
REVENUES				_										
Property Taxes	\$	-	\$ -		\$ -	\$	-	\$	-	\$	-	\$ -	\$	-
Intergovernmental		1,104,507	89,564	ŀ	46,963		-		-	1	50,000	-		-
Interest		5,777	6,028	3	2,094		-		-		-	-		-
Fees, Licenses, and Permits		-	-		-		48,765		-		-	-		-
Fines and Forfeitures		-	-		-		-		-		-	-		42,244
Charges for Services		-	-		-		-		-		-	126,622		-
Contributions and Donations		-	-		-		-		-		-	3,435		-
All Other Revenues		-	-		-		59,009		-		-	-		6,495
Total Revenues		1,110,284	95,592	2	49,057	_	107,774		-	1	50,000	 130,057	_	48,739
EXPENDITURES														
Security of Persons and Property:														
Police and Others		-	-		-		-		-		-	-		-
Fire		-	-		-		-		-		-	-		-
Public Health and Welfare		-	-		-		-		-		-	-		-
Leisure Time Activities		-	-		-		-		-		-	91,327		-
Community Environment		-	-		-		509,253		-		-	-		-
Transportation		687,314	9,133	;	26,730		-		-		-	-		-
Capital Outlay		650,068	-		-		342,540		-	2	276,258	-		-
Total Expenditures		1,337,382	9,133	;	26,730	-	851,793		-	2	276,258	91,327		-
Excess of Revenues Over (Under) Expenditures		(227,098)	86,459	)	22,327	_	(744,019)		-	(1	26,258)	 38,730		48,739
OTHER FINANCING SOURCES														
Transfer In		-	-		-		250.000		-		-	-		-
Total Other Financing Sources		-			-	_	250,000		-		-			-
Net Change in Fund Balances		(227,098)	86,459	, _	22,327		(494,019)		-	(1	26,258)	 38,730		48,739
Fund Balances - Beginning of Year		1,128,692	949,919	)	335,045		3,804,794		57,835	1	62,548	255,790		52,886
Fund Balances - End of Year	\$	901,594	\$ 1,036,378		\$ 357,372	\$	3,310,775	\$	57,835		36,290	\$ 294,520	\$	101,625
						-		_				 		

Enf	DWI orcement Education	Federal Forfeiture	Community Diversion	Continuing Training Program	FEMA	Police Pension	Fire Pension	Southwest General Health Center	Opioid Settlement	Cash Bonds Held	Total Nonmajor Special Revenue Funds
\$	-	\$-	\$-	\$-	\$-	\$ 143,177	\$ 143,177	\$ 98,366	\$ -	\$-	\$ 384,720
	-	-	-	16,668	-	17,221	17,221	11,810	-	-	1,453,954
	-	1,205	-	-	-	-	-	-	-	-	15,104
	-	-	-	-	-	-	-	-	-	24,100	72,865
	771	-	-	-	-	-	-	-	-	-	43,015
	-	-	-	-	-	-	-	-	-	-	126,622
	-	-	-	-	-	-	-	-	-	-	3,435
	-	-	-		-		-		3,367		68,871
	771	1,205	-	16,668	-	160,398	160,398	110,176	3,367	24,100	2,168,586
	-	70,486	-	-	-	721,746	-	-	-	-	792,232
	-	-	-	-	-	-	746,736	-	-	-	746,736
	-	-	-	-	-	-	-	110,176	-	-	110,176
	-	-	-	-	-	-	-	-	-	-	91,327
	-	-	-	-	-	-	-	-	-	24,100	533,353
	-	-	-	-	-	-	-	-	-	-	723,177
	-	-	-			-	-	-		-	1,268,866
	- 771	70,486	-	- 16,668	-	721,746	746,736	110,176	3,367	24,100	4,265,867
	//1	(69,281)		10,008		(561,348)	(586,338)		3,307		(2,097,281)
	-		-	-	-	550,000	625,000		-		1,425,000
	-	-	-	-	-	550,000	625,000	-	-	-	1,425,000
	771	(69,281)	-	16,668	-	(11,348)	38,662	-	3,367	-	(672,281)
	29,664	251,827	19,797	23,233	54,663	33,713	21,005	-	-	-	7,181,411
\$	30,435	\$ 182,546	\$ 19,797	\$ 39,901	\$ 54,663	\$ 22,365	\$ 59,667	\$ -	\$ 3,367	\$ -	\$ 6,509,130

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

Schedule of Revenues, Expenditures and Changes in Fund Balance -Budget (Non-GAAP Budgetary Basis) and Actual General Fund For The Year Ended December 31, 2022

	Budgeted Amounts						riance with nal Budget Positive	
		Original	I AIIIO	Final		Actual	(	Negative)
Revenues:		Oliginai		1 mai		Tetual	(	(tegative)
Property Taxes	\$	1,925,585	\$	1,929,181	\$	1,929,181	\$	_
Income Taxes	Ψ	17,192,295	Ψ	18,722,065	Ψ	18,722,065	Ψ	_
Other Taxes		270,860		151,421		151,421		_
Intergovernmental		664,330		806,028		863,247		57,219
Interest		32,023		38,854		41,612		2.758
Licenses and Permits		575,401		698,130		747,690		49,560
Fines and Forfeitures		297,947		361,498		387,160		25,662
Rentals		91,297		110.770		118,633		7.863
Charges for Services		1,207,352		1,470,360		1,570,326		99,966
Contributions and Donations		39,571		48,012		51,420		3,408
All Other Revenues		374,864		512,183		535,746		23,563
Total Revenues		22,671,525		24,848,502		25,118,501		269,999
Expenditures: Current: Security of Persons and Property Correctional Facility								
Personal Services		283,478		283,478		191,150		92,328
Operations		31,473		36,474		35,863		92,328 611
Total Correctional Facility		314,951		319,952		227,013		92,939
School Guards								
Personal Services		57,725		57,725		46,619		11,106
Total School Guards		57,725		57,725		46,619		11,106
Fire Department								
Personal Services		4,227,848		4,227,848		3,929,347		298,501
Operations		295,227		295,388		253,622		41,766
Total Fire Department		4,523,075		4,523,236		4,182,969		340,267
Police Department								
Personal Services		4,882,252		4,882,252		4,722,837		159,415
Operations		279,583		362,584		326,383		36,201
Total Police Department		5,161,835		5,244,836		5,049,220		195,616
-								Continued

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, 2022

	Budgeted A	mounts		Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Animal Control				
Personal Services	106,692	106,691	105,597	1,094
Operations	16,509	16,510	11,378	5,132
Total Animal Control	123,201	123,201	116,975	6,226
Safety Director				
Personal Services	71,713	71,713	60,537	11,176
Operations	1,900	1,900	93	1,807
Total Safety Director	73,613	73,613	60,630	12,983
Safety Building				
Personal Services	72,797	72,797	67,697	5,100
Operations	791,343	791,343	746,743	44,600
Total Safety Building	864,140	864,140	814,440	49,700
Safety Town				
Operations	4,950	4,950	3,911	1,039
Total Safety Town	4,950	4,950	3,911	1,039
Street Lighting				
Operations	451,165	479,165	473,870	5,295
Total Street Lighting	451,165	479,165	473,870	5,295
Traffic Lights				
Operations	121,368	121,368	104,361	17,007
Total Traffic Lights	121,368	121,368	104,361	17,007

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, 2022

				Variance with Final Budget
	Budgeted An	mounts		Positive
	Original	Final	Actual	(Negative)
Disaster Services				
Personal Services	16,670	16,670	11,729	4,941
Operations	10,177	12,677	9,303	3,374
Total Disaster Services	26,847	29,347	21,032	8,315
Total Security of Persons and Property	11,722,870	11,841,533	11,101,040	740,493
Public Health & Welfare				
County Board of Health				
Operations	111,570	111,570	111,570	-
Total County Board of Health	111,570	111,570	111,570	-
Office of Aging				
Personal Services	46,757	58,302	57,035	1,267
Operations	5,398	6,898	5,642	1,256
Total Office of Aging	52,155	65,200	62,677	2,523
Total Public Health and Welfare	163,725	176,770	174,247	2,523
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	518,818	523,818	522,918	900
Operations	237,931	257,931	215,328	42,603
Other Expenses	750	750	730	20
Total Recreation Center	757,499	782,499	738,976	43,523
Home Day Celebration				
Personal Services	21,850	21,850	21,118	732
Operations	44,289	50,939	49,154	1,785
Total Home Day Celebration	66,139	72,789	70,272	2,517
				Continued

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, 2022

				Variance with Final Budget
	Budgeted Ar	nounts		Positive
	Original	Final	Actual	(Negative)
Parks and Play Grounds				
Personal Services	270,884	263,962	245,844	18,118
Operations	156,719	208,531	188,395	20,136
Other Expenses	750	195	195	
Total Parks and Play Grounds	428,353	472,688	434,434	38,254
Public Recreation				
Personal Services	19,621	19,621	16,915	2,706
Operations	22,932	27,990	25,277	2,713
Total Public Recreation	42,553	47,611	42,192	5,419
Total Leisure Time Activities	1,301,471	1,382,514	1,292,801	89,713
Community Development				
Planning Commission				
Personal Services	6,927	6,927	6,812	115
Total Planning Commission	6,927	6,927	6,812	115
Community Development				
Personal Services	121,109	121,109	107,712	13,397
Operations	2,725	2,725	893	1,832
Total Community Development	123,834	123,834	108,605	15,229
Board of Zoning Appeals				
Personal Services	8,312	8,312	8,312	-
Total Board of Zoning Appeals	8,312	8,312	8,312	_
Building Department				
Personal Services	473,692	473,692	435,615	38,077
Operations	71,075	71,075	48,087	22,988
Other Expenses	100	100	-	100
Total Building Department	544,867	544,867	483,702	61,165
		<i>i</i>	, -	Continued

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, 2022

	Budgeted Ar	nounts		Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Tree and Tree Lawns				
Personal Services	188,585	188,585	182,568	6,017
Operations	21,430	21,430	18,848	2,582
Total Tree and Tree Lawns	210,015	210,015	201,416	8,599
Total Community Development	893,955	893,955	808,847	85,108
Public Works				
Service Director				
Personal Services	138,886	138,886	128,902	9,984
Operations	8,581	10,021	9,187	834
Total Service Director	147,467	148,907	138,089	10,818
Service Building				
Personal Services	90,823	93,132	92,349	783
Operations	225,045	245,045	224,664	20,381
Total Service Building	315,868	338,177	317,013	21,164
Sanitation Department				
Personal Services	492,765	516,085	499,252	16,833
Operations	762,549	808,550	761,021	47,529
Total Sanitation Department	1,255,314	1,324,635	1,260,273	64,362
Sewers, Drains, and Pump Stations				
Personal Services	704,329	755,910	755,098	812
Operations	149,285	173,372	153,320	20,052
Total Sewers, Drains, and Pump Stations	853,614	929,282	908,418	20,864
Total Public Works	2,572,263	2,741,001	2,623,793	117,208
				Continued

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, 2022

	Budgeted A	nounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Transportation				
Street Cleaning				
Personal Services	5,773	3,773	1,145	2,628
Operations	2,872	7,872	7,506	366
Total Street Cleaning	8,645	11,645	8,651	2,994
Traffic Signs				
Personal Services	81,452	81,452	78,924	2,528
Operations	2,399	8,099	7,583	516
Total Traffic Signs	83,851	89,551	86,507	3,044
Snow Removal				
Personal Services	80,815	80,815	74,020	6,795
Operations	222,728	317,728	250,891	66,837
Total Snow Removal	303,543	398,543	324,911	73,632
Total Transportation	396,039	499,739	420,069	79,670
General Government				
City Council				
Personal Services	143,121	143,121	143,053	68
Operations	27,163	27,163	14,728	12,435
Total City Council	170,284	170,284	157,781	12,503
Clerk of Council				
Personal Services	81,700	86,060	85,864	196
Operations	3,295	3,295	1,395	1,900
Total Clerk of Council	84,995	89,355	87,259	2,096

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, 2022

				Variance with Final Budget
	Budgeted Amounts		Actual	Positive (Negative)
Mayor's Court	Original	Final	Actual	(Negative)
Personal Services	168,484	168,484	160,832	7,652
Operations	108,484	12,802	11,539	1,263
Total Mayor's Court	180,536	181,286	172,371	8,915
Civil Service Commission				
Personal Services	31,633	34,523	33,415	1,108
Operations	27,872	27,872	17,965	9,907
Total Civil Service Commission	59,505	62,395	51,380	11,015
Mayor's Office				
Personal Services	366,892	379,592	379,240	352
Operations	21,419	23,060	14,343	8,717
Total Mayor's Office	388,311	402,652	393,583	9,069
Human Resources				
Personal Services	97,658	97,658	91,481	6,177
Operations	6,898	7,523	6,525	998
Total Human Resources	104,556	105,181	98,006	7,175
Public Properties				
Personal Services	277,962	280,271	278,617	1,654
Operations	15,166	17,666	16,871	795
Total Public Properties	293,128	297,937	295,488	2,449

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, 2022

	Budgeted A	Budgeted Amounts		Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Legal Department				
Personal Services	337,640	337,640	278,860	58,780
Operations	1,689	3,189	2,844	345
Total Legal Department	339,329	340,829	281,704	59,125
Finance Department				
Personal Services	536,276	506,276	456,141	50,135
Operations	95,517	95,517	84,537	10,980
Total Finance Department	631,793	601,793	540,678	61,115
Tax Department				
Personal Services	166,906	277,270	257,768	19,502
Operations	13,763	56,852	54,408	2,444
Other Expenses	2,880,000	1,563,756	1,264,430	299,326
Total Tax Department	3,060,669	1,897,878	1,576,606	321,272
Retirees				
Personal Services	103,500	103,500	94,438	9,062
Total Retirees	103,500	103,500	94,438	9,062
Mechanics				
Personal Services	655,636	604,055	571,294	32,761
Operations	8,433	8,433	2,819	5,614
Total Mechanics	664,069	612,488	574,113	38,375
Engineering				
Operations	48,000	48,000	48,000	
Total Engineering	48,000	48,000	48,000	-

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, 2022

	Budgeted Ar	nounts		Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Lands and Buildings				
Personal Services	9,236	9,236	683	8,553
Operations	307,268	346,768	311,442	35,326
Total Lands and Buildings	316,504	356,004	312,125	43,879
Other General Government				
Personal Services	4,156	244,971	239,740	5,231
Operations	1,058,873	822,887	675,290	147,597
Other Expenses	92,785	94,677	77,705	16,972
Total Other General Government	1,155,814	1,162,535	992,735	169,800
Total General Government	7,625,993	6,457,117	5,685,039	772,078
Total Expenditures	24,676,316	23,992,629	22,105,836	1,886,793
Excess of Revenues Over				
(Under) Expenditures	(2,004,791)	855,873	3,012,665	2,156,792
Other Financing Sources (Uses)				
Advances In	150,000	150,000	150,000	-
Transfer In	305,000	320,000	50,000	(270,000)
Transfers Out	(1,973,715)	(1,985,739)	(1,715,739)	270,000
Total Other Financing Sources (Uses)	(1,518,715)	(1,515,739)	(1,515,739)	-
Net Change in Fund Balance	(3,523,506)	(659,866)	1,496,926	2,156,792
Cash Fund Balance - Beginning of Year	11,578,895	11,578,895	11,578,895	-
Current Year Encumbrances	-	-	475,227	475,227
Cash Fund Balance - End of Year	8,055,389	10,919,029	13,551,048	2,632,019

Schedule of Revenues, Expenditures and Changes in Fund Balance -Budget (Non-GAAP Budgetary Basis) and Actual American Rescue Plan Act Fund For The Year Ended December 31, 2022

	(	Budgeted Driginal	Amou	ints Final	Actual	Fina Po	ance with l Budget ositive egative)
Revenues:							
Intergovernmental	\$	970,454	\$	970,454	\$ 970,454	\$	-
Total Revenues		970,454		970,454	970,454		-
Expenditures: Current: General Government Total Expenditures		99,675 99,675		99,675 99,675	 92,066 92,066		7,609 7,609
Net Change in Fund Balance		870,779		870,779	878,388		7,609
Cash Fund Balance - Beginning of Year		962,767		962,767	 962,767		-
Cash Fund Balance - End of Year	\$	1,833,546	\$	1,833,546	\$ 1,841,155	\$	7,609

See accompanying notes to the basic financial statements.

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, 2022

	Budgetec	l Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Income Taxes	\$ 2,724,705	\$ 3,207,148	\$ 3,207,148	\$ -
Intergovernmental	402,537	203,903	203,903	-
Fines and Forfeitures	81,794	37,946	37,946	-
Charges for Services	6,251	2,900	2,900	
Total Revenues	3,215,287	3,451,897	3,451,897	
Expenditures:				
Community Development				
Operations	60,892	60,892	26,573	34,319
Total Community Development	60,892	60,892	26,573	34,319
Transportation				
Street Paving and Repair				
Travel and Education	177,896	177,895	157,340	20,555
Operations	20,986	138,106	136,548	1,558
Total Transportation	198,882	316,001	293,888	22,113
General Government				
Income Tax Department				
Personal Services	33,697	61,288	56,459	4,829
Operaions	2,410	13,183	9,788	3,395
Other Expenses	720,000	390,939	316,108	74,831
Total Income Tax Department	756,107	465,410	382,355	83,055
Land and Buildings:				
Operations	-	177,300	177,300	
Total Land and Buildings	-	177,300	177,300	
Total General Government	756,107	642,710	559,655	83,055

Continued

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, 2022

				Variance with Final Budget
	Budgeted A Original	Amounts Final	Actual	Positive (Negative)
Capital Outlay	Oliginar	1 mai	netuur	(iteguiite)
Animal Warden	3,000	3,000	889	2,111
Building Department	11,657	11,657	9,298	2,359
Council	10,000	10,000	-	10,000
Finance Department	5,000	20,000	19,312	688
Fire Department	573,098	573,098	487,390	85,708
Lands and Buildings	393,285	227,883	208,937	18,946
Legal Department	4,646	4,646	4,621	25
Mayor's Court	3,000	3,000	281	2,719
Mechanics	15,000	15,000	-	15,000
Parks and Playgrounds	391,765	366,765	342,817	23,948
Police Department	330,201	330,201	252,507	77,694
Public Properties	7,100	7,100	1,689	5,411
Recreation Center	39,299	39,299	17,322	21,977
Safety Building	55,000	55,000	15,000	40,000
Safety Director	-	1,355	1,355	-
Sanitation	268,615	284,633	284,633	-
Service Building	61,860	61,860	46,860	15,000
Sewers and Drains	207,273	207,273	201,699	5,574
Snow Removal	197,238	197,238	156,124	41,114
Street Cleaning	50,000	-	-	-
Street Paving and Repair	1,203,556	1,211,256	1,106,025	105,231
Tax Department	5,000	5,000	-	5,000
Traffic Signs	25,000	25,000	24,745	255
Trees and Tree Lawns	1,000	1,330	1,330	-
Total Capital Outlay	3,861,593	3,661,594	3,182,834	478,760
Total Expenditures	4,877,474	4,737,519	4,119,272	618,247
Excess of Revenues Over				(10.017
(Under) Expenditures	(1,662,187)	(1,285,622)	(667,375)	618,247
Other Financing Sources (Uses)				
Transfers In	700,000	900,000	900,000	-
Transfers Out	(1,450,956)	(1,650,956)	(1,650,956)	-
<b>Total Other Financing Sources (Uses)</b>	(750,956)	(750,956)	(750,956)	
Net Change in Fund Balance	(2,413,143)	(2,036,578)	(1,418,331)	618,247
Cash Fund Balance - Beginning of Year	4,938,129	4,938,129	4,938,129	_
Current Year Encumbrances		-	998,548	998,548
Cash Fund Balance - End of Year	\$ 2,524,986	\$ 2,901,551	\$ 4,518,346	\$ 1,616,795

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, 2022

	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,126,261	\$ 1,126,261	\$ -
Interest	4,789	4,789	
Total Revenues	1,131,050	1,131,050	
Expenditures:			
Current:			
Transportation			
Street Paving and Repair			
Personal Services	506,871	454,088	52,783
Operations	351,954	302,282	49,672
Total Transportation	858,825	756,370	102,455
Capital Outlay			
Contractual Services	1,170,187	1,168,496	1,691
Total Capital Outlay	1,170,187	1,168,496	1,691
Total Expenditures	2,029,012		104,146
Net Change in Fund Balance	(897,962	) (793,816)	104,146
Cash Fund Balance - Beginning of Year	1,021,684	1,021,684	-
Current Year Encumbrances	-	580,165	580,165
Cash Fund Balance - End of Year	\$ 123,722	\$ 808,033	\$ 684,311

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, 2022

	udgeted mounts Final	Actual		Variance with Final Budget Positive (Negative)	
Revenues:					
Intergovernmental	\$ 91,319	\$	91,319	\$	-
Interest	 4,840		4,840		-
Total Revenues	96,159		96,159		-
Expenditures: Current: Transportation Street Paving and Repair Personal Services Operation Total Expenditures	 102 <u>34,248</u> 34,350		102 9,107 9,209		<u>25,141</u> 25,141
					<u> </u>
Net Change in Fund Balance	61,809		86,950		25,141
Cash Fund Balance - Beginning of Year	 934,868		934,868		-
Cash Fund Balance - End of Year	\$ 996,677	\$ 1	,021,893	\$	25,216

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, 2022

	Budgeted Amounts Final Actual		Variance with Final Budget Positive (Negative)		
Revenues:					
Intergovernmental	\$ 47,191	\$ 47,191	\$ -		
Interest	1,684	1,684			
Total Revenues	48,875	48,875			
Expenditures: Current: Transportation Street Paving and Repair Operations Total Expenditures	<u>58,220</u> 58,220	25,875 25,875	<u>32,345</u> 32,345		
Net Change in Fund Balance	(9,345)	23,000	32,345		
Cash Fund Balance - Beginning of Year Cash Fund Balance - End of Year	331,275 \$ 321,930	331,275 \$ 354,275	\$ 32,345		

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, 2022

	Budgeted Original	Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 22,503	\$ 33,800	\$ 33,800	-
Licenses and Permits	32,467	48,765	48,765	-
All Other Revenues	24,130	36,243	36,243	-
Total Revenues	79,100	118,808	118,808	-
Expenditures: Current:				
Community Development	2,815,790	2,436,040	2,011,342	424,698
General Government	-	379,750	379,750	
Total Expenditures	2,815,790	2,815,790	2,391,092	424,698
Excess of Revenues Over Expenditures	(2,736,690)	(2,696,982)	(2,272,284)	424,698
Other Financing Sources				
Transfer In	250,000	250,000	250,000	-
Total Other Financing Sources	250,000	250,000	250,000	
Net Change in Fund Balance	(2,486,690)	(2,446,982)	(2,022,284)	424,698
Cash Fund Balance - Beginning of Year	3,770,994	3,770,994	3,770,994	-
Current Year Encumbrances	-	-	210,856	210,856
Cash Fund Balance - End of Year	\$ 1,284,304	\$ 1,324,012	\$ 1,959,566	\$ 635,554

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, 2022

	Bi	udgeted				nce with Budget
	Amounts				Positive	
	Final		Actual		(Ne	gative)
Cash Fund Balance - Beginning of Year	\$	57,835	\$	57,835	\$	-
Cash Fund Balance - End of Year	\$	57,835	\$	57,835	\$	-

Schedule of Revenues, Expenditures and Changes in Fund Balance -Budget (Non-GAAP Budgetary Basis) and Actual CDBG Fund For The Year Ended December 31, 2022

	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 150,000	\$ 150,000	\$ -
Total Revenues	150,000	150,000	-
Expenditures: Current: Capital Outlay			
Travel and Education	\$ 276,258	\$ 276,258	\$ -
Total Capital Outlay	276,258	276,258	
Total Expenditures	276,258	276,258	
Excess of Revenues Over (Under) Expenditures	(126,258)	(126,258)	
Other Financing Uses			
Transfers Out	(150,000)	(150,000)	-
Total Other Financing Uses	(150,000)	(150,000)	-
Net Change in Fund Balance	(276,258)	(276,258)	
Cash Fund Balance - Beginning of Year	\$ 312,548	\$ 312,548	\$ -
Cash Fund Balance - End of Year	\$ 36,290	\$ 36,290	\$ -

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, 2022

	Budgeted <u>Amounts</u> Final Actual		Variance with Final Budget Positive (Negative)		
Revenues:					
Charges for Services	\$ 138,122	\$	138,122	\$	-
Contributions and Donations	 3,435		3,435		-
Total Revenues	 141,557		141,557		-
Expenditures:					
Current:					
Leisure Time Activities					
Public Recreation					
Parks & Playground					
Operations	104,430		101,326		3,104
Other	2,000		850		1,150
Capital Outlay	1,245		1,245		_
Total Expenditures	 107,675		103,421		4,254
Net Change in Fund Balance	33,882		38,136		4,254
Cash Fund Balance - Beginning of Year	244,290		244,290		-
Current Year Encumbrances	-		12,441		12,441
Cash Fund Balance - End of Year	\$ 278,172	\$	294,867	\$	16,695

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, 2022

	Budgeted Amounts Final Actua		Variance with Final Budget Positive (Negative)
Revenues:	<b>* * * * * * * * * *</b>	<b>* * * * * * * * * *</b>	<i><b></b></i>
All Other Revenues	\$ 48,739	\$ 48,739	\$ -
Total Revenues	48,739	48,739	
Expenditures:			
Current:			
Security of Persons and Property			
Police and Others			
Operations	2,500	-	2,500
Capital Outlay	19,623	4,623	15,000
Total Expenditures	22,123	4,623	17,500
Net Change in Fund Balance	26,616	44,116	17,500
Cash Fund Balance - Beginning of Year	57,509	57,509	-
Cash Fund Balance - End of Year	\$ 84,125	\$ 101,625	\$ 17,500

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, 2022

	Budge Amou Fin	Actual		Variance Final Bud Positiv ctual (Negativ		
Revenues:						
Fines and Forfeitures	\$	700	\$	700	\$	-
All Other Revenues		71		71		-
Total Revenues		771		771		-
Expenditures: Current: Security of Persons and Property Operations Total Expenditures		500 500		-		500 500
Net Change in Fund Balance	20	271		771		500
Cash Fund Balance - Beginning of Year		,664	<b>_</b>	29,664	φ	-
Cash Fund Balance - End of Year	\$ 29	,935	\$	30,435	\$	500

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, 2022

	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	<u>\$ 995</u>	<u>\$ 995</u>	\$ -
Total Revenues	995	995	
Expenditures: Current: Security of Persons and Property Police and Others Operations Capital Outlay	12,500 68,389	2,097 68,389	10,403
Total Expenditures	80,889	70,486	10,403
Net Change in Fund Balance	(79,894)	(69,491)	10,403
Cash Fund Balance - Beginning of Year	251,827	251,827	
Cash Fund Balance - End of Year	\$ 171,933	\$ 182,336	\$ 10,403

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, 2022

	Budgeted <u>Amounts</u> Final			Variano Final E Posi Actual (Nega	
Expenditures:					
Current:					
Security of Persons and Property					
Police and Others					
Personal Services	\$ 2,029	\$	-	\$	2,029
Other	2,000		-		2,000
Total Police and Others	 4,029		-		4,029
Net Change in Fund Balance	(4,029)		-		4,029
Cash Fund Balance - Beginning of Year	19,797		19,797		-
Cash Fund Balance - End of Year	\$ 15,768	\$	19,797	\$	4,029

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, 2022

	Budgeted <u>Amounts</u> Final A			Fina Po	ance with l Budget ositive egative)
Revenues:				`	
All Other Revenues	\$ 16,668	\$	16,668	\$	-
Total Revenues	 16,668	_	16,668		-
Expenditures: Current: Security of Persons and Property Police and Others Operations Total Expenditures	 2,000 2,000		-		2,000 2,000
Excess of Revenues Over					
(Under) Expenditures	 14,668		16,668		2,000
Net Change in Fund Balance	14,668		16,668		2,000
Cash Fund Balance - Beginning of Year	\$ 23,233	\$	23,233	\$	-
Cash Fund Balance - End of Year	\$ 37,901	\$	39,901	\$	2,000

Schedule of Revenues, Expenditures and Changes in Fund Balance -Budget (Non-GAAP Budgetary Basis) and Actual FEMA Fund For The Year Ended December 31, 2022

	Budgeted					nce with Budget
	Amounts				Positive	
	Final		Final Actual		(Ne	gative)
Cash Fund Balance - Beginning of Year	\$	54,663	\$	54,663	\$	-
Cash Fund Balance - End of Year	\$	54,663	\$	54,663	\$	-

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, 2022

Revenues:       \$ 143,177       \$ 143,177       \$ -         Property Taxes       \$ 143,177       \$ 143,177       \$ -         Intergovernmental       17,221       17,221       -         Licenses and Permits       43,168       43,168       -	
Intergovernmental 17,221 17,221 -	_
	_
Licenses and Permits 43.168 43.168 -	
Total Revenues         203,566         203,566         -	
Expenditures: Current: Security of Persons and Property	
Police and Others	
Personal Services 749,319 650,953 98,30	
Total Expenditures         749,319         650,953         98,30	56
Excess of Revenues Over (Under) Expenditures (545,753) (447,387) 98,30	56
Other Financing Sources	
Transfers In 550,000 -	
Total Other Financing Sources         550,000         550,000         -	—
Net Change in Fund Balance 4,247 102,613 98,30	56
Cash Fund Balance - Beginning of Year 56,515 -	
Cash Fund Balance - End of Year         \$ 60,762         \$ 159,128         \$ 98,30	56

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, 2022

	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 143,177	\$ 143,177	\$ -
Intergovernmental	17,221	17,221	
Total Revenues	160,398	160,398	
Expenditures:			
Current:			
Fire			
Personal Services	826,500	750,962	75,538
Total Expenditures	826,500	750,962	75,538
Excess of Revenues Over			
(Under) Expenditures	(666,102)	(590,564)	75,538
Other Financing Sources			
Transfers In	625,000	625,000	-
Total Other Financing Sources	625,000	625,000	
Net Change in Fund Balance	(41,102)	34,436	75,538
Cash Fund Balance - Beginning of Year	49,394	49,394	-
Cash Fund Balance - End of Year	\$ 8,292	\$ 83,830	\$ 75,538

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, 2022

	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 98,366	\$ 98,366	\$ -
Intergovernmental	11,810	11,810	
Total Revenues	110,176	110,176	
Expenditures: Current: Public Health and Welfare Operations Total Expenditures	110,176 110,176	<u> </u>	
Net Change in Fund Balance	-	-	-
Cash Fund Balance - Beginning of Year	-	-	-
Cash Fund Balance - End of Year	\$ -	\$-	\$ -

Schedule of Revenues, Expenditures and Changes in Fund Balance -Budget (Non-GAAP Budgetary Basis) and Actual Opioid Settlement Fund For The Year Ended December 31, 2022

	Bu Ai	A	Actual	Variance with Final Budget Positive (Negative)		
Revenues: All Other Revenues Total Revenues	\$	3,367 3,367	\$	3,367 3,367	\$	-
Net Change in Fund Balance		3,367		3,367		-
Cash Fund Balance - Beginning of Year Cash Fund Balance - End of Year	\$	3,367	\$	3,367	\$	-

Schedule of Revenues, Expenditures and Changes in Fund Balance -Budget (Non-GAAP Budgetary Basis) and Actual Cash Bonds Held Fund For The Year Ended December 31, 2022

	Budgeted Amounts Final Actual			Variance with Final Budget Positive (Negative)		
Revenues:						
Fees, Licenses, and Permits	\$	53,122	\$	53,122	\$	-
Total Revenues		53,122		53,122		-
Expenditures:						
Current:						
Community Environment						
Operations		100,009		24,100		75,909
Total Expenditures		100,009		24,100		75,909
Net Change in Fund Balance		(46,887)		29,022		75,909
Cash Fund Balance - Beginning of Year		97,509		97,509		-
Cash Fund Balance - End of Year	\$	50,622	\$	126,531	\$	75,909

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, 2022

	udgeted Amounts Final	Actual		Final Po	nce with Budget sitive gative)
Expenditures:					
Current:					
Public Works					
Sewers and Drains					
Personal Services	\$ 232,459	\$	232,459	\$	-
Total Expenditures	232,459		232,459		-
Net Change in Fund Balance	 (232,459)		(232,459)		-
Cash Fund Balance - Beginning of Year	 452,992		452,992		
Cash Fund Balance - End of Year	\$ 220,533	\$	220,533	\$	-

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, 2022

-	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 95,030		\$ -
Special Assessments	75,513		-
Total Revenues	170,543	3 170,543	
Expenditures:			
Current:			
General Government			
Operations	750	) 748	2
Debt Service:			
Principal	877,230	877,230	-
Interest & Fiscal Charges	226,654	226,654	-
Bond Issuance Costs	5,000	) 3,750	1,250
Total Debt Service	1,108,884	1,107,634	1,250
Total Expenditures	1,109,634	1,108,382	1,252
Excess of Revenues Over			
(Under) Expenditures	(939,091	(937,839)	1,252
Other Financing Sources			
Transfers In	983,171	983,171	-
Total Other Financing Sources	983,171		
Net Change in Fund Balance	44,080	45,332	1,252
Cash Fund Balance - Beginning of Year	1,301,847		
Cash Fund Balance - End of Year	\$ 1,345,927	\$ 1,347,179	\$ 1,252

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, 2022

	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 2,408,237	\$ 2,408,237	\$ -
Total Revenues	2,408,237	2,408,237	-
Expenses Current: Personal Services Operations Total Expenses	2,635,720 350 2,636,070	2,298,242	337,478 350 337,828
Net Change in Fund Equity	(227,833)	109,995	337,828
Cash Fund Equity - Beginning of Year Cash Fund Equity - End of Year	2,699,571 \$ 2,471,738	2,699,571 \$ 2,809,566	\$ 337,828

STATISTICAL SECTION

#### **Statistical Section**

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

<u>Contents</u>	Page(s)
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2 – S7
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	S8 - S13
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S14–S17
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S18-S19
<b>Operating Information</b> These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S20-S23

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

Net Position by Component Accrual Basis of Accounting Last Ten Fiscal Years

	2013	2014	Restated (1) 2015	2016	Restated (2) 2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in										
Capital assets	\$ 68,500,606	\$ 67,365,271	\$ 66,736,815	\$ 67,797,950	\$ 71,280,520	\$ 70,660,770	\$ 67,079,171	\$ 62,872,693	\$ 61,916,012	\$ 61,803,892
Restricted for:										
Capital projects	3,377,216	5,257,973	1,841,871	2,148,752	6,592,223	4,037,105	227,603	214,400	476,671	682,357
Debt service	747,956	803,224	3,994,770	3,726,530	1,162,932	1,370,897	1,337,446	1,411,166	1,350,209	1,388,155
Other purposes	1,257,622	1,270,567	1,156,438	219,890	298,572	347,549	205,957	298,137	495,292	277,353
Recreation	-	-	-	403,637	452,474	458,922	-	-	-	-
Public Safety	-	-	-	509,594	388,716	370,603	360,212	346,459	334,377	314,606
Economic development	449,730	304,469	1,263,245	800,811	250,866	417,541	-	-	-	-
Street paving and repair	1,778,891	2,023,577	2,441,997	2,284,811	1,552,700	1,815,900	2,404,362	3,274,259	2,846,653	2,738,058
Unrestricted	6,066,741	6,952,423	(7,673,180)	(7,147,730)	(28,253,077)	(29,332,329)	(13,580,960)	(10,748,216)	(4,465,023)	317,770
Total net position -										
governmental activities	\$ 82,178,762	\$ 83,977,504	\$ 69,761,956	\$ 70,744,245	\$ 53,725,926	\$ 50,146,958	\$ 58,033,791	\$ 57,668,898	\$ 62,954,191	\$ 67,522,191

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

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

Note: A portion of the 2019 net position was reclassed between restricted and unrestricted. This reclass did not affect the total 2019 net position.

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

Table	2
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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program revenues:										
Charges for services										
General government	\$ 824,690	\$ 694,869	\$ 796,582	\$ 658,301	\$ 898,000	\$ 763,062	\$ 811,501	\$ 697,276	\$ 716,142	\$ 691,363
Security of persons and property	721,429	1,257,395	1,225,940	1,315,914	1,197,804	1,117,801	1,126,189	478,566	496,342	727,301
Public health and welfare	16,966	5,229	190	220	130	310	400	7,895	7,600	7,505
Transportation	9,028	4,266	4,706	3,000	1,000	-	-	-	-	-
Leisure time activities	459,719	312,411	244,830	241,017	311,662	304,216	321,216	140,201	309,428	383,978
Community development	1,357,232	1,350,029	1,477,072	1,395,370	1,435,498	1,470,735	1,421,074	732,272	1,211,413	1,442,018
Public works	-	-	-	-	16,462	3,465	2,880	5,645	5,350	2,900
Total charges for services	3,389,064	3,624,199	3,749,320	3,613,822	3,860,556	3,659,589	3,683,260	2,061,855	2,746,275	3,255,065
Operating grants and contributions						·				
General government	10,292	21,137	37,576	27,842	15,675	-	-	79,906	36,995	15,675
Security of persons and property	119,180	48,522	98,194	77,796	33,690	18,795	17,895	1,445,055	22,768	98,441
Transportation	920,547	897,051	950,483	889,600	890,305	920,560	1,139,018	1,351,860	1,308,870	1,234,200
Leisure time activities	12,000	-	-	-	5,000	6,000	7,822	-	1,750	7,240
Community development	-	3,360	25,744	290,153	-	41,074	217,887	66,232	63,322	38,365
Public works	23,764	24,751	32,358	2,121	44,042	-	-	6,384	6,000	44,042
Total operating grants and contributions	1,085,783	994,821	1,144,355	1,287,512	988,712	986,429	1,382,622	2,949,437	1,439,705	1,437,963
Capital grants and contributions						·				
General government	-	1,420,975	58,288	-	30,140	-	-	14,495	-	14,495
Security of persons and property	-	-	-	-	-	112,602	-	-	-	22,324
Transportation	5,971	95,581	-	-	2,429,074	-	1,352,553	6,840	570,140	17,159
Leisure time activities	-	-	-	-	149,925	-	-	-	50,000	149,925
Community development	-	150,000	-	-	150,000	-	-	-	-	150,000
Public works	59,447	476,965	1,283,315	585,456	291,844	58,988	92,793	90,870	97,241	31,605
Total capital grants and contributions	65,418	2,143,521	1,341,603	585,456	3,050,983	171,590	1,445,346	112,205	717,381	385,508
Total program revenues	4,540,265	6,762,541	6,235,278	5,486,790	7,900,251	4,817,608	6,511,228	5,123,497	4,903,361	5,078,536

Changes in Net Position (continued) Accrual Basis of Accounting Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
General government	4,614,338	4,902,511	4,548,339	4,756,377	4,432,813	4,274,233	6,240,854	5,782,005	3,579,725	4,921,067
Security of persons and property	11,287,480	10,985,542	10,659,035	12,063,794	12,555,307	13,944,020	1,595,353	13,192,497	10,688,331	12,480,768
Public health and welfare	313,017	278,394	230,016	209,629	247,059	148,650	258,849	268,411	253,179	287,474
Transportation	3,083,726	3,210,908	3,081,564	2,946,070	3,610,372	4,656,162	6,004,889	2,920,240	3,075,121	3,676,089
Leisure time activities	2,198,184	2,095,119	1,508,908	1,567,408	1,752,451	3,144,157	3,331,253	3,010,335	2,149,141	1,356,474
Community development	886,092	1,088,706	1,160,879	1,637,055	1,371,587	1,264,341	1,639,970	1,276,111	594,908	1,052,125
Public works	3,230,274	3,218,651	3,080,342	3,228,252	4,130,367	3,141,480	3,537,867	3,584,899	2,680,307	3,361,595
Interest and fiscal charges	264,510	284,964	230,077	238,212	512,537	394,353	365,537	350,480	288,012	220,244
Total primary government expenses	25,877,621	26,064,795	24,499,160	26,646,797	28,612,493	30,967,396	22,974,572	30,384,978	23,308,724	27,355,836
Net (expense)/revenue	(21,337,356)	(19,302,254)	(18,263,882)	(21,160,007)	(20,712,242)	(26,149,788)	(16,463,344)	(25,261,481)	(18,405,363)	(22,277,300)
General revenues										
Property taxes	1,807,889	1,684,574	1,769,793	1,836,353	1,852,018	1,840,585	2,045,673	1,958,089	1,998,643	2,365,016
Municipal income taxes and Other Taxes	18,134,634	18,556,361	19,570,562	19,608,280	19,774,881	19,911,095	21,231,634	19,725,264	20,386,017	22,648,395
Grants and entitlements	-, - ,	- , ,		- , ,	- , ,	- ,- ,	, - ,	- , , -	- , , ,	,,
not restricted to specific programs	615,425	790,071	716,253	618,590	600,624	596,775	713,811	755,228	792,313	933,208
Investment income	2,045	4,746	19,345	62,985	112,037	188,782	204,679	55,954	4,922	65,181
All other revenues	76,097	65,244	1,265	16,088	24,845	33,583	154,380	2,416,548	508,761	833,500
Total general revenues	20,636,090	21,100,996	22,077,218	22,142,296	22,364,405	22,570,820	24,350,177	24,911,083	23,690,656	26,845,300
-										
Change in net position	\$ (701,266)	\$ 1,798,742	\$ 3,813,336	\$ 982,289	\$ 1,652,163	\$ (3,578,968)	\$ 7,886,833	\$ (350,398)	\$ 5,285,293	\$ 4,568,000

#### Fund Balances, Governmental Funds Modified Accrual Basis of Accounting

# Last Ten Fiscal Years

	 2013	 2014	 2015	 2016	2017		2018	 2019	 2020		2021		2022
General fund:													
Nonspendable	\$ 261,923	\$ 273,738	\$ 295,958	\$ 333,786	\$ 236,118	\$	586,826	\$ 601,747	\$ 460,896	\$	510,907	\$	488,456
Committed	1,874,885	1,481,623	1,661,168	1,987,936	2,251,239		2,625,460	2,991,010	3,228,932		3,498,224	3	,380,442
Assigned	266,035	250,794	216,578	2,639,376	404,642		1,457,142	2,319,089	4,462,502		1,934,041		461,055
Unassigned	 3,070,287	 3,375,377	 6,697,552	 4,787,899	 6,028,519		6,109,471	 6,980,856	 8,550,846		8,057,644	11	,351,640
Total general fund	5,473,130	 5,381,532	8,871,256	9,748,997	 8,920,518	_	10,778,899	 12,892,702	 16,703,176	1	4,000,816	15	,681,593
All other governmental													
funds:													
Nonspendable		-	-	-	392		-	-	-		-		-
Restricted	6,967,254	6,231,265	5,247,066	4,026,978	5,307,204		2,989,931	3,507,077	4,329,888		3,844,551	3	,549,935
Committed	4,091,320	4,055,013	3,957,344	4,336,381	4,452,527		4,545,380	4,464,332	5,103,300		8,863,291	8	,051,677
Assigned	859,276	891,596	891,596	1,128,496	1,105,049		1,313,686	1,309,936	1,346,266		1,273,192	1	,301,118
Unassigned (Deficit)	(102,722)	(153,258)	(27,198)	(66,984)	-		(14,709)	-	-		-		-
Total all other								 					
governmental funds	 11,815,128	 11,024,616	 10,068,808	 9,424,871	 10,865,172		8,834,288	 9,281,345	 10,779,454	1	3,981,034	12	,902,730
Total governmental													
funds	\$ 17,288,258	\$ 16,406,148	\$ 18,940,064	\$ 19,173,868	\$ 19,785,690	\$	19,613,187	\$ 22,174,047	\$ 27,482,630	2	7,981,850	28	,584,323

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

P	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:	*		* * * * *			*		*	* * * * * * * *	
Property Taxes	\$ 1,827,212	\$ 1,735,105	\$ 1,777,005	\$ 1,832,246	\$ 1,854,778	\$ 1,842,191	\$ 2,044,841	\$ 1,959,741	\$ 2,019,961	\$ 2,313,901
Income Taxes	17,577,172	18,097,977	19,271,134	19,055,491	19,436,285	19,794,513	20,547,833	19,230,909	20,915,423	21,795,019
Other Taxes	338,001	345,238	344,687	375,180	294,893	354,703	418,621	158,460	112,846	152,297
Intergovernmental	1,861,096	3,952,536	2,969,726	2,177,933	4,243,934	1,593,681	3,580,345	3,595,169	2,838,484	2,625,662
Interest	2,045	4,746	19,345	62,985	112,067	188,782	204,679	55,954	4,922	65,181
Licenses and Permits	739,328	699,901	855,440	751,259	642,082	693,099	769,317	671,324	807,083	804,287
Fines and Forfeitures	268,370	535,859	851,371	715,504	707,177	529,567	666,224	425,554	461,764	555,684
Rentals	3,850	1,650	87,998	90,176	53,299	50,090	50,165	12,741	61,906	57,552
Charges for Services	1,785,589	1,773,668	1,688,949	1,662,569	1,763,713	2,352,928	2,223,894	971,562	1,251,271	1,716,582
Contributions and Donations	91,648	72,075	35,724	38,735	1,825	5,215	6,369	850	52,010	54,855
Special Assessments	85,512	82,455	82,987	63,354	60,216	40,652	77,808	64,438	53,333	75,513
All Other Revenues	722,235	443,236	472,446	676,328	646,469	30,229	150,834	2,415,695	395,655	631,121
Total Revenues	25,302,058	27,744,446	28,456,812	27,501,760	29,816,738	27,475,650	30,740,930	29,562,397	28,974,658	30,847,654
Expenditures: Current:										
Security of persons and property	11,017,683	10,799,690	10,162,731	10,775,343	11,049,682	11,221,844	11,807,686	11,601,531	11,964,308	12,639,567
Public health and welfare	307,431	272,808	218,934	203,908	234,788	140,349	245,871	256,615	265,632	284,539
Leisure time activities	1,878,129	1,841,553	1,196,974	1,264,030	1,266,269	1,296,096	1,325,445	1,194,040	1,311,315	1,370,854
Community development	895,478	1,372,890	1,149,580	1,673,383	1,218,055	1,187,445	1,349,657	1,168,998	1,091,983	1,359,090
Public works	2,456,099	2,795,928	2,275,222	2,492,120	2,391,617	1,727,642	2,082,317	2,451,103	2,327,758	2,602,255
Transportation	2,427,129	1,250,950	1,212,767	1,310,713	1,903,259	2,391,326	2,109,374	810,352	1,036,792	1,090,751
General government	6,957,185	5,589,126	4,546,852	4,624,175	3,747,761	3,717,179	3,804,306	4,637,550	5,265,110	5,787,898
Capital Outlay	1,270,804	3,985,506	5,578,459	4,146,644	12,707,301	4,139,254	4,482,252	1,152,338	4,364,270	3,994,675
Debt Service:										
Principal retirement	398,374	608,374	764,579	541,847	1,372,623	1,469,126	1,227,395	873,046	898,549	1,305,607
Interest and fiscal charges	84,467	314,141	282,883	257,212	350,414	428,968	399,714	373,725	276,795	244,903
Bond issuance costs	115,166	-	-	-	160,098	-	-	-	44,000	-
Total expenditures	27,807,945	28,830,966	27,388,981	27,289,375	36,401,867	27,719,229	28,834,017	24,519,298	28,846,512	30,680,139
Excess of revenues over										
(under) expenditures	(2,505,887)	(1,086,520)	1,067,831	212,385	(6,585,129)	(243,579)	1,906,913	5,043,099	128,146	167,515

Changes in Fund Balances, Governmental Funds (continued) Modified Accrual Basis of Accounting Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other financing sources (uses):										
Refunding Bonds Issued	-	-	-	-	-	-	-	-	3,580,000	-
General Obligation Bond issued	5,520,000	-	-	-	4,980,000	-	-	-	-	-
OPWC loans issued	-	-	1,429,520	19,611	-	-	106,689	21,312	-	-
Premium on Debt issuance	253,973	-	-	-	219,628	-	-	-	-	-
Capital leases	-	150,879	-	-	1,997,323	-	-	227,615	683,698	434,958
Payment to Refunded Bond Escrow	-	-	-	-	-	-	-	-	(3,896,274)	-
Sale of capital assets	14,216	53,531	36,565	1,808	-	71,076	547,258	16,557	3,650	-
Transfers in	2,817,504	2,010,532	3,726,485	3,757,891	5,227,068	3,399,560	4,024,323	2,396,439	6,577,997	2,408,171
Transfers out	(2,817,504)	(2,010,532)	(3,726,485)	(3,757,891)	(5,227,068)	(3,399,560)	(4,024,323)	(2,396,439)	(6,577,997)	(2,408,171)
Total other financing										
sources (uses)	5,788,189	204,410	1,466,085	21,419	7,196,951	71,076	653,947	265,484	371,074	434,958
Net change in										
fund balances	\$ 3,282,302	\$ (882,110)	\$ 2,533,916	\$ 233,804	\$ 611,822	\$ (172,503)	\$ 2,560,860	\$ 5,308,583	\$ 499,220	\$ 602,473
Debt service as a percentage of noncapital expenditures	1.97%	3.73%	4.77%	3.39%	6.48%	7.65%	6.14%	5.62%	4.67%	5.74%

Assessed Valuations and Estimated True Values Last Ten Fiscal Years

			Tangible Personal Property					То	otal			
Collection Year	Assesso Residential/ Agricultural	ed Value Commercial Industrial/PU	Estimated Actual Value	As	Assessed Value Public Utility		Estimated Actual Value		Assessed Value	Estimated Actual Value	Ratio	Direct Tax Rate
2013	\$ 256,589,630	\$ 153,158,610	\$ 1,170,709,257	\$	10,334,750	\$	11,744,034	\$	420,082,990	\$ 1,182,453,291	35.53	4.75
2014	256,527,620	153,604,430	1,171,805,857		11,308,840		12,850,955		421,440,890	1,184,656,812	35.57	4.75
2015	256,334,940	149,203,660	1,158,681,714		11,718,840		13,316,864		417,257,440	1,171,998,578	35.60	4.75
2016	250,842,440	146,587,480	1,135,514,057		11,850,930		13,466,966		409,280,850	1,148,981,023	35.62	4.75
2017	250,821,870	147,770,180	1,138,834,429		12,450,870		14,148,716		411,042,920	1,152,983,144	35.65	4.75
2018	250,684,950	150,127,270	1,145,177,771		13,387,250		15,212,784		414,199,470	1,160,390,556	35.69	4.75
2019	280,925,310	156,441,670	1,249,619,943		13,748,880		15,623,727		451,115,860	1,265,243,670	35.65	4.75
2020	280,960,650	156,732,310	1,250,551,314		14,539,530		16,522,193		452,232,490	1,267,073,507	35.69	4.75
2021	280,755,490	156,331,170	1,248,819,029		15,265,040		17,346,636		452,351,700	1,266,165,665	35.73	4.75
2022	351,141,240	174,519,600	1,501,888,114		15,920,100		18,091,023		541,580,940	1,519,979,137	35.63	4.75

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories.

Source: Cuyahoga County Fiscal Office

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

	City of Brook Park							olaris	Cu	yahoga	Spe	cial (1)		
Collection Year	Gener Func	al	Sp	ecial inds	Т	Total Levy	rea City ol District		cational chool	С	ounty nissioners	Та	axing stricts	Total ax Levy
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
2019	3	.85		0.90		4.75	82.20		3.09		14.05		9.88	113.97
2020	3	.85		0.90		4.75	82.10		3.09		14.05		10.28	114.27
2021	3	.85		0.90		4.75	81.90		3.09		14.85		11.28	115.87
2022	3	.85		0.90		4.75	81.90		3.09		14.85		11.28	115.87

Table 6

Source: Cuyahoga County Fiscal Officer

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

#### **City of Brook Park, Ohio** Real Property Tax Levies And Collections

#### Last Ten Years

Table 7a

Year	Current Tax Levy	Current Collections	Percentage of Current Collections To Current Levy	Prior Year Collections	Total Collections (1)	Percentage of Total Collections To Current Levy
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%
2019	2,121,392	2,077,312	98%	57,431	2,134,743	101%
2020	2,125,152	2,063,802	97%	54,426	2,118,228	100%
2021	2,134,456	2,097,371	98%	50,534	2,147,905	101%
2022	2,524,134	2,430,068	96%	59,437	2,489,505	99%

#### 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.

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
2013	-	-	0%	67	67	0%
2014	-	-	0%	-	-	0%
2015	-	-	0%	-	-	0%
2016	-	-	0%	-	-	0%
2017	-	-	0%	-	-	0%
2018	-	-	0%	-	-	0%
2019	-	-	0%	-	-	0%
2020	-	-	0%	-	-	0%
2021	-	-	0%	-	-	0%
2022	-	-	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.

Principal Taxpayers - Real Estate Tax 2020 and 2012

	December	31, 2020
		Percent of
	Assessed	Total Assessed
Name of Taxpayer	Value (1)(2)	Value
Cleveland Electric Illuminating Company	\$ 11,249,660	2.49%
Ford Motor CO.	10,105,640	2.239
Deep Discount Properties LLC	10,062,020	2.229
CP-Snow Prop, LLC	5,986,900	1.329
Laich, Walter	4,662,000	1.039
Techpark Ltd Partnership	4,187,830	0.939
Brook Park Station, LLC	3,541,690	0.789
CP-Cleveland ADC LLC Chavez Urban	3,500,010	0.779
GG Sharon City 1994 Limited System	3,255,920	0.729
Amercian Transmission System	2,699,190	0.609
Total	\$ 59,250,860	13.099
	December	31, 2012
		21 2012
		Percent of
	Assessed	Total Assessed
Name of Taxpayer	Value (1)	Value
M.W.P. Company	\$ 10,594,430	2.249
Ford Motor Company	9,938,845	2.109
Cleveland Electric Illuminating	9,364,915	1.989
Tech Park Limited Partnership	8,267,280	1.759
CP-Snow Prop, LLC	4,732,035	1.009
Laich, Walter	4,655,000	0.989
CP-Cleveland ADC, LLC	4,413,710	0.939
Brookgate Associates, LLC	4,292,365	0.919
Holland Gardens Delaware, LLC	3,634,260	0.779
Tolland Galdelis Delawale, LLC	3,549,000	0.759
Brook Park Station, LLC	5,549,000	01707
	\$ 63,441,840	11.179

#### Source: Cuyahoga County Fiscal Officer

- (1) Excludes Public Utilities
- (2) This is most recent information available

Municipal Income Tax Revenues By Source Modified Accrual Basis of Accounting Last Ten Years

Table 9

Withheld Year	Individual Tax	Municipal Direct Tax	Business Direct Tax	Income Tax Collections
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
2019	17,811,207	876,837	2,124,969	20,813,013
2020	16,671,626	771,557	1,787,726	19,230,909
2021	17,682,073	782,194	2,451,156	20,915,423
2022	17,910,750	844,196	3,040,073	21,795,019

**Source:** City Financial Records

Ratio of Outstanding Debt to Total Personal Income and Debt per Capita Last Ten Years

		Governmen	ntal Activities				
Fiscal Year	General Obligation Bonds (1)	General Obligation Notes (1)	OPWC Loans	Lease Purchase Agreements	Total	Percentage of Personal Income	Per Capita
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
2019	10,120,959	-	2,388,169	540,565	13,049,693	2.84%	679
2020	9,503,807	-	2,305,408	589,207	12,398,422	2.70%	645
2021	8,870,811	-	2,057,820	961,944	11,890,575	2.32%	639
2022	8,152,135	-	1,875,589	968,526	10,996,250	2.15%	591

(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, \$443,474 of the total outstanding at December 31, 2022 will be reimbursed by the City of Cleveland.

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

Y	Tear	Bon	Gross Ided Debt (1)	R R	cumulated esources estricted For epayment	Net General Bonded Debt	 Assessed Value (3)	Popula	ation (2)	Bondeo	of Net 1 Debt to ed Value	Debt _per Cap	
2	013	\$	7,977,641	\$	(730,029)	\$ 7,247,612	\$ 420,082,990		19,212		1.73%	\$ 377.2	24
2	014		7,456,470		(747,956)	6,708,514	421,440,890		19,212		1.59%	349.1	18
2	015		7,060,299		(803,224)	6,257,075	417,257,440		19,212		1.50%	325.6	59
2	016		6,654,127		(3,994,770)	2,659,357	409,280,850		19,212		0.65%	138.4	42
2	017		11,340,263		(3,726,530)	7,613,733	411,042,920		19,212		1.85%	396.3	30
2	018		10,718,111		(1,162,932)	9,555,179	414,199,470		19,212		2.31%	497.3	35
2	019		10,120,959		(1,370,897)	8,750,062	451,115,860		19,212		1.94%	455.4	45
2	020		9,503,807		(1,337,446)	8,166,361	452,232,490		19,212		1.81%	425.0	)7
2	021		8,870,811		(1,350,209)	7,520,602	452,351,700		18,595 (4	4)	1.66%	404.4	14
2	022		8,152,135		(1,388,155)	6,763,980	541,580,940		18,595 (4	4)	1.25%	363.7	75

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

(2) Source: 2010 U.S. Census

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

(4) Source: 2020 U.S. Census

Computation of Direct and Overlapping Debt **December 31, 2022** 

Jurisdiction	(	Net Debt Dutstanding	(1) Percentage Applicable to City of Brook Park	 Amount icable to City Brook Park
Direct Debt:				
City of Brook Park (2) General Obligation Bonds OPWC Loan	\$	8,870,811 2,057,820	100.00% 100.00%	\$ 8,870,811 2,057,820
Capital Leases		961,944	100.00%	961,944
Total Direct Debt		11,890,575		11,890,575
Overlapping Debt:				
Berea City School District		106,649,500	30.75%	32,790,177
Cleveland City School District		210,971,176	0.44%	927,306
Cuyahoga County		240,795,000	1.56%	3,752,565
Cuyahoga Community College		189,980,000	1.56%	 2,960,660
Total Overlapping Debt		748,395,676		 40,430,708
Total	\$	760,286,251		\$ 52,321,283

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.

# Legal Debt Margin Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed Valuation	\$ 420,082,990	\$ 421,440,890	\$ 417,257,440	\$ 409,280,850	\$ 411,042,920	\$ 414,199,470	\$ 451,115,860	\$ 452,232,490	\$ 452,351,700	\$ 541,580,940
Overall debt limit - 10.5%										
of assessed value	44,108,714	44,251,293	43,812,031	42,974,489	43,159,507	43,490,944	47,367,165	47,484,411	47,496,929	56,865,999
Gross indebtedness	9,692,164	9,067,619	9,981,436	9,443,028	13,973,404	13,175,421	12,509,128	11,809,215	10,928,631	10,027,724
Less: debt outside limitation	(1,013,652)	(950,299)	(886,946)	(823,593)	(760,240)	(696,887)	(633,534)	(601,857)	(538,504)	(443,474)
Less: amount available in										
debt service fund	(1,901,974)	(1,872,159)	(1,805,318)	(2,111,431)	(1,895,640)	(2,020,619)	(1,971,913)	(1,983,636)	(1,301,847)	(1,790,653)
Net debt within										
10.5% limit	6,776,538	6,245,161	7,289,172	6,508,004	11,317,524	10,457,915	9,903,681	9,223,722	9,088,280	7,793,597
Legal Debt Margin	\$ 37,332,176	\$ 38,006,132	\$ 36,522,859	\$ 36,466,485	\$ 31,841,983	\$ 33,033,029	\$ 37,463,484	\$ 38,260,689	\$ 38,408,649	\$ 49,072,402
Debt Limit - 5.5% of assessed										
unvoted value	\$ 23,104,564	\$ 23,179,249	\$ 22,949,159	\$ 22,510,447	\$ 22,607,361	\$ 22,780,971	24,811,372	24,872,787	24,879,344	29,786,952
Gross indebtedness authorized										
by council:	4,297,897	9,067,619	9,981,436	9,443,028	13,973,404	13,175,421	12,509,128	11,809,215	10,928,631	10,027,724
Less: debt outside limitation	(1,013,652)	(950,299)	(886,946)	(823,593)	(760,240)	(696,887)	(633,534)	(601,857)	(538,504)	(443,474)
Less: amount available in										
debt service fund	(1,901,974)	(1,872,159)	(1,805,318)	(2,111,431)	(1,895,640)	(2,020,619)	(1,971,913)	(1,983,636)	(1,301,847)	(1,790,653)
Net debt within										
5.5% limit	1,382,271	6,245,161	7,289,172	6,508,004	11,317,524	10,457,915	9,903,681	9,223,722	9,088,280	7,793,597
Unvoted debt margin	\$ 21,722,293	\$ 16,934,088	\$ 15,659,987	\$ 16,002,443	\$ 11,289,837	\$ 12,323,056	\$ 14,907,691	\$ 15,649,065	\$ 15,791,064	\$ 21,993,355

Source: Cuyahoga County Fiscal Officer and City Financial Records

#### City of Brook Park, Ohio Principal Employers Current Year and 2012

	20	122
Employer	Employees	Percentage of
Ford Motor Company	1,875	8.23%
Department of the Interior	1,647	7.23%
Marc Glassman Inc.	591	2.60%
Global Technical Recruiters	481	2.11%
Group Management SVCS Inc	456	2.00%
Minute Men Inc	426	1.87%
Unicare Life & Health Ins	328	1.44%
Vesuvius USA Corp	321	1.41%
East Park Operations LLC	294	1.29%
City of Brook Park	276	1.21%
Total	6,795	29.39%
I otal	0,795	27.5710
Total City Employment	22,769	100.00%
	22,769	
	22,769	100.00%
Total City Employment	22,769	100.00%
Total City Employment Employer Department of the Interior	22,769 20 Employees	100.00% 013 Percentage of
Total City Employment	22,769 20 Employees 1,707	100.00% 013 Percentage of 8.07%
Total City Employment <u>Employer</u> Department of the Interior Ford Motor Company	22,769 20 Employees 1,707 1,154	100.00% 113 Percentage of 8.07% 5.45%
Total City Employment <u>Employer</u> Department of the Interior Ford Motor Company Marc Glassman Inc.	22,769 20 Employees 1,707 1,154 533	100.00% 013 Percentage of 8.07% 5.45% 2.52%
Total City Employment <u>Employer</u> Department of the Interior Ford Motor Company Marc Glassman Inc. Central Transport, LLC	22,769 20 Employees 1,707 1,154 533 395	100.00% 013 Percentage of 8.07% 5.45% 2.52% 1.87%
Total City Employment <u>Employer</u> Department of the Interior Ford Motor Company Marc Glassman Inc. Central Transport, LLC City of Brook Park	22,769 20 Employees 1,707 1,154 533 395 377	100.00% Percentage of 8.07% 5.45% 2.52% 1.87% 1.78%
Total City Employment         Employer         Department of the Interior         Ford Motor Company         Marc Glassman Inc.         Central Transport, LLC         City of Brook Park         Berea City School District	22,769 20 Employees 1,707 1,154 533 395 377 338	100.00% Percentage of 8.07% 5.45% 2.52% 1.87% 1.78% 1.60%
Total City EmploymentEmployerDepartment of the InteriorFord Motor CompanyMarc Glassman Inc.Central Transport, LLCCity of Brook ParkBerea City School DistrictVesuvius USA Corp	22,769 20 Employees 1,707 1,154 533 395 377 338 257	100.00% Percentage of 8.07% 5.45% 2.52% 1.87% 1.78% 1.60% 1.21%
Total City Employment         Employer         Department of the Interior         Ford Motor Company         Marc Glassman Inc.         Central Transport, LLC         City of Brook Park         Berea City School District         Vesuvius USA Corp         Credit First National	22,769 20 Employees 1,707 1,154 533 395 377 338 257 265	100.00% Percentage of 8.07% 5.45% 2.52% 1.87% 1.78% 1.60% 1.21% 1.25%
Total City Employment <u>Employer</u> Department of the Interior Ford Motor Company Marc Glassman Inc. Central Transport, LLC City of Brook Park Berea City School District Vesuvius USA Corp Credit First National Lakefront Lines, Inc.	22,769 20 Employees 1,707 1,154 533 395 377 338 257 265 265 265	100.00% Percentage of 8.07% 5.45% 2.52% 1.87% 1.78% 1.60% 1.21% 1.25%

\_\_\_\_\_

**Source:** City Income Tax Department.

Demographic and Economic Statistics

## Last Ten Years

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)
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%
2019	19,212	459,704,736	23,928	53,264	43.8	5,817	3.6%
2020	19,212	459,704,736	23,928	53,264	43.8	5,725	6.8%
2021(5)	18,595	512,106,300	27,540	56,302	43.9	5,366	4.9%
2022(5)	18,595	512,106,300	27,540	56,302	43.9	5,049	3.5%

(1) Source: 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

(5) Source: 2020 U.S. Census

Full Time Employees by Function/Program Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function/program:										
General government:										
Council	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	1.00
Finance	4.00	4.00	4.00	4.00	4.00	5.00	5.00	4.00	4.00	4.00
Tax	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Law	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	3.00	3.00
Mayor's office	3.00	2.00	2.00	3.00	3.00	3.50	3.50	3.50	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	0.50
Clerk of courts	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.50
Security of persons and property:										
Safety department	11.00	8.00	6.00	6.00	3.00	3.00	3.00	2.00	2.00	3.00
Animal warden	1.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Police	41.00	38.00	36.00	36.00	36.00	35.00	34.00	37.00	37.00	37.00
Police administration	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00
Property maintenance	4.00	4.00	3.00	3.00	4.00	4.00	4.00	3.00	3.00	3.00
Fire	36.00	33.00	30.00	30.00	30.00	30.00	31.00	29.00	30.00	31.00
Fire administration	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00
Public health and welfare:										
Office of aging	-	-	-	-	-	1.50	1.50	1.00	1.00	1.00
Leisure time activities:										
Recreation	6.00	7.00	6.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00
Community development:										
Building	4.00	5.00	5.00	5.00	5.50	5.00	5.00	5.00	5.00	5.50
Economic development	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Transportation:										
Service	36.00	39.00	31.00	36.00	36.00	33.00	30.00	30.00	31.00	34.00
	50.00	39.00	51.00	50.00	50.00	33.00	50.00	50.00	51.00	54.00
Public works:										
Service	3.00	1.00	1.00	1.00	1.00	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	159.00	153.00	136.00	141.00	140.50	141.00	138.00	136.00	137.50	143.50

Table 16

#### Source: City Payroll Records

# **City of Brook Park, Ohio** Operating Indicators by Function/Program **Last Ten Years**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function/program: General government: Council and clerk Number of ordinances passed Number of resolutions passed	55 27	75 24	44 26	67 37	40 29	43 39	81 39	44	55 21	69 32
Finance department: Number of checks/vouchers issued										
(excluding payroll)	4,444	4,260	3,893	3,617	3,282	3,124	3,031	2,857	2,811	3,531
Number of purchase orders issued	1,226	1,151	1,035	1,037	995	966	909	830	831	918
Number of W-2 forms issued	377	374	322	302	276	272	279	233	267	276
City W-2 wages (in millions)	12 AA-	12 AA-	12 AA-	11 AA-	12 AA-	12 AA-	12 AA-	12 AA-	12 AA-	12 AA-
Agency ratings - Fitch	AA-									
Income tax department:										
Number of individual returns	9,970	9,984	10,085	10,473	10,398	10,358	10,126	9,609	10,016	9,111
Number of business returns Number of business withholding	1,779	1,810	1,922	1,820	1,800	1,800	1,867	1,922	1,751	1,828
accounts	1,480	1,554	1,568	1,553	1,581	1,604	1,600	1,634	1,664	1,748
Civil service:										
Number of exams given	5	2	1	2	1	3	4	-	2	5
Building department										
Number of permits issued	1,408	1,392	1,510	1,309	1,314	1,320	1,381	1,434	1317	1,401
Security of persons and property: Police:										
Number of traffic citations issued	2,338	4,900	7,959	5,886	6,258	3,766	4,954	2,058	2712	3,413
Number of parking citations issued	1,619	1,850	2,279	2,257	2,479	2,335	2,710	1,878	1143	980
Number of criminal arrests	731	684	707	487	646	537	463	189	361	408
Animal warden service calls										
responded to per annual report	1,209	1,171	1,095	1,177	1,244	1,326	1,408	812	1132	871

Operating Indicators by Function/Program (continued) Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Security of persons and property:	2013	2014	2013	2010	2017	2018	2019		2021	2022
Fire:	2 2 2 4	2 5 40	2.572	2 (2)	2 001	0.57	2.545	0.055	20.42	2 1 1 5
EMS calls Fire and fire-related calls	2,204 423	2,549 429	2,572 446	2,639 440	2,901 576	2,573 607	2,747 646	<i>j</i> ·	3043 717	3,117 735
Hydrants tested	423	429	1,206	1,206	1,206	1,206			1206	1,206
•	1,230	1,149	1,200	1,200	1,200	1,200	1,100	1,200	1200	1,200
Leisure time activities: Recreation:										
Number of memberships	2,153	2,653	3,100	3,187	2,767	1,348	1,794	1,767	1,829	2,283
Community development: Parking fees collected due to										
Economic development dept.	\$ 968,732	\$ 965,031	\$ 985,439	\$985,758	\$ 987,855	\$ 991,597	\$ 981,453	\$ 419,736	\$ 494,769	\$842,986
Public works:										
Refuse disposal per year (tons)	7,129	7,423	9,483	9,734	8,840	10,502	9,083	9,842	9,593	9,276
Refuse disposal costs per year	\$ 272,325	\$ 298,457	\$ 340,659	\$ 357,231	\$ 429,612	\$ 469,575	\$ 459,222	\$ 584,815	\$ 569,007	\$577,911
Percentage of waste recycled	10.42%	15.44%	10.00%	12.79%	10.11%	10.389	<i>i</i> o			8.09%
Transportation:										
Snowfall in inches	68.10	64.60	60.00	68.00	68.1	30.7	40.0	27.4	53.2	74
Cost of salt purchased	\$ 167,207	\$ 188,632	\$ 213,392	\$ 201,121	\$ 88,532	\$ 197,521	\$ 246,980	\$ 159,646	\$ 136,831	\$112,615
Asphalt used in road maintenance										
(tons)	336	211	283	173	130	203	206	127	143	349
Concrete used in road maintenance										
(yards)	290	161	202	261	245	90			151	211
Number of trees removed	213	109	84	183	-	85	98	94	94	104
Number of trees planted	100	-	-	-	-	-	-	-		160
Senior citizen driveway plowing	1.1.40									
participants	1,149	-	-	-	-	-	-	-		-

**Table 17** 

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

Capital Assets Statistics by Function/Program Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function/program:	2013	2014	2013	2010	2017	2018	2019	2020	2021	2022
General government:										
City Hall square footage	16,880	16,880	16,880	16,880	16,880	5,600	5,600	5,600	5,600	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	16072	16072	16072	16,072	16072
Number of vehicles	34	30	30	33	30	35	35	35	35	35
Number of street lights	2,565	2,565	2,565	2,565	2,565	2565	2565	2565	2,565	2565
Number of traffic lights	44	44	44	44	44	44	44	44	44	44
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Square footage of station	16,072	16,072	16,072	16,072	16,072	16072	16072	16072	16,072	16072
Square footage of station - Ruple	3,807	3,807	3,807	3,807	3,807	3807	3807	3807	3,807	3807
Number of Vehicles	13	14	14	14	14	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	75	75	77	77	77	77	77

Table 18

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

## CITY OF BROOK PARK CUYAHOGA COUNTY, OHIO

## AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

Zupka & Associates

**Certified Public Accountants** 

#### CITY OF BROOK PARK CUYAHOGA COUNTY, OHIO AUDIT REPORT FOR THE YEAR ENDED DECEMBER 31, 2022

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#### INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

City of Brook Park Cuyahoga County 6161 Engle Road Brook Park, Ohio 44142

To the Members of City Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brook Park, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 15, 2023.

#### **Report on Internal Control Over Financial Reporting**

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

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

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

City of Brook Park Cuyahoga County Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards Page 2

#### **Report on Compliance and Other Matters**

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

#### **Purpose of This Report**

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

reptor & associates

Zupka & Associates Certified Public Accountants

June 15, 2023

#### CITY OF BROOK PARK CUYAHOGA COUNTY, OHIO SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS DECEMBER 31, 2022

The prior issued audit report, as of December 31, 2021, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.