



2020 ANNUAL REPORT

CITY OF BROOKPARK, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

City of Brook Park, Ohio

**Comprehensive Annual Financial Report
For the Year Ended December 31, 2020**

**Issued by: Finance Department
Gregory M. Cingle, CPA, Finance Director
Martin S. Healy, Assistant Finance Director**

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INTRODUCTORY SECTION

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City of Brook Park

Finance Department

Gregory M. Cingle
Finance Director

Martin S. Healy
Assistant Finance Director

June 3, 2021

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the city of Brook Park (City) for the fiscal year ended December 31, 2020.

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

The City's financial statements have been audited by James G. Zupka, C.P.A., Inc. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2020, 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, 2020, 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.

City of Brook Park, Ohio

Comprehensive Annual Financial Report For the Year Ended December 31, 2020

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Profile of the Government

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

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

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

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

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

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

Factors Affecting Financial Condition

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

- The 2020 calendar year realized employment losses of over 9.3 million jobs, which marked the worst year for job losses since 1939.
- The Federal Reserve decreased the federal funds rate twice in 2020, from 1.50% to 0.00%.
- The major market indexes had an extremely volatile year in 2020 due to COVID-19; however, all realized positive gains for 2020.

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

- Work continues with the cities of Cleveland, Parma, Berea, North Olmsted, Middleburg Hts. and Olmsted Falls to create an Aerozone centered around Cleveland Hopkins Airport. The goal of the project is to enhance and generate new economic activity within designated areas of each of the said communities.
- The City is working closely with Ford Motor Company with respect to approximately 195 acres of unused industrial land and several buildings located at Ford Motor Company's location in the City of Brook Park for redevelopment as an advanced technological or manufacturing center.
- Classic Auto Group is building a new Nissan auto dealership to be located at 13930 Brookpark Rd. The location will employ approximately 55 employees.
- The City is currently in discussions with the Glimcher Group, owners of Brook Gate Shopping Center, for the arrival of a new full service, family friendly restaurant. Estimated employment is 40 jobs.
- E.L. Mustee, a long time plumbing fixture manufacturer, finalized building a 46,753 square foot, \$2.2 million distribution facility on West 161st Street, creating 12 new jobs.

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

Retention Activity:

- Ford Motor Company continues to invest in upgrades to its Cleveland Engine Plant in Brook Park. Engine Plant No. 1 continues production of Ford's 2.0-liter, 4 and 6-cylinder Eco-Boost engines.
- NASA Glenn ("Glenn"): The United States federal budget included \$600 million for programs and a new building at Glenn. The new \$33.8 million Aerospace Communications Facility will be located on the western side of the Center's 350-acre headquarters in Brook Park. The facility will consolidate existing work. The site will employ approximately 2,680 individuals.

IV. Redevelopment Planning.

- The City has taken title to two (2) former public school properties with a total of 27.72 acres and 167,895 sq.ft. of building area, that is available for purchase and development
- The City continues to utilize the Master Plan that was finalized in 2012. The Master Plan assists in providing ideas for redevelopment, land use and zoning updates throughout the community.
- Brook Park currently owns 23.5 acres in the Opportunity Zone that is available for purchase and development

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

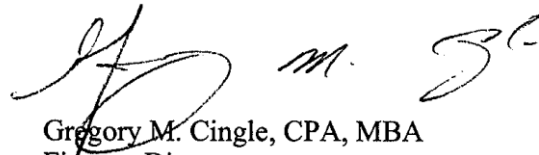
Certificate of Achievement. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended December 31, 2019. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

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

The Certificate of Achievement is valid for a period of only one year. The City has received a Certificate of Achievement for the last 28 years. We believe that our current CAFR continues to meet the requirements for the Certificate of Achievement, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Gregory M. Cingle, CPA, MBA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Brook Park
Ohio**

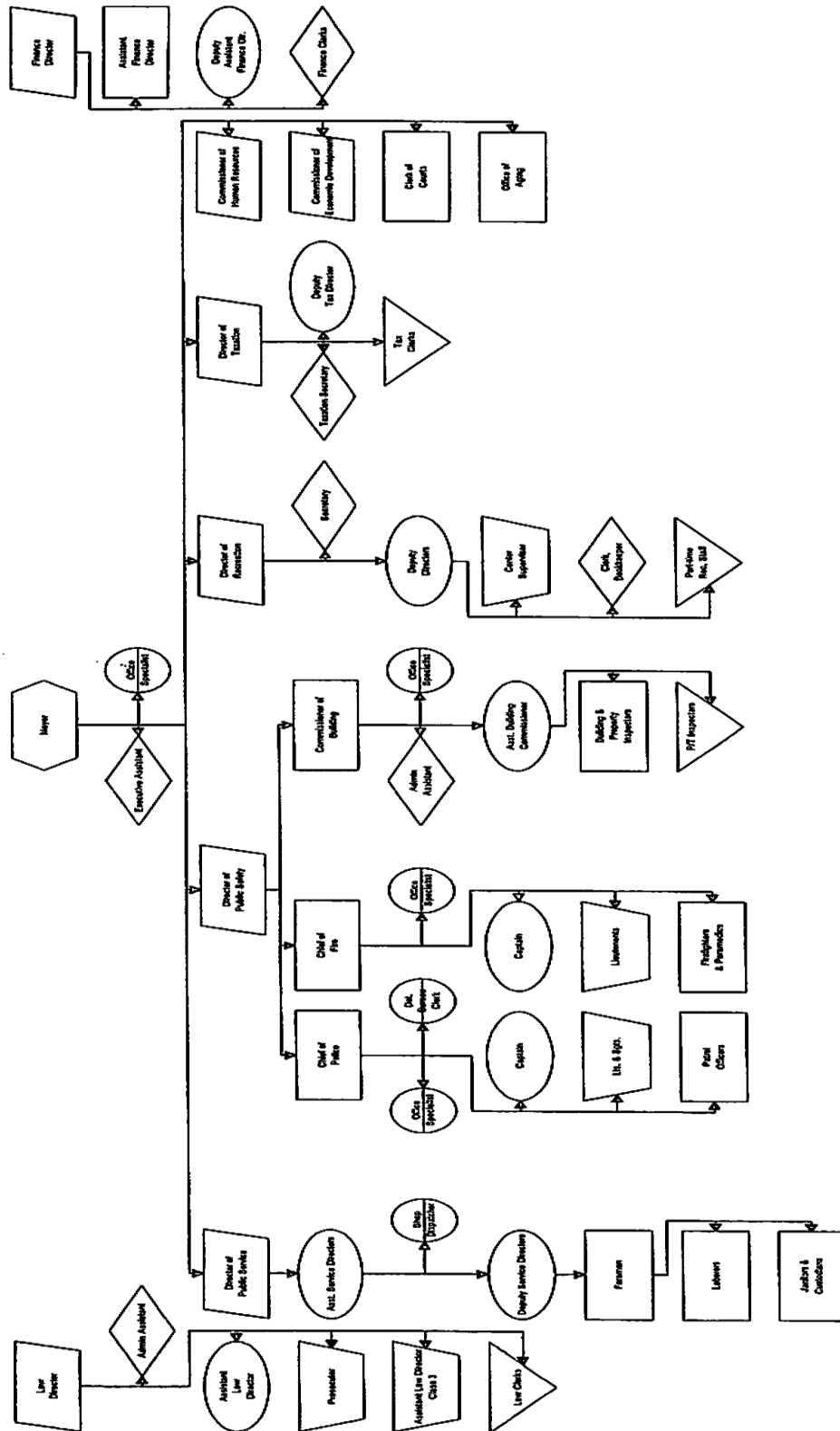
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

City of Brook Park Administration



City of Brook Park, Ohio

Elected Officials

December 31, 2020

Mayor	Michael D. Gammella
Council Member – President	Mike Vecchio
Council Member – At-Large	Lisa Schmuck
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	Edward Orcutt
Council Member – Ward 4	Richard D. Scott
Finance Director	Gregory M. Cingle
Law Director	Carol Horvath

FINANCIAL SECTION

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

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

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

The Honorable Keith Faber
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brook Park, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brook Park as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 20 to the basic financial statements, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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

June 3, 2021

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City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2020

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, 2020. 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 2020 are:

- Revenue from municipal income and other taxes totaled \$19,725,264.
- Total assets and deferred outflows of resources decreased by \$3,972,272 or a 3.27 percent decrease from 2019. This decrease was attributed mainly to deferred outflows of resources for pension and a decrease in capital assets, net due to the depreciation of capital assets.
- Total net position decreased by \$364,893 or a 0.63 percent from 2019.
- Total liabilities and deferred inflows of resources decreased by \$3,607,379. This was a 5.68 percent decrease from 2019. This is mainly attributed to a decrease of \$7,860,801 in net pension liability.
- At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$27,482,630 an increase of \$5,308,583 in comparison with the prior year's amount. Approximately 31.11 percent of this total amount, or \$8,550,846, 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 \$8,550,846 or 47.60 percent of General Fund expenditures (not including other financing uses).

Using This Comprehensive Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the City both financially and operationally. The statements proceed to provide an increasingly detailed look at our specific financial condition.

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

City of Brook Park, Ohio

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

For the Year Ended December 31, 2020

Reporting the City of Brook Park as a Whole

Statement of Net Position and Statement of Activities

While the Comprehensive Annual 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 2020?" 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 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, 2020

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 22 individual governmental funds. Information is presented separately in the *Governmental Funds Balance Sheet* and in the *Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances* for the General Fund and Capital Improvements Fund. Data from the other governmental funds are combined into single, aggregated presentations. Individual fund data for each of these nonmajor governmental funds is provided in this Comprehensive Annual 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 24.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government and are not reflected in the government-wide financial statements because resources are not available to support the City's own programs. The City has only 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 29.

City of Brook Park, Ohio

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

For the Year Ended December 31, 2020

Other information

In addition to the basic financial statements and the accompanying notes, this Comprehensive Annual 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 86.

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 2020 as compared to 2019.

Table 1
Net Position

	2020	2019
ASSETS		
Current and other assets	\$ 35,763,652	\$ 29,914,180
Net pension asset	39,755	21,497
Capital assets, net	74,669,258	79,495,330
Total Assets	110,472,665	109,431,007
DEFERRED OUTFLOWS OF RESOURCES		
Pension	4,099,984	9,616,096
OPEB	2,951,669	2,449,487
Total Deferred Outflows of Resources	7,051,653	12,065,583
LIABILITIES		
Current and other liabilities	1,046,512	944,062
Long-term liabilities:		
Due within one year	1,639,210	1,420,373
Due in more than one year		
Net Pension Liability	26,100,928	33,961,729
Net OPEB Liability	9,438,933	9,126,324
Other amounts	13,294,852	14,180,460
Total Liabilities	51,520,435	59,632,948
DEFERRED INFLOWS OF RESOURCES		
Property taxes	1,829,407	1,844,827
Pension	4,452,944	896,189
OPEB	2,052,634	1,088,835
Total Deferred Inflows of Resources	8,334,985	3,829,851
NET POSITION		
Net investment in capital assets	62,872,693	67,079,171
Restricted	5,544,421	4,535,580
Unrestricted	(10,748,216)	(13,580,960)
Total Net Position	\$ 57,668,898	\$ 58,033,791

City of Brook Park, Ohio

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

For the Year Ended December 31, 2020

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2020 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 and net pension 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, 2020

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 2020 by \$57,668,898. Due to the recording of GASB 68 and GASB 75, the City's unrestricted net position was a negative \$10,748,216.

The largest portion of the City's total net position reflects its net investment in capital assets, i.e. land, buildings, machinery, equipment, vehicles and infrastructure, less any related outstanding debt used to acquire those assets along with related deferred outflows/inflows of resources. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt and related deferred outflows/inflows of resources, it should be noted that resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate those liabilities and related deferred inflows of resources.

Total assets increased by \$1,041,658 during the current year. This increase was largely attributed to current and other assets increased due to a larger cash and cash equivalents balance at year-end. Due to COVID-19, the City was conservative in their spending measures coupled with CARES Act money resulted in an increased cash balance.

Total liabilities decreased by \$8,112,513, 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.

City of Brook Park, Ohio

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

For the Year Ended December 31, 2020

Table 2
Net Position without GASB 68 and GASB 75

Total Net Position including GASB 68 and GASB 75	\$	57,668,898
Add:		
Net Pension Liability		26,100,928
Net OPEB Liability		9,438,933
Deferred Inflows - Pension		4,452,944
Deferred Inflows - OPEB		2,052,634
Less:		
Deferred Outflows - Pension		4,099,984
Deferred Outflows - OPEB		2,951,669
Net Pension Asset		39,755
Total Net Position without GASB 68 and GASB 75	\$	<u><u>92,622,929</u></u>

Table 3 shows the changes in net position for 2020 as compared with 2019.

Table 3
Changes in Net Position

	<u>2020</u>	<u>2019</u>
REVENUES		
Program Revenues:		
Charges for services	\$ 2,061,855	\$ 3,683,260
Operating grants and contributions	2,949,437	1,382,622
Capital grants and contributions	97,710	1,445,346
Total Program Revenues	<u>5,109,002</u>	<u>6,511,228</u>
General Revenues:		
Property taxes	1,958,089	2,045,673
Municipal income and other taxes	19,725,264	21,231,634
Grants and entitlements	755,228	713,811
Investment income	55,954	204,679
All other revenues	2,416,548	154,380
Total General Revenues	<u>24,911,083</u>	<u>24,350,177</u>
Total Revenues	<u><u>30,020,085</u></u>	<u><u>30,861,405</u></u>
EXPENSES		
Program Expenses:		
Security of persons and property	13,192,497	1,595,353
General government	5,782,005	6,240,854
Public works	3,584,899	3,537,867
Leisure time activities	3,010,335	3,331,253
Transportation	2,920,240	6,004,889
Community development	1,276,111	1,639,970
Public health and welfare	268,411	258,849
Interest and fiscal charges	350,480	365,537
Total Expenses	<u><u>30,384,978</u></u>	<u><u>22,974,572</u></u>
Change in Net Position	(364,893)	7,886,833
Net Position - Beginning of Year	<u>58,033,791</u>	<u>50,146,958</u>
Net Position - End of Year	<u><u>\$ 57,668,898</u></u>	<u><u>\$ 58,033,791</u></u>

City of Brook Park, Ohio

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

For the Year Ended December 31, 2020

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 2020, the revenues generated from municipal income tax and other miscellaneous taxes amounted to \$19,725,264. The 7.09 percent decrease in income tax collections from 2019 to 2020 is attributed to the government shut-down from the COVID-19 pandemic.

For 2020, 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 \$30,020,085 in total revenue, municipal income tax and other taxes accounted for 65.71 percent, property taxes accounted for 6.52 percent, charges for services accounted for 6.87 percent, and operating grants and contributions accounted for 9.82 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 a decrease of \$1,621,405 in charges for services due to the limited and/or closure of recreation center and water park for the majority of 2020. Capital grants and contributions decreased \$1,347,636 from 2019 due to the Holland Road reconstruction project being substantially performed during 2019. Operating grants and contributions increased by \$1,566,815 due to the CARES Act money that was received by the City in 2020. All other revenues increased by \$2,262,168 which is mainly attributed to Ohio Bureau of Worker's Comp providing distributions to employers.

The provisions of GASB Statements 68 and 75 require the City to recognize a pension/OPEB adjustment that increased expenses by \$1,968,034 in 2020 and decreased expenses by \$9,155,364 in 2019. 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

	<u>2020</u>	<u>2019</u>
EXPENSES		
Program Expenses:		
Security of persons and property	\$ 11,918,799	\$ 12,490,608
General government	5,449,646	5,477,168
Public works	3,443,619	3,198,354
Leisure time activities	2,936,882	3,102,341
Transportation	2,863,739	5,822,985
Community development	1,190,159	1,425,905
Public health and welfare	263,620	247,038
Interest and fiscal charges	350,480	365,537
Total Expenses	<u>\$ 28,416,944</u>	<u>\$ 32,129,936</u>

City of Brook Park, Ohio

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

For the Year Ended December 31, 2020

The largest program functions for the City relate to security of persons and property accounting for 41.94% of program expenditures. This is followed by General Government and Public works, which account for 19.18% and 12.12%, respectively. Transportation saw the sharpest decrease from 2019 at \$2,959,246. This is attributed to the reduction of road projects performed in 2020.

Program Expenses

For the year ended December 31, 2020, the City's total cost of services was \$28,416,944, with a net cost of services totaling \$23,307,942.

Table 5 itemizes fiscal year 2020 program expenses by specific function (excluding the pension and OPEB expenses as previously mentioned).

Table 5
Program Expenses

	Total Cost of Services 2020	Net Cost of Services 2020
Security of persons and property	\$ 11,918,799	\$ 9,995,178
General government	5,449,646	4,672,464
Public works	3,443,619	3,340,720
Transportation	2,936,882	1,578,182
Leisure time activities	2,863,739	2,723,538
Community development	1,190,159	391,655
Public health and welfare	263,620	255,725
Interest and fiscal charges	350,480	350,480
Total cost of service	<u>\$ 28,416,944</u>	<u>\$ 23,307,942</u>

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

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.

City of Brook Park, Ohio

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

For the Year Ended December 31, 2020

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$27,482,630. Of that amount, \$8,550,846 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, 2020, the total fund balance for the General Fund was \$16,703,176, of which \$8,550,846 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 47.60 percent of total General Fund expenditures, while total fund balance represents 92.99 percent of that same amount.

During 2020, the General fund balance increased by \$3,810,474 or 29.56 percent. This increase is due to revenues exceeding expenditures in 2020.

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, 2020, the total fund balance for the Capital Improvements Fund was \$4,049,561, of which \$3,835,161 was committed due to constraints imposed by Council and \$214,400 was restricted by external constraints. The fund balance increased by \$877,746 during 2020. This increase is mainly due the conservative spending approach the City took in order to combat the uncertainty of COVID-19 pandemic.

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 2020, 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.

For the General Fund, the final budget basis revenue plus other financing sources was \$23,842,339 as compared to the original budget estimate plus other financing sources of \$23,366,333. The final budget was higher than the original budget. The final appropriations plus other financing uses of \$26,319,709 were sufficient to meet the actual expenditures plus other financing uses for the year, which amounted to \$19,737,929. This is a result on of finance budgeting with conservatism as it related to COVID-19 pandemic.

City of Brook Park, Ohio

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

For the Year Ended December 31, 2020

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2020, the City had \$74,669,258 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 2020 balances of capital assets, net of depreciation, as compared to 2019.

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

	<u>2020</u>	<u>2019</u>
Land	\$ 3,025,579	\$ 3,025,579
Construction in progress	2,030,624	1,984,009
Buildings and improvements	7,360,388	9,363,171
Improvements other than buildings	646,905	519,125
Machinery and equipment	906,759	1,070,003
Furniture and fixtures	11,403	16,205
Vehicles	2,810,626	2,999,268
Infrastructure:		
Streets	39,851,519	41,893,748
Sewers	16,776,512	17,342,185
Water Lines	1,248,943	1,282,037
Total Capital Assets	<u>\$ 74,669,258</u>	<u>\$ 79,495,330</u>

In 2020, the \$4,826,072 decrease in total capital assets was a result of depreciation totaling \$5,308,110. This was slightly offset by the capital additions of \$741,051 during 2020.

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.

City of Brook Park, Ohio

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

For the Year Ended December 31, 2020

Debt

On December 31, 2020, the City had \$12,059,615 in outstanding debt, with \$972,257 of that debt due within one year. Table 7 below summarizes general obligation bonds, capital leases, and OPWC loans.

Table 7
Outstanding Debt at Year End

	<u>2020</u>	<u>2019</u>
General obligation bonds	\$ 9,165,000	\$ 9,755,000
Capital leases	589,207	540,565
OPWC loans	2,305,408	2,388,169
Total outstanding debt	<u>\$ 12,059,615</u>	<u>\$ 12,683,734</u>

As of December 31, 2020, the City's overall legal debt margin was \$38,260,689, with an unvoted debt margin of \$15,649,065.

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

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

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

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

Contacting the City's Finance Department

The Comprehensive Annual 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 Comprehensive Annual Financial Report or need additional financial information, please contact Finance Director Gregory M. Cingle, at the City of Brook Park, 6161 Engle Rd., Brook Park, Ohio, (216) 433-1300, or e-mail to info@cityofbrookpark.com.

City of Brook Park, Ohio
Statement of Net Position
December 31, 2020

	<u>Governmental Activities</u>
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 28,273,759
Cash and Cash Equivalents:	
In Segregated Accounts	34,722
Materials and Supplies Inventory	99,177
Accounts Receivable	208,488
Accrued Interest Receivable	770
Intergovernmental Receivable	1,617,140
Prepaid Items	361,719
Municipal Income Taxes Receivable	3,200,897
Property Taxes Receivable	1,904,357
Other Taxes Receivable	4,229
Special Assessments Receivable	58,394
Net Pension Asset	39,755
Nondepreciable Capital Assets	5,056,203
Depreciable Capital Assets	69,613,055
Total Assets	<u>110,472,665</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension	4,099,984
OPEB	2,951,669
Total Deferred Outflows of Resources	<u>7,051,653</u>
LIABILITIES	
Accounts Payable	174,922
Contracts Payable	109,498
Accrued Wages and Benefits	369,726
Intergovernmental Payable	74,646
Accrued Interest Payable	38,091
Retainage Payable	185,620
Unearned Revenue	94,009
Long-term Liabilities:	
Due within one year	1,639,210
Due in more than one year:	
Net Pension Liability (See Note 11)	26,100,928
Net OPEB Liability (See Notes 12 & 13)	9,438,933
Other amounts	13,294,852
Total Liabilities	<u>51,520,435</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	1,829,407
Pension	4,452,944
OPEB	2,052,634
Total Deferred Inflows of Resources	<u>8,334,985</u>
NET POSITION	
Net Investment in Capital Assets	62,872,693
Restricted for:	
Debt Services	1,411,166
Capital Projects	214,400
Street Paving and Repair	3,274,259
Public Safety	346,459
Other Purposes	298,137
Unrestricted	(10,748,216)
Total Net Position	<u>\$ 57,668,898</u>

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, 2020

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Security of Persons and Property				
Police and Others	\$ 7,556,159	\$ 16,985	\$ 766,516	\$ -
Fire	5,636,338	461,581	678,539	-
Public Health and Welfare	268,411	7,895	-	-
Leisure Time Activities	3,010,335	140,201	-	-
Community Development	1,276,111	732,272	66,232	-
Public Works	3,584,899	5,645	6,384	90,870
Transportation	2,920,240	-	1,351,860	6,840
General Government	5,782,005	697,276	79,906	-
Interest and Fiscal Charges	350,480	-	-	-
Total Governmental activities	\$ 30,384,978	\$ 2,061,855	\$ 2,949,437	\$ 97,710

General Revenues:

Property Taxes levied for:	
General Purposes	1,619,384
Other Purposes	338,705
Municipal Income Taxes levied for:	
General Purposes	16,756,337
Capital Outlay	2,810,467
Other Taxes	158,460
Grants & Entitlements not restricted to specific programs	755,228
Investment Income	55,954
All Other Revenues	2,416,548
Total General Revenues	24,911,083
Change in Net Position	(364,893)
Net Position - Beginning of Year	58,033,791
Net Position - End of Year	\$ 57,668,898

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

City of Brook Park, Ohio
Balance Sheet – Governmental Funds
December 31, 2020

	<u>General Fund</u>	<u>Capital Improvements Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 15,234,362	\$ 4,028,892	\$ 6,060,829	\$ 25,324,083
Cash and Cash Equivalents:				
In Segregated Accounts	34,722	-	-	34,722
Materials and Supplies Inventory	99,177	-	-	99,177
Accrued Interest Receivable	545	-	225	770
Accounts Receivable	207,674	814	-	208,488
Intergovernmental Receivable	333,694	2,846	1,280,600	1,617,140
Prepaid Items	361,719	-	-	361,719
Municipal Income Tax Receivable	2,560,718	640,179	-	3,200,897
Property Taxes Receivable	1,561,909	-	342,448	1,904,357
Special Assessments Receivable	-	-	58,394	58,394
Other Taxes Receivable	4,229	-	-	4,229
Total Assets	<u>20,398,749</u>	<u>4,672,731</u>	<u>7,742,496</u>	<u>32,813,976</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 140,450	\$ -	\$ 34,472	\$ 174,922
Accrued Wages and Benefits	360,324	-	9,402	369,726
Contracts Payable	-	109,498	-	109,498
Intergovernmental Payable	28,009	-	46,637	74,646
Retainage Payable	-	185,620	-	185,620
Unearned Revenue	-	-	94,009	94,009
Total Liabilities	<u>528,783</u>	<u>295,118</u>	<u>184,520</u>	<u>1,008,421</u>
Deferred Inflows of Resources:				
Property Taxes	1,500,456	-	328,951	1,829,407
Unavailable Revenue - Delinquent Property Taxes	61,453	-	13,497	74,950
Unavailable Revenue - Income Taxes	1,312,209	328,052	-	1,640,261
Unavailable Revenue - Other	292,672	-	485,635	778,307
Total Deferred Inflows of Resources	<u>3,166,790</u>	<u>328,052</u>	<u>828,083</u>	<u>4,322,925</u>
Fund Balances:				
Nonspendable	460,896	-	-	460,896
Restricted	-	214,400	4,115,488	4,329,888
Committed	3,228,932	3,835,161	1,268,139	8,332,232
Assigned	4,462,502	-	1,346,266	5,808,768
Unassigned	8,550,846	-	-	8,550,846
Total Fund Balances	<u>16,703,176</u>	<u>4,049,561</u>	<u>6,729,893</u>	<u>27,482,630</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 20,398,749</u>	<u>\$ 4,672,731</u>	<u>\$ 7,742,496</u>	<u>\$ 32,813,976</u>

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

City of Brook Park, Ohio

Reconciliation of Total Governmental Funds Balances to Net Position of Governmental Activities December 31, 2020

Total Governmental Funds Balance \$ 27,482,630

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

Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds 74,669,258

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

Delinquent property taxes	\$ 74,950	
Municipal income	1,640,261	
Special assessments	58,394	
Intergovernmental	675,819	
Charges for services	44,094	
Total		2,493,518

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due. (38,091)

Internal Service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets of the Internal Service funds are included in Governmental Activities in the Statement of Net Position. 2,949,676

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

Deferred Outflows - Pension	4,099,984	
Deferred Inflows - Pension	(4,452,944)	
Net Pension Liability/Asset	(26,061,173)	
Deferred Outflows - OPEB	2,951,669	
Deferred Inflows - OPEB	(2,052,634)	
Net OPEB Liability	(9,438,933)	
Total		(34,954,031)

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

General obligation bonds	(9,165,000)	
OPWC loans	(2,305,408)	
Unamortized bond premiums	(338,807)	
Capital leases	(589,207)	
Accrued compensated absences	(2,535,640)	
Total		(14,934,062)

Net Position of Governmental Activities \$ 57,668,898

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

City of Brook Park, Ohio

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

	General Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 1,620,741	\$ -	\$ 339,000	\$ 1,959,741
Municipal Income Taxes	16,487,621	2,743,288	-	19,230,909
Other Taxes	158,460	-	-	158,460
Intergovernmental	702,968	102,315	2,789,886	3,595,169
Interest	44,563	-	11,391	55,954
Licenses and Permits	622,024	-	49,300	671,324
Fines and Forfeitures	414,267	10,263	1,024	425,554
Rentals	12,741	-	-	12,741
Charges for Services	918,575	5,645	47,342	971,562
Contributions and Donations	850	-	-	850
Special Assessments	-	-	64,438	64,438
All Other Revenues	2,405,907	2,000	7,788	2,415,695
Total Revenues	<u>23,388,717</u>	<u>2,863,511</u>	<u>3,310,169</u>	<u>29,562,397</u>
EXPENDITURES				
Security of Persons and Property:				
Police and Others	5,425,743	-	1,395,136	6,820,879
Fire	3,369,436	-	1,411,216	4,780,652
Public Health and Welfare	145,797	-	110,818	256,615
Leisure Time Activities	915,860	-	278,180	1,194,040
Community Development	832,884	649	335,465	1,168,998
Public Works	2,436,239	14,864	-	2,451,103
Transportation	349,500	-	460,852	810,352
General Government	4,487,428	94,623	55,499	4,637,550
Capital Outlay	-	1,152,338	-	1,152,338
Debt Service:				
Principal Retirement	-	178,973	694,073	873,046
Interest and Fiscal Charges	-	12,162	361,563	373,725
Total Expenditures	<u>17,962,887</u>	<u>1,453,609</u>	<u>5,102,802</u>	<u>24,519,298</u>
Excess of Revenues (Under) Expenditures	<u>5,425,830</u>	<u>1,409,902</u>	<u>(1,792,633)</u>	<u>5,043,099</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	16,557	16,557
Inception of Capital Lease	-	227,615	-	227,615
OPWC Loans Issued	-	21,312	-	21,312
Transfers In	-	-	2,396,439	2,396,439
Transfers Out	(1,615,356)	(781,083)	-	(2,396,439)
Total Other Financing Sources (Uses)	<u>(1,615,356)</u>	<u>(532,156)</u>	<u>2,412,996</u>	<u>265,484</u>
Net Change in Fund Balances	3,810,474	877,746	620,363	5,308,583
Fund Balances - Beginning of Year	12,892,702	3,171,815	6,109,530	22,174,047
Fund Balances - End of Year	<u>\$ 16,703,176</u>	<u>\$ 4,049,561</u>	<u>\$ 6,729,893</u>	<u>\$ 27,482,630</u>

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

City of Brook Park, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2020

Net Change in Fund Balances-Total Governmental Funds \$ 5,308,583

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

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

Capital Outlay	\$ 741,051	
Depreciation	(5,308,110)	
Total		(4,567,059)

In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (259,013)

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

Delinquent property taxes	(1,652)	
Municipal income taxes	335,895	
Special assessments	29,197	
Intergovernmental	113,570	
Charges for services	(19,322)	
Total		457,688

Repayment of bond, lease, and loan principal are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 873,046

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

Pension		2,063,476
OPEB		118,049

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

Pension		(3,257,284)
OPEB		(892,275)

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position

OPWC Loans Issued	(21,312)	
Inception of Capital Leases	(227,615)	
Total		(248,927)

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

Accrued compensated absences	15,500	
Accrued interest on bonds	(3,907)	
Amortization of bond premiums	27,152	
Total		38,745

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

Change in Net Position of Governmental Activities \$ (364,893)

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

City of Brook Park, Ohio

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

General Fund

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 1,620,741	\$ 1,620,741	\$ 1,620,741	\$ -
Municipal Income Taxes	17,062,000	16,894,846	16,860,722	(34,124)
Other Taxes	344,600	187,944	187,944	-
Intergovernmental	566,055	685,473	685,473	-
Interest	43,980	53,258	53,258	-
Licenses and Permits	514,870	623,489	623,489	-
Fines and Forfeitures	259,232	313,921	313,921	-
Rentals	10,521	12,741	12,741	-
Charges for Services	887,823	1,014,784	1,014,784	-
Contributions and Donations	702	850	850	-
All Other Revenues	2,015,809	2,414,292	2,419,570	5,278
Total Revenues	23,326,333	23,822,339	23,793,493	(28,846)
Expenditures:				
Current:				
Security of Persons and Property	10,833,004	10,676,585	8,840,234	1,836,351
Public Health and Welfare	152,913	152,912	145,893	7,019
Leisure Time Activities	1,333,536	1,205,404	925,274	280,130
Community Development	1,015,644	999,001	840,857	158,144
Public Works	2,583,140	2,697,791	2,380,803	316,988
Transportation	731,632	653,690	323,428	330,262
General Government	5,578,566	5,713,100	4,462,612	1,250,488
Total Expenditures	22,228,435	22,098,483	17,919,101	4,179,382
Excess of Revenues Over (Under) Expenditures	1,097,898	1,723,856	5,874,392	4,150,536
Other Financing Sources (Uses)				
Transfer In	40,000	20,000	5,000	(15,000)
Transfers Out	(4,221,226)	(4,221,226)	(1,820,356)	2,400,870
Total Other Financing Sources (Uses)	(4,181,226)	(4,201,226)	(1,815,356)	2,385,870
Net Change in Fund Balance	(3,083,328)	(2,477,370)	4,059,036	6,536,406
Cash Fund Balance - Beginning of Year	10,596,243	10,596,243	10,596,243	-
Current Year Encumbrances	-	-	309,728	309,728
Cash Fund Balance - End of Year	\$ 7,512,915	\$ 8,118,873	\$ 14,965,007	\$ 6,846,134

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

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

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
ASSETS	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 2,949,676
Total Assets	<u>2,949,676</u>
NET POSITION	
Unrestricted	2,949,676
Total Net Position	<u>\$ 2,949,676</u>

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

City of Brook Park, Ohio

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Fund

For The Year Ended December 31, 2020

	Governmental Activities
	Internal Service Fund
	<hr/>
OPERATING REVENUES	
Charges for Services	\$ 78
Total Operating Revenues	<hr/> 78
Change in Net Position	78
Net Position - Beginning of Year	2,949,598
Net Position- End of Year	<hr/> \$ 2,949,676 <hr/>

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

City of Brook Park, Ohio
Statement of Cash Flows
Proprietary Fund
For The Year Ended December 31, 2020

	Governmental Activities
	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Charges for Services	\$ 78
Net Cash Provided by Operating Activities	<u>78</u>
Net increase in Cash and Cash Equivalents	78
Cash and Cash Equivalents - Beginning of Year	<u>2,949,598</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 2,949,676</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 78
Net Cash provided by Operating Activities	<u><u>\$ 78</u></u>

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

City of Brook Park, Ohio
 Statement of Fiduciary Net Position
 Custodial Fund
December 31, 2020

	Custodial Fund
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 13,577
Total Assets	<u>13,577</u>
LIABILITIES	
Intergovernmental Payable	13,577
Total Liabilities	<u>\$ 13,577</u>

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

City of Brook Park, Ohio
 Statement of Changes in Fiduciary Net Position
 Custodial Fund
For the Year Ended December 31, 2020

	Custodial Fund
ADDITIONS	
Total Additions	-
DEDUCTIONS	
Total Deductions	-
Net Increase (Decrease) in Fiduciary Net Position	-
Net Position - Beginning of Year	-
Net Position - End of Year	\$ -

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

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

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.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

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 2020, the City of Brook Park contributed \$110,818 of property tax levies and intergovernmental revenue to the Health Center.

Southwest Regional Communications

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

Note 2: Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid doubling up revenues and expenses.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 2: Summary of Significant Accounting Policies (continued)

A. *Basis of Presentation (continued)*

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

Fund Financial Statements

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

B. *Fund Accounting*

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

Governmental Funds

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

General Fund

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Capital Improvements Fund

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

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

Proprietary Funds

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

Internal Service Fund

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 2: Summary of Significant Accounting Policies (continued)

C. *Measurement Focus (continued)*

Fund Financial Statements

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

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

D. *Basis of Accounting*

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

Revenues – Exchange and Non-Exchange Transactions

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension/OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The deferred outflows of resources related to pension and OPEB are explained in Notes 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 position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2020, but which were levied to finance year 2021 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, special assessments, intergovernmental, and charges for services. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Note 11, 12, and 13)

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Expenses/Expenditures

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

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

E. Budgetary Process

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

Tax Budget

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

Estimated Resources

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

On or about January 1 the certificate of estimated resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the Finance Director determines that revenue to be collected will be greater than or less than the prior estimates and the budget commission considers the revised estimates to be reasonable. The amounts reported in the budgetary statements as original represent the amounts in the first official certificate of estimated resources issued during 2020. The amounts reported in the budgetary statements as final reflect the amounts in the final amended official certificate of estimated resources issued during 2020.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 2: Summary of Significant Accounting Policies (continued)

E. Budgetary Process (continued)

Annual Estimate

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

Appropriations

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

Lapsing of Appropriations

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

Budgeted Level of Expenditure

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

Encumbrances

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 2: Summary of Significant Accounting Policies (continued)

F. Pooled Cash and Cash Equivalents

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

The City has segregated bank accounts for monies held separate from the City's cash pool. These depository accounts are presented 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 2020, 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 2020, 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 \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

The City's policy is to hold investments until 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 2020 amounted to \$44,563, which includes \$14,382 assigned from other funds.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 2: Summary of Significant Accounting Policies (continued)

G. Inventory

Inventories are stated at cost, on the first-in, first-out basis. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures in the governmental fund types when purchased; however, material amounts of inventories at period-end are reported as assets of the respective fund, which are equally offset in the non-spendable component of fund balance which indicates they are unavailable for appropriation even though they are a component of reported assets. Inventory consists of expendable supplies.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020, 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, 2020 consist of taxes, intergovernmental, accounts (billings for user charged services), special assessments, and accrued interest on investments. All are deemed collectible in full.

J. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activity's column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and disposals during the year. Donated capital assets are recorded at their acquisition value as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, irrigation systems and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

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

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 2: Summary of Significant Accounting Policies (continued)

K. Interfund Balances

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

L. Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB No. 16, “*Accounting for Compensated Absences*.” Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

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

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

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

M. Pensions/Other Postemployment Benefits (OPEB)

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

N. Accrued Liabilities and Long-Term Obligations

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

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 2: Summary of Significant Accounting Policies (continued)

O. Fund Balance

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

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are not spendable in form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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

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

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

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 2: Summary of Significant Accounting Policies (continued)

P. Net Position

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets along with any related deferred outflows/inflows of resources. The restricted component of net position is reported when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. As of December 31, 2020, 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 2020.

T. Estimates

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 3: Change in Accounting Principles

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

GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). The implementation of this Statement did not have an effect on the financial statements of the City.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. These changes were incorporated in the City's 2020 financial statements; however, there was no effect on the beginning net position/fund balance.

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 4: Budgetary Basis of Accounting (Continued)

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

	<u>Net Change in Fund Balance</u>
	<u>General</u>
GAAP Basis	\$ 3,810,474
Increase (Decrease) Due to:	
Revenue Accruals	992,464
Expenditure Accruals	(292,700)
Funds with Separate Legally Adopted Budget	(141,474)
Outstanding Encumbrances	<u>(309,728)</u>
Budget Basis	<u>\$ 4,059,036</u>

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;

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 5: Deposits and Investments (continued)

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.

A. *Cash on Hand*

At December 31, 2020, 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 \$21,468,787 (including \$34,722 of segregated accounts) and the bank balance was \$22,296,898. As of December 31, 2020, \$250,000 of the City's bank balances were covered by Federal depository insurance and the remaining \$22,046,898 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, 2020.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 5: Deposits and Investments (continued)

C. Investments

Investments are reported at Net Asset Value. As of December 31, 2020, the City had the following investments:

<u>Investment Type</u>	<u>NAV</u>	<u>Credit Rating (*)</u>	<u>Investment Maturities (in Years)</u>
STAR Ohio	\$ 6,849,241	AAAm	<1
Total Investments	<u>\$ 6,849,241</u>		<u>\$ 6,849,241</u>

* 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.

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.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 6: Receivables

Receivables at December 31, 2020 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.

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, 2020, was \$4.75 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2020 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$ 437,692,960
Public Utility	14,539,530
Total	<u>\$ 452,232,490</u>

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 6: Receivables (continued)

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.

C. Intergovernmental

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Local government funds	\$ 238,310
Homestead and rollback	116,615
Gasoline and excise tax	594,681
Permissive tax	3,288
City of Cleveland (share of OPWC loan)	601,857
Miscellaneous Grant	62,389
Total	<u>\$ 1,617,140</u>

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City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 7: Capital Assets

	Balances 12/31/2019	Additions	Disposals	Balances 12/30/2020
Governmental Activities				
Nondepreciable Assets:				
Land	\$ 3,025,579	\$ -	\$ -	\$ 3,025,579
Construction in progress	1,984,009	46,615	-	2,030,624
Total Nondepreciable Assets	<u>5,009,588</u>	<u>46,615</u>	<u>-</u>	<u>5,056,203</u>
Depreciable Assets:				
Buildings and Improvements	22,995,904	19,000	(731,107)	22,283,797
Improvements Other than Buildings	3,151,082	245,622	(184,747)	3,211,957
Machinery and Equipment	5,413,989	121,546	(98,691)	5,436,844
Furniture and Fixtures	218,050	-	(81,527)	136,523
Vehicles	9,751,365	308,268	(55,858)	10,003,775
Infrastructure:				
Streets	63,746,160	-	-	63,746,160
Sewers	28,283,759	-	-	28,283,759
Water Lines	1,748,475	-	-	1,748,475
Total Depreciable Assets	<u>135,308,784</u>	<u>694,436</u>	<u>(1,151,930)</u>	<u>134,851,290</u>
Less Accumulated Depreciation				
Buildings and Improvements	(13,632,733)	(1,779,763)	489,087	(14,923,409)
Improvements Other than Buildings	(2,631,957)	(109,799)	176,704	(2,565,052)
Machinery and Equipment	(4,343,986)	(277,377)	91,278	(4,530,085)
Furniture and Fixtures	(201,845)	(3,265)	79,990	(125,120)
Vehicles	(6,752,097)	(496,910)	55,858	(7,193,149)
Infrastructure:				
Streets	(21,852,412)	(2,042,229)	-	(23,894,641)
Sewers	(10,941,574)	(565,673)	-	(11,507,247)
Water Lines	(466,438)	(33,094)	-	(499,532)
Total Accumulated Depreciation	<u>(60,823,042)</u>	<u>(5,308,110) *</u>	<u>892,917</u>	<u>(65,238,235)</u>
Total Depreciable Assets, Net	<u>74,485,742</u>	<u>(4,613,674)</u>	<u>(259,013)</u>	<u>69,613,055</u>
Governmental Activities Capital Assets, Net	<u>\$ 79,495,330</u>	<u>\$ (4,567,059)</u>	<u>\$ (259,013)</u>	<u>\$ 74,669,258</u>

* Depreciation was charged to governmental activities as follows:

Security of Persons and Property:	
Police and Others	\$ 161,449
Fire	146,891
Public Health and Welfare	7,005
Leisure Time Activities	1,739,254
Community Development	19,269
Public Works	1,020,872
Transportation	2,003,823
General Government	209,547
Total Depreciation Expense	<u>\$ 5,308,110</u>

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

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:

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

Changes in long-term debt activity for the year ended December 31, 2020 was as follows:

	Balances 12/31/2019	Issued	Retired	Balances 12/30/2020	Amounts Due in One Year
General Obligation Bonds:					
Laich Street Improvements	\$ 255,000	\$ -	\$ 45,000	\$ 210,000	\$ 50,000
Heatherwood Drive Reconstruction	470,000	-	60,000	410,000	65,000
Sheldon Rd. Waterline Replacement	415,000	-	55,000	360,000	55,000
Various Purpose Improvement Bonds, Series 2013:					
Engle Road Resurfacing Project	1,215,000	-	115,000	1,100,000	120,000
Engle Road Sanitary Sewer Replacement Project	1,520,000	-	80,000	1,440,000	85,000
Smith Road Sanitary Sewer Project	1,335,000	-	70,000	1,265,000	75,000
Energy Conservation Improvement Project	4,545,000	-	165,000	4,380,000	170,000
Total General Obligation Bonds	<u>9,755,000</u>	<u>-</u>	<u>590,000</u>	<u>9,165,000</u>	<u>620,000</u>
Capitalized Lease Agreements:					
Sewer Vector	540,565	-	130,665	409,900	133,605
Rear Loader	-	227,615	48,308	179,307	42,821
Total Capital Leases	<u>540,565</u>	<u>227,615</u>	<u>178,973</u>	<u>589,207</u>	<u>176,426</u>

(continued)

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 8: Long-Term Obligations (continued)

	Balances 12/31/2019	Issued	Retired	Balances 12/30/2020	Amounts Due in One Year
Other Long-term Obligations:					
Direct Borrowings and Direct Placements - OPWC Loans:					
W. 150th Project	\$ 1,023,396	\$ -	\$ 48,733	\$ 974,663	\$ 146,200
Smith/Hummel Rd	70,883	-	2,953	67,930	8,860
Smith Rd. Sanitary Sewer	702,471	-	20,071	682,400	60,212
City of Berea - Eastland Rd.	484,730	-	32,316	452,414	32,316
Holland Road Reconstruction	106,689	21,312	-	128,001	-
Total Direct Borrowings and Direct Placements	<u>2,388,169</u>	<u>21,312</u>	<u>104,073</u>	<u>2,305,408</u>	<u>247,588</u>
Unamortized Bond Premiums	365,959	-	27,152	338,807	-
Accrued Compensated Absences	2,551,140	596,293	611,793	2,535,640	595,196
Net Pension Liability:					
OPERS (See Note 11)	10,779,906	-	3,234,358	7,545,548	-
OP&F (See Note 11)	23,181,823	-	4,626,443	18,555,380	-
Total Net Pension Liability:	<u>33,961,729</u>	<u>-</u>	<u>7,860,801</u>	<u>26,100,928</u>	<u>-</u>
Net OPEB Liability					
OPERS (See Note 12)	4,861,605	127,229	-	4,988,834	-
OP&F (See Note 12)	2,586,253	134,509	-	2,720,762	-
Other OPEB (See Note 13)	1,678,466	50,871	-	1,729,337	-
Total Net OPEB Liability	<u>9,126,324</u>	<u>312,609</u>	<u>-</u>	<u>9,438,933</u>	<u>-</u>
Total Other Long-term Obligations	<u>48,393,321</u>	<u>930,214</u>	<u>8,603,819</u>	<u>40,719,716</u>	<u>842,784</u>
Total Governmental					
Long-term Liabilities	<u>\$ 58,688,886</u>	<u>\$ 1,157,829</u>	<u>\$ 9,372,792</u>	<u>\$ 50,473,923</u>	<u>\$ 1,639,210</u>

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

During 2005, the Ohio Public Works Commission (OPWC) approved a loan to the City to finance a portion of the West 150th Street Improvement project. OPWC committed up to \$1,949,332 at a zero percent interest rate for twenty years. The City and the City of Cleveland have an agreement to share the debt service requirements of the OPWC loan. The City will pay 100 percent of the annual debt service requirements and the City of Cleveland will reimburse the City 65 percent of the annual debt service requirement. The City has recorded an intergovernmental receivable in the amount of \$601,857 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.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 8: Long-Term Obligations (continued)

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 project is still outstanding and final amortization schedules are not yet provided. The total amount disbursed on the loan as of December 31, 2020 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.

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

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

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

See Note 9 for additional information on capital leases. There is no repayment schedule for the Net Pension/OPEB Liability; however, employer pension and OPEB contributions are made from the General Fund, SCMR, Police Pension, and Fire Pension funds. The City's overall legal debt margin was \$38,260,689 at December 31, 2020.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 8: Long-Term Obligations (continued)

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2020 are as follows:

Year	General Obligation Bonds		From Direct Borrowings - OPWC Loans	Principal Total	Interest Total
	Principal	Interest	Principal		
2021	620,000	344,793	247,588	867,588	344,793
2022	645,000	324,413	175,831	820,831	324,413
2023	670,000	303,233	175,829	845,829	303,233
2024	700,000	280,903	175,829	875,829	280,903
2025	675,000	255,824	175,830	850,830	255,824
2026-2030	2,940,000	912,208	830,415	3,770,415	912,208
2031-2035	2,500,000	320,900	335,875	2,835,875	320,900
2036-2039	415,000	47,825	60,210	475,210	47,825
Total	<u>\$ 9,165,000</u>	<u>\$ 2,790,099</u>	<u>\$ 2,177,407</u>	<u>\$ 11,342,407</u>	<u>2,790,099</u>

Note 9: Capital Leases

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

	Governmental Activities
Assets:	
Vehicles	\$ 1,165,143
Less: accumulated depreciation	(296,199)
Total	<u>\$ 868,944</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2020, were as follows:

Year	Payments
2021	\$ 191,135
2022	191,135
2023	191,135
Therein After	48,308
Total Minimum Lease Payments	621,713
Less: Amount Representing Interest	(32,506)
Present Value of Mimimum Lease Payment	<u>\$ 589,207</u>

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

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.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 11: Defined Benefit Pension Plans (continued)

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

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

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' Comprehensive Annual Financial Report referenced above for additional information):

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

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 11: Defined Benefit Pension Plans (continued)

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

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.

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.

The OPERS Board of Trustees approved a proposal at its October 2019 meeting to create a new tier of membership in the OPERS traditional pension plan. OPERS currently splits its non-retired membership into Group A, B or C depending on age and service criteria. Retirement Group D would consist of OPERS contributing members hired in 2022 and beyond. Group D will have its own eligibility standards, benefit structure and unique member features designed to meet the changing needs of Ohio public workers. It also will help OPERS address expected investment market volatility and adjust to the lack of available funding for health care.

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.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 11: Defined Benefit Pension Plans (continued)

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

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

	State and Local
2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2020 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-Employment Health Care Benefits **	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

* 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.

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 2019 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 2019. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution were \$705,582 for fiscal year ending December 31, 2020. Of this amount, \$22,637 is reported as an intergovernmental payable.

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

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

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 11: Defined Benefit Pension Plans (continued)

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

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.

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:

	<u>Police</u>	<u>Firefighters</u>
2020 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2020 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,357,894 for 2020. Of this amount, \$45,321 is reported as an intergovernmental payable.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 11: Defined Benefit Pension Plans (continued)

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, 2019, 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, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability/asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F Police	OP&F Fire	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.039360%	0.019224%	0.1333900%	0.1506090%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.038175%	0.019065%	0.1288465%	0.1465975%	
Change in Proportionate Share	<u>-0.001185%</u>	<u>-0.000159%</u>	<u>-0.0045435%</u>	<u>-0.004012%</u>	
Proportionate Share of the Net Pension Liability/(Asset)	\$ 7,545,548	\$ (39,755)	\$ 8,679,791	\$ 9,875,589	\$ 26,061,173
Pension Expense	\$ 1,013,580	\$ 4,902	\$ 993,542	\$ 1,245,260	\$ 3,257,284

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City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 11: Defined Benefit Pension Plans (continued)

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

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

	OPERS Traditional	OPERS Combined	OP&F Police	OP&F Fire	Total
Deferred Outflows of Resources					
Differences between expected and actual experience	\$ -	\$ -	\$ 328,558	\$ 373,825	\$ 702,383
Changes of assumptions	403,021	4,100	213,067	242,420	862,608
Changes in proportion and differences between City contributions and proportionate share of contributions	-	2,380	175,861	293,276	471,517
City contributions subsequent to the measurement date	693,323	12,259	639,555	718,339	2,063,476
Total Deferred Outflows of Resources	\$ 1,096,344	\$ 18,739	\$ 1,357,041	\$ 1,627,860	\$ 4,099,984
Deferred Inflows of Resources					
Net Difference between projected and actual earnings on pension plan investments	\$ 1,505,169	\$ 5,156	\$ 419,304	\$ 477,072	2,406,701
Differences between expected and actual experience	95,403	9,333	447,655	509,325	1,061,716
Changes in proportion and differences between City contributions and proportionate share of contributions	234,509	457	428,212	321,349	984,527
Total Deferred Inflows of Resources	\$ 1,835,081	\$ 14,946	\$ 1,295,171	\$ 1,307,746	\$ 4,452,944

\$2,063,476 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional	OPERS Combined	OP&F Police	OP&F Fire	Total
Year Ending December 31:					
2021	\$ (354,536)	\$ (2,188)	(\$206,864)	(\$120,518)	\$ (684,106)
2022	(542,201)	(2,091)	(54,125)	15,236	(583,181)
2023	62,329	(656)	166,610	231,853	460,136
2024	(597,652)	(2,547)	(423,702)	(462,772)	(1,486,673)
2025	-	(150)	(59,604)	(62,024)	(121,778)
Thereafter	-	(834)	-	-	(834)
Total	(\$1,432,060)	(\$8,466)	(\$577,685)	(\$398,225)	\$ (2,416,436)

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 11: Defined Benefit Pension Plans (continued)

E. Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 10.75 percent including wage inflation Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 1.40 percent, simple through 2020, then 2.15 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

The total pension asset in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 8.25 percent including wage inflation Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 1.40 percent, simple through 2020, then 2.15 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 11: Defined Benefit Pension Plans (continued)

E. Actuarial Assumptions – OPERS (continued)

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

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was at a gain of 17.23 percent for 2019.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table on the following page displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

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

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 11: Defined Benefit Pension Plans (continued)

E. Actuarial Assumptions – OPERS (continued)

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

The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

City's proportionate share of the net pension liability/(asset)	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Traditional Pension Plan	\$12,445,050	\$ 7,545,548	\$3,141,039
Combined Plan	(24,022)	(39,755)	(51,094)

Changes Between Measurement Date and Report Date

Subsequent to December 31, 2019, the global economy was impacted by the COVID-19 pandemic and market volatility increased significantly. It is likely that 2020 investment market conditions and other economic factors will be negatively impacted; however, the overall impact on the OPERS investment portfolio and funding position is unknown at this time.

F. Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2019 is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by 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, 2019, are presented below:

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00 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
Cost of Living Adjustments	3.00 percent simple, 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 11: Defined Benefit Pension Plans (continued)

F. Actuarial Assumptions – OP&F (continued)

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

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return 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, 2019 are summarized on the following page:

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 11: Defined Benefit Pension Plans (continued)

F. Actuarial Assumptions – OP&F (continued)

Asset Class	Target Allocation	10 year Expected Real Rate of Return **	30 year Expected Real Rate of Return **
Cash and Cash Equivalents	0.00 %	0.10 %	1.00 %
Domestic Equity	16.00	3.90	5.40
International Equity	16.00	4.70	5.80
Core Fixed Income *	23.00	1.10	2.70
U.S. Inflation Linked Bonds *	17.00	0.40	2.50
High Yield Fixed Income	7.00	2.50	4.70
Private Real Estate	12.00	5.40	6.40
Private Markets	8.00	6.10	8.00
Midstream Energy Infrastructure	8.00	5.80	6.60
Private Credit	5.00	4.80	5.50
Real Assets	8.00	6.90	7.40
Total	120.00 %		

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

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

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 25,717,112	\$ 18,555,380	\$ 12,565,302

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 11: Defined Benefit Pension Plans (continued)

F. Actuarial Assumptions – OP&F (continued)

Changes Between Measurement Date and Report Date

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 ensuing emergency measures may impact subsequent periods of OP&F, including the fair value of OP&F's investment portfolio. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that may be recognized in subsequent periods cannot be determined with half of the fiscal year remaining. In addition, the impact on the OP&F's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Note 12: Defined Benefit Multiple-Employer OPEB Plan

A. Net OPEB Liability

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

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

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

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

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 12: Defined Benefit Multiple Employer OPEB Plan (continued)

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Comprehensive Annual 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 <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care was no longer being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care. Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$18 for 2020.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 12: Defined Benefit Multiple Employer OPEB Plan (continued)

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) 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. As a result of this change, it is expected that the solvency of the Health Care Stabilization Fund (HCSF) will be extended allowing OP&F to provide stipends to eligible participants.

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The City's contractually required contribution to OP&F was \$32,114 for 2020.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 12: Defined Benefit Multiple Employer OPEB Plan (continued)

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net OPEB Liability			
Prior Measurement Date	0.037289%	0.284000%	
Proportion of the Net OPEB Liability			
Current Measurement Date	<u>0.036118%</u>	<u>0.275444%</u>	
Change in Proportionate Share	<u>-0.001171%</u>	<u>-0.008556%</u>	
Proportionate Share of the Net OPEB			
Liability	\$ 4,988,834	\$ 2,720,762	\$ 7,709,596
OPEB Expense	\$ 431,665	\$ 349,427	\$ 781,092

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 12: Defined Benefit Multiple Employer OPEB Plan (continued)

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

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

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 133	\$ -	\$ 133
Changes of assumptions	789,679	1,590,661	2,380,340
Changes in proportion and differences between City contributions and proportionate share of contributions	-	394,761	394,761
City contributions subsequent to the measurement date	18	32,114	32,132
Total Deferred Outflows of Resources	<u>\$ 789,830</u>	<u>\$ 2,017,536</u>	<u>\$ 2,807,366</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$ 254,031	\$ 125,199	\$ 379,230
Differences between expected and actual experience	456,252	292,590	748,842
Changes of assumptions	-	579,835	579,835
Changes in proportion and differences between City contributions and proportionate share of contributions	149,034	50,930	199,964
Total Deferred Inflows of Resources	<u>\$ 859,317</u>	<u>\$ 1,048,554</u>	<u>\$ 1,907,871</u>

\$32,132 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense below:

Year Ending December 31:	OPERS	OP&F	Total
2021	\$ 18,848	\$ 178,330	\$ 197,178
2022	19,994	178,331	198,325
2023	201	204,011	204,212
2024	(108,548)	163,525	54,977
2025	-	166,236	166,236
Thereafter	-	46,435	46,435
Total	<u>\$ (69,505)</u>	<u>\$ 936,868</u>	<u>\$ 867,363</u>

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 12: Defined Benefit Multiple Employer OPEB Plan (continued)

E. Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.16 percent
Prior Measurement date	3.96 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	2.75 percent
Health Care Cost Trend Rate	10.5 percent, initial 3.25 percent, ultimate in 2030
Actuarial Cost Method	Individual Entry Age

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

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

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 12: Defined Benefit Multiple Employer OPEB Plan (continued)

E. Actuarial Assumptions – OPERS (continued)

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, 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 19.70 percent for 2019.

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 2019 and the long-term expected real rates of return:

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

Discount Rate A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.75 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 12: Defined Benefit Multiple Employer OPEB Plan (continued)

E. Actuarial Assumptions – OPERS (continued)

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

The following table presents the City’s proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
City's proportionate share of the net OPEB liability	\$6,528,690	\$4,988,834	\$3,755,911

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

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$4,841,618	\$4,988,834	\$5,134,174

Changes Between Measurement Date and Report Date

Subsequent to December 31, 2019, the global economy was impacted by the COVID-19 pandemic and market volatility increased significantly. It is likely that 2020 investment market conditions and other economic factors will be negatively impacted; however, the overall impact on the OPERS investment portfolio and funding position is unknown at this time.

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 12: Defined Benefit Multiple Employer OPEB Plan (continued)

F. Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	3.56 percent
Prior measurement date	4.66 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 12: Defined Benefit Multiple Employer OPEB Plan (continued)

F. Actuarial Assumptions – OP&F (continued)

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

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

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

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

The long-term expected rate of return on 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, 2019, are summarized as follows:

Asset Class	Target Allocation	10 year Expected Real Rate of Return **	30 year Expected Real Rate of Return **
Cash and Cash Equivalents	0.00 %	0.10 %	1.00 %
Domestic Equity	16.00	3.90	5.40
Non-US Equity	16.00	4.70	5.80
Core Fixed Income *	23.00	1.10	2.70
U.S. Inflation Linked Bonds *	17.00	0.40	2.50
High Yield Fixed Income	7.00	2.50	4.70
Real Estate	12.00	6.90	7.40
Private Markets	8.00	6.10	8.00
Master Limited Partnerships	8.00	5.80	6.60
Private Credit	5.00	4.80	5.50
Real Assets	8.00	6.90	7.40
Total	<u>120.00 %</u>		

Note: Assumptions are geometric

* levered 2x

** numbers are net of expected inflation

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 12: Defined Benefit Multiple Employer OPEB Plan (continued)

F. Actuarial Assumptions – OP&F (continued)

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

Discount Rate The total OPEB liability was calculated using the discount rate of 3.56 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75 percent at December 31, 2019 and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.56 percent. 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 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.56 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
City's proportionate share of the net OPEB liability	\$3,373,569	\$2,720,762	\$2,178,325

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.

Changes Between Measurement Date and Report Date

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 ensuing emergency measures may impact subsequent periods of OP&F, including the fair value of OP&F's investment portfolio. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that may be recognized in subsequent periods cannot be determined with half of the fiscal year remaining. In addition, the impact on the OP&F's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

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.

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

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

B. Plan Description

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

C. Benefits Provided

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

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 13: Defined Benefit Single Employer OPEB Plan (continued)

C. *Benefits Provided (continued)*

As of January 1, 2019, the City had 206 participants (most recent information available). Of that number, 129 were active employees and 77 were retirees and dependents that were currently receiving the post-employment mentioned on the previous page. The valuation excluded 61 retirees from the liability as they did not receive any benefits in 2016 through 2019. It is assumed that they will not be rejoining the plan in the future.

D. *Funding Policy*

The City's annual contributions to the plan are approved by council through ordinance 10064-2016. The City's contractually required contributions were \$85,917 for 2020. 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, 2019, rolled forward to the measurement date of December 31, 2019, 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 Liability	\$	1,729,337
OPEB Expense	\$	111,183

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

	<u>OPERS</u>
Deferred Outflows of Resources	
Differences between expected and actual experience	\$ 58,386
City contributions subsequent to the measurement date	<u>85,917</u>
Total Deferred Outflows of Resources	<u>\$ 144,303</u>
Deferred Inflows of Resources	
Differences between expected and actual experience	\$ 144,763
Total Deferred Inflows of Resources	<u>\$ 144,763</u>

\$85,917 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2021.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 13: Defined Benefit Single Employer OPEB Plan (continued)

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

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

Year Ending December 31:	OPERS
2021	\$ (7,439)
2022	(7,439)
2023	(7,439)
2024	(7,439)
2024	(7,439)
Thereafter	(49,182)
Total	\$ (86,377)

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:	3.64 Percent
Investment Rate of Return	3.64 percent
Municipal Bond Rate	3.64 percent
Actuarial Value of Assets	Fair Value
Funding Policy	Pay-as-you-go
Actuarial Cost Method	Entry Age Normal
Annual Per-Capita Claims Cost	\$1,200 - for 2017 and beyond
Medical	Medicare Part B Reimbursement

Annual Per-Capita Claims Cost	Year	Cost/\$1,000	Coverage	Total Premium
Life Insurance*	2019	0.341	\$ 5,000	\$ 20.46

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 13: Defined Benefit Single Employer OPEB Plan (continued)

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

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

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

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

G. Discount Rate

The total OPEB liability was calculated using the discount rate of 3.64 percent. Since the plan is funded by a “pay-as-you-go” system, the 20-year AA rated municipal bond rate was used as both the discount and investment rate of return. The municipal bond rate was determined through <https://us.spindices.com/indices/fixed-income/sp-municipal-bond-20-year-high-grade-rate-index> on December 31, 2018

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, 2019:

<u>Reconciliation of Total OPEB Liability</u>	
1/1/19 Net OPEB Liability	\$ 1,678,466
Service Cost	39,179
Interest Cost	61,173
Contributions	(74,806)
New Inflow - experience	25,325
12/31/19 Net OPEB Liability	<u>\$ 1,729,337</u>

<u>Reconciliation of Fiduciary Net Position</u>	
1/1/19 Fiduciary Net Position	\$ -
Employer Contributions	(74,806)
Total Benefits paid	74,806
12/31/19 Fiduciary Net Position	<u>\$ -</u>

<u>Net OPEB Liability</u>	
Total OPEB Liability	\$ 1,729,337
Fiduciary Net Position	-
Net OPEB Liability	<u>\$ 1,729,337</u>

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

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, 2020, per occurrence for all types of coverage are as follows:

<u>Type of Coverage</u>	<u>Coverage</u>
Property:	
Blanket building and contents	\$ 50,495,991
Business income and extra expense	Actual Loss
	Sustained-12 mos.
General liability:	
Commercial general liability, which includes:	2,000,000
Employee benefits	1,000,000
Employers liability (Ohio stop gap)	1,000,000
Automotive liability	1,000,000
Excess liability:	
Umbrella, which includes:	10,000,000
All underlying liabilities	
Public officials and law enforcement	
Other types of coverages:	
Contractors equipment	1,190,325
EDP equipment	356,585
Employee dishonesty	1,000,000
Valuable papers	100,000
Accounts receivable	100,000
Law enforcement	1,000,000
Public Officials	1,000,000
Flood	5,000,000
	Each Occurrence
	Aggregate
Earthquake	5,000,000
	Each Occurrence
	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, 2020, 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.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 15: Construction and Other Significant Commitments

At December 31, 2020, the City's significant contractual construction commitments consisted of:

Project	Amount	Paid	on Contract
Holland Rd Reconstruction	\$ 2,277,245	\$ 2,030,624	\$ 246,621

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, 2020, the City's commitments for encumbrances in the governmental funds were as follows:

	Encumbrances Outstanding
Major Funds:	
General	\$ 308,196
Capital Improvements	1,692,454
Nonmajor Funds:	
Special Revenue Funds	496,322
Total	\$ 2,496,972

Note 16: Interfund Transfers

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

Transfer To	Transfer From		Total
	General Fund	Capital Improvements Fund	
Other Governmental Funds	\$ 1,615,356	\$ 781,083	\$ 2,396,439
Total	\$ 1,615,356	\$ 781,083	\$ 2,396,439

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.

The General Fund transferred \$175,000 to the Economic Development Fund to cover the costs of the fund. Also, the General Fund transferred \$545,000 and \$605,000 to the Police and Fire Pension Funds, respectively, in order to cover the City's pension costs for OP&F. In addition, the General Fund transferred \$64,130 to the Coronavirus Relief Fund to cover COVID-related expenditures. The Debt Service fund received \$226,226 and \$781,083 from the General Fund and Capital Improvements Fund, respectively, to cover the costs of debt retirement.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

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, 2020.

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, 2020.

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City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 18: Fund Balances

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

Fund Balances	General Fund	Capital Improvements Fund	Other Governmental Funds	Total
<i>Nonspendable</i>				
Prepaid Items	\$ 361,719	\$ -	\$ -	\$ 361,719
Materials and Supplies Inventory	99,177	-	-	99,177
<i>Total Nonspendable</i>	<u>460,896</u>	<u>-</u>	<u>-</u>	<u>460,896</u>
<i>Restricted for</i>				
Police Pension	-	-	40,550	40,550
Fire Pension	-	-	24,747	24,747
Other Law Enforcement	-	-	389,489	389,489
Streets and Highways	-	-	2,868,249	2,868,249
FEMA	-	-	54,663	54,663
CDBG	-	-	36,290	36,290
Coronavirus Relief	-	-	64,130	64,130
Debt Service	-	-	637,370	637,370
Capital Improvements	-	214,400	-	214,400
<i>Total Restricted</i>	<u>-</u>	<u>214,400</u>	<u>4,115,488</u>	<u>4,329,888</u>
<i>Committed to</i>				
Income Tax Allocation - Capital	-	2,269,386	-	2,269,386
Admissions Tax	886,831	-	-	886,831
Hotel and Motel Tax	910,116	-	-	910,116
Property Insurance	1,162,756	-	-	1,162,756
Retiree Accrued Benefits	269,229	-	-	269,229
Economic Development	-	-	969,071	969,071
Brook Park Road Corridor	-	-	57,835	57,835
Special Recreation	-	-	241,233	241,233
Ditch Cleaning Program	-	241,005	-	241,005
Sound Insulation Program	-	180,850	-	180,850
Street Programs	-	1,143,920	-	1,143,920
<i>Total Committed</i>	<u>3,228,932</u>	<u>3,835,161</u>	<u>1,268,139</u>	<u>8,332,232</u>
<i>Assigned to</i>				
Fiscal Year 2021 Appropriations	4,237,604	-	-	4,237,604
Park Concessions	12,239	-	-	12,239
Debt Service	-	-	1,346,266	1,346,266
Safety Forces	74,173	-	-	74,173
Recreation	6,799	-	-	6,799
General Government	129,137	-	-	129,137
Other	2,550	-	-	2,550
<i>Total Assigned</i>	<u>4,462,502</u>	<u>-</u>	<u>1,346,266</u>	<u>5,808,768</u>
<i>Unassigned</i>	8,550,846	-	-	8,550,846
Total Fund Balances	<u><u>\$ 16,703,176</u></u>	<u><u>\$ 4,049,561</u></u>	<u><u>\$ 6,729,893</u></u>	<u><u>\$ 27,482,630</u></u>

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2020

Note 19: Tax Abatement Disclosure

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

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

The amount of tax abated for tax year 2019/collection year 2020 is \$23,032 at December 31, 2020.

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 Seven Years (1)

Traditional Plan	2020	2019	2018
City's Proportion of the Net Pension Liability	0.038175%	0.039360%	0.040783%
City's Proportionate Share of the Net Pension Liability	\$ 7,545,548	\$ 10,779,906	\$ 6,398,062
City's Covered Payroll	\$ 5,372,057	\$ 5,314,714	\$ 5,388,477
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	140.46%	202.83%	118.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	74.70%	84.66%
Combined Plan	2020	2019	2018
City's Proportion of the Net Pension (Asset)	0.019065%	0.019224%	0.019061%
City's Proportionate Share of the Net Pension (Asset)	\$ (39,755)	\$ (21,497)	\$ (25,948)
City's Covered Payroll	\$ 84,864	\$ 82,221	\$ 78,062
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	46.85%	26.15%	33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	145.28%	126.64%	137.28%

(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

2017	2016	2015	2014
0.041502%	0.040125%	0.048064%	0.048064%
\$ 9,424,398	\$ 6,950,154	\$ 5,797,055	\$ 5,666,119
\$ 5,364,108	\$ 4,993,992	\$ 5,912,167	\$ 6,018,854
175.69%	139.17%	98.05%	94.14%
77.25%	81.08%	86.45%	86.36%
2017	2016	2015	2014
0.020787%	0.027150%	0.024994%	0.024994%
\$ (11,569)	\$ (13,212)	\$ (9,623)	\$ (2,623)
\$ 80,917	\$ 98,792	\$ 92,050	\$ 106,362
14.30%	13.37%	10.45%	2.47%
116.55%	116.90%	114.83%	104.33%

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 Seven Years (1)

Police	2020	2019	2018
City's Proportion of the Net Pension Liability	0.1288465%	0.1333900%	0.1339190%
City's Proportionate Share of the Net Pension Liability	\$ 8,679,791	\$ 10,888,149	\$ 8,219,214
City's Covered Payroll	\$ 3,405,768	\$ 3,332,063	\$ 3,262,589
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	254.86%	326.77%	251.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.89%	63.07%	70.91%
Fire	2020	2019	2018
City's Proportion of the Net Pension Liability	0.1465975%	0.0150609%	0.1494950%
City's Proportionate Share of the Net Pension Liability	\$ 9,875,589	\$ 12,293,674	\$ 9,175,183
City's Covered Payroll	\$ 3,156,047	\$ 3,083,366	\$ 2,977,945
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	312.91%	398.71%	308.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.89%	63.07%	70.91%

(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

2017	2016	2015	2014
0.1280200%	0.1288433%	0.1437298%	0.1437298%
\$ 8,108,677	\$ 8,288,580	\$ 7,445,803	\$ 7,000,092
\$ 3,076,132	\$ 2,916,400	\$ 3,354,032	\$ 3,061,875
263.60%	284.21%	222.00%	228.62%
68.36%	66.77%	71.71%	73.00%
2017	2016	2015	2014
0.1426650%	0.1403890%	0.1516112%	0.1516112%
\$ 9,036,258	\$ 9,031,323	\$ 7,854,092	\$ 7,383,941
\$ 2,786,979	\$ 2,569,609	\$ 2,812,226	\$ 2,830,504
324.23%	351.47%	279.28%	260.87%
68.36%	66.77%	71.71%	73.00%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Contractually Required Contributions</u>				
Traditional Plan	\$ 693,323	\$ 752,088	\$ 744,060	\$ 700,502
Combined Plan	<u>12,259</u>	<u>11,881</u>	<u>11,511</u>	<u>10,148</u>
Total Required Contributions	\$ 705,582	\$ 763,969	\$ 755,571	\$ 710,650
Contributions in Relation to the Contractually Required Contribution	<u>(705,582)</u>	<u>(763,969)</u>	<u>(755,571)</u>	<u>(710,650)</u>
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll				
Traditional Plan	\$ 4,952,307	\$ 5,372,057	\$ 5,314,714	\$ 5,388,477
Combined Plan	\$ 87,564	\$ 84,864	\$ 82,221	\$ 78,062
<u>Pension Contributions as a Percentage of Covered Payroll</u>				
Traditional Plan	14.00%	14.00%	14.00%	13.00%
Combined Plan	14.00%	14.00%	14.00%	13.00%

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

See accompanying notes to the required supplementary information

2016	2015	2014	2013
\$ 643,693	\$ 599,279	\$ 709,460	\$ 782,451
9,710	11,855	11,046	13,827
\$ 653,403	\$ 611,134	\$ 720,506	\$ 796,278
(653,403)	(611,134)	(720,506)	(796,278)
\$ -	\$ -	\$ -	\$ -
\$ 5,364,108	\$ 4,993,992	\$ 5,912,167	\$ 6,018,854
\$ 80,917	\$ 98,792	\$ 92,050	\$ 106,362
12.00%	12.00%	12.00%	13.00%
12.00%	12.00%	12.00%	13.00%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Contractually Required Contributions</u>				
Police	\$ 639,555	\$ 647,096	\$ 633,092	\$ 619,892
Fire	<u>718,339</u>	<u>741,671</u>	<u>724,591</u>	<u>699,817</u>
Total Required Contributions	\$ 1,357,894	\$ 1,388,767	\$ 1,357,683	\$ 1,319,709
Contributions in Relation to the Contractually Required Contribution	<u>(1,357,894)</u>	<u>(1,388,767)</u>	<u>(1,357,683)</u>	<u>(1,319,709)</u>
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll				
Police	\$ 3,366,079	\$ 3,405,768	\$ 3,332,063	\$ 3,262,589
Fire	\$ 3,056,762	\$ 3,156,047	\$ 3,083,366	\$ 2,977,945
<u>Pension Contributions as a Percentage of Covered Payroll</u>				
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.

See accompanying notes to the required supplementary information

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 584,465	\$ 554,116	\$ 637,266	\$ 481,633	\$ 388,484	\$ 395,232
<u>654,940</u>	<u>603,858</u>	<u>660,873</u>	<u>572,611</u>	<u>517,304</u>	<u>538,686</u>
\$ 1,239,405	\$ 1,157,974	\$ 1,298,139	\$ 1,054,244	\$ 905,788	\$ 933,918
<u>(1,239,405)</u>	<u>(1,157,974)</u>	<u>(1,298,139)</u>	<u>(1,054,244)</u>	<u>(905,788)</u>	<u>(933,918)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,076,132	\$ 2,916,400	\$ 3,354,032	\$ 3,061,875	\$ 3,046,933	\$ 3,099,859
\$ 2,786,979	\$ 2,569,609	\$ 2,812,226	\$ 2,830,504	\$ 2,998,864	\$ 3,122,817
19.00%	19.00%	19.00%	[1]	12.75%	12.75%
23.50%	23.50%	23.50%	[1]	17.25%	17.25%

City of Brook Park, Ohio

Required Supplementary Information

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

Ohio Public Employees Retirement System

Last Four Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.036118%	0.037289%	0.038630%	0.039410%
City's Proportionate Share of the Net OPEB Liability	\$ 4,988,834	\$ 4,861,605	\$ 4,194,933	\$ 3,980,544
City's Covered Payroll	\$ 5,456,921	\$ 5,396,935	\$ 5,466,539	\$ 5,445,025
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	91.42%	90.08%	76.74%	73.10%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	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.

See accompanying notes to the required supplementary information

City of Brook Park, Ohio

Required Supplementary Information

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

Ohio Police and Fire Pension Fund

Last Four Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.2754440%	0.2840000%	0.2834140%	0.2706900%
City's Proportionate Share of the Net OPEB Liability	\$ 2,720,762	\$ 2,586,253	\$ 16,057,841	\$ 12,849,046
City's Covered Payroll	\$ 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	41.46%	40.31%	257.32%	219.15%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	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.

See accompanying notes to the required supplementary information

City of Brook Park, Ohio
Required Supplementary Information
Schedule of the City's Net OPEB Liability
Other Post-Employment Benefits – Single Employer
Last Four Years (1)

	2020	2019	2018	2017
Total OPEB Liability	\$ 1,729,337	\$ 1,678,466	\$ 1,835,770	\$ 1,785,707
OPEB Plan's Fiduciary Net Position		-	-	-
Net OPEB Liability	\$ 1,729,337	\$ 1,678,466	\$ 1,835,770	\$ 1,785,707
City's Covered Payroll	\$ 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	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%

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

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

See accompanying notes to the required supplementary information

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 18	\$ 20	\$ 404	\$ 54,847	\$ 108,926	\$ 101,855
Contributions in Relation to the Contractually Required Contribution	<u>(18)</u>	<u>(20)</u>	<u>(404)</u>	<u>(54,847)</u>	<u>(108,926)</u>	<u>(101,855)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 5,040,321	\$ 5,456,921	\$ 5,396,935	\$ 5,466,539	\$ 5,445,025	\$ 5,092,704
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.01%	1.00%	2.00%	2.00%

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

See accompanying notes to the required supplementary information

City of Brook Park, Ohio
 Required Supplementary Information
 Schedule of the City's Contributions – Net OPEB Liability
 Ohio Police and Fire Pension Fund
Last Ten Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 32,114	\$ 32,809	\$ 32,077	\$ 31,203
Contributions in Relation to the Contractually Required Contribution	<u>(32,114)</u>	<u>(32,809)</u>	<u>(32,077)</u>	<u>(31,203)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 6,422,841	\$ 6,561,815	\$ 6,415,429	\$ 6,240,534
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%

See accompanying notes to the required supplementary information

2016	2015	2014	2013	2012	2011
\$ 29,316	\$ 27,430	\$ 30,831	\$ 213,304	\$ 408,091	\$ 420,031
(29,316)	(27,430)	(30,831)	(213,304)	(408,091)	(420,031)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 5,863,111	\$ 5,486,009	\$ 6,166,258	\$ 5,892,379	\$ 6,045,797	\$ 6,222,676
0.50%	0.50%	0.50%	3.62%	6.75%	6.75%

City of Brook Park, Ohio
 Required Supplementary Information
 Schedule of the City's Contributions - Net OPEB Liability
 Other Post-Employment Benefits – Single Employer
Last Four Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 85,917	\$ 93,076	\$ 102,714	\$ 217,407
Contributions in Relation to the Contractually Required Contribution	<u>(85,917)</u>	<u>(93,076)</u>	<u>(102,714)</u>	<u>(217,407)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 11,463,162	\$ 12,018,736	\$ 11,812,364	\$ 11,707,073
Contributions as a Percentage of Covered Payroll	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.

See accompanying notes to the required supplementary information

City of Brook Park, Ohio

Notes to the Required Supplementary Information
For the Year Ended December 31, 2020

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 2014-2020.

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.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2020.

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%.

City of Brook Park, Ohio

Notes to the Required Supplementary Information
For the Year Ended December 31, 2020

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 2014-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the investment rate of return was reduced from 8.25 percent to 8.00 percent (b) the projected salary increases was reduced from 4.25% to 3.75% (c) the payroll increases was reduced from 3.75% to 3.25% (d) the inflation assumptions was reduced from 3.25% to 2.75% (e) the cost of living adjustments was reduced from 2.60% to 2.20% (f) rates of withdrawal, disability and service retirement were updated to reflect recent experience (g) mortality rates were updated to the RP-2014 Total Employee and Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2016 (h) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2016. For 2019-2020, 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.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018 and 2020. 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 expenses. As a result of changing from the current health care model to the stipend-based 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.

Combining Statements

City of Brook Park, Ohio

Fund Descriptions

Non-Major Governmental Funds

For The Year Ended December 31, 2020

Non-Major Special Revenue Funds

Street Maintenance Fund

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

State Highway Fund

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

Permissive Tax Fund

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

Economic Development Fund

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

Brook Park Road Corridor Fund

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

CDBG Fund

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

Special Recreation Fund

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

Law Enforcement Fund

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

DWI Enforcement and Education Fund

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

Federal Forfeiture Fund

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

City of Brook Park, Ohio

Fund Descriptions

Non-Major Governmental Funds

For The Year Ended December 31, 2020

Non-Major Special Revenue Funds (continued)

Community Diversion Fund

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

Retiree Accrued Benefits Fund

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

Continuing Training Program Fund

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

FEMA Fund

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

B.P. Coronavirus Relief Fund

This fund accounts for the grant proceeds provided to the local governments who have been financially impacted by the outbreak of COVID-19. The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding may only be used to cover costs that are necessary expenditures incurred in response to the COVID-19 outbreak.

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.

Cash Bonds Held Fund

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

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, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 4,679,050	\$ 1,381,779	\$ 6,060,829
Accrued Interest Receivable	225	-	225
Intergovernmental Receivable	678,743	601,857	1,280,600
Property Taxes Receivable	342,448	-	342,448
Special Assessments Receivable	-	58,394	58,394
Total Assets	5,700,466	2,042,030	7,742,496
Liabilities:			
Accounts Payable	\$ 34,472	\$ -	\$ 34,472
Accrued Wages and Benefits	9,402	-	9,402
Intergovernmental Payable	46,637	-	46,637
Unearned Revenue	94,009	-	94,009
Total Liabilities	184,520	-	184,520
Deferred Inflows of Resources:			
Property Taxes	328,951	-	328,951
Unavailable Revenue - Delinquent Property Taxes	13,497	-	13,497
Unavailable Revenue - Other	427,241	58,394	485,635
Total Deferred Inflows of Resources	769,689	58,394	828,083
Fund Balances:			
Restricted	3,478,118	637,370	4,115,488
Committed	1,268,139	-	1,268,139
Assigned	-	1,346,266	1,346,266
Total Fund Balances	4,746,257	1,983,636	6,729,893
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,700,466	\$ 2,042,030	\$ 7,742,496

City of Brook Park, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For The Year Ended December 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES			
Property Taxes	\$ 339,000	\$ -	\$ 339,000
Intergovernmental	2,789,886	-	2,789,886
Interest	11,391	-	11,391
Licenses and Permits	49,300	-	49,300
Fines and Forfeitures	1,024	-	1,024
Charges for Services	47,342	-	47,342
Special Assessments	-	64,438	64,438
All Other Revenues	7,788	-	7,788
Total Revenues	3,245,731	64,438	3,310,169
EXPENDITURES			
Security of Persons and Property:			
Police and Others	1,395,136	-	1,395,136
Fire	1,411,216	-	1,411,216
Public Health and Welfare	110,818	-	110,818
Leisure Time Activities	278,180	-	278,180
Community Development	335,465	-	335,465
Transportation	460,852	-	460,852
General Government	51,111	4,388	55,499
Debt Service:			
Principal Retirement	-	694,073	694,073
Interest and Fiscal Charges	-	361,563	361,563
Total Expenditures	4,042,778	1,060,024	5,102,802
Excess of Revenues Over (Under) Expenditures	(797,047)	(995,586)	(1,792,633)
OTHER FINANCING SOURCES			
Sale of Capital Assets	16,557	-	16,557
Transfer In	1,389,130	1,007,309	2,396,439
Total Other Financing Sources	1,405,687	1,007,309	2,412,996
Net Change in Fund Balances	608,640	11,723	620,363
Fund Balances - Beginning of Year	4,137,617	1,971,913	6,109,530
Fund Balances - End of Year	\$ 4,746,257	\$ 1,983,636	\$ 6,729,893

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City of Brook Park, Ohio
Combining Balance Sheet
Non-Major Special Revenue Funds
December 31, 2020

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>Permissive Tax</u>	<u>Economic Development</u>	<u>Brook Park Road Corridor</u>
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 1,497,843	\$ 895,968	\$ 292,991	\$ 992,731	\$ 57,835
Accrued Interest Receivable	116	68	22	-	-
Intergovernmental Receivable	550,080	44,601	3,288	8,432	-
Property Taxes Receivable	-	-	-	-	-
Total Assets	<u>2,048,039</u>	<u>940,637</u>	<u>296,301</u>	<u>1,001,163</u>	<u>57,835</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ 32,092	\$ -
Accrued Wages and Benefits	9,402	-	-	-	-
Intergovernmental Payable	1,316	-	-	-	-
Unearned Revenue	-	-	-	-	-
<i>Total Liabilities</i>	<u>10,718</u>	<u>-</u>	<u>-</u>	<u>32,092</u>	<u>-</u>
Deferred Inflows of Resources:					
Property Taxes	-	-	-	-	-
Unavailable Revenue - Delinq. Property Taxes	-	-	-	-	-
Unavailable Revenue - Other	375,559	30,451	-	-	-
<i>Total Deferred Inflows of Resources</i>	<u>375,559</u>	<u>30,451</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Restricted	1,661,762	910,186	296,301	-	-
Committed	-	-	-	969,071	57,835
<i>Total Fund Balances</i>	<u>1,661,762</u>	<u>910,186</u>	<u>296,301</u>	<u>969,071</u>	<u>57,835</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,048,039</u>	<u>\$ 940,637</u>	<u>\$ 296,301</u>	<u>\$ 1,001,163</u>	<u>\$ 57,835</u>

(Continued)

City of Brook Park, Ohio
Combining Balance Sheet
Non-Major Special Revenue Funds
December 31, 2020

	CDBG	Special Recreation	Law Enforcement	DWI Enforcement & Education	Federal Forfeiture	Community Diversion
ASSETS						
Equity in Pooled Cash and Cash Equivalents	\$ 36,290	\$ 243,613	\$ 63,254	\$ 29,064	\$ 254,122	\$ 19,797
Accrued Interest Receivable	-	-	-	-	19	-
Intergovernmental Receivable	-	-	-	-	-	-
Property Taxes Receivable	-	-	-	-	-	-
Total Assets	<u>36,290</u>	<u>243,613</u>	<u>63,254</u>	<u>29,064</u>	<u>254,141</u>	<u>19,797</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ -	\$ 2,380	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	-	-	-	-
Intergovernmental Payable	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>-</u>	<u>2,380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:						
Property Taxes	-	-	-	-	-	-
Unavailable Revenue - Delinq. Property Taxes	-	-	-	-	-	-
Unavailable Revenue - Other	-	-	-	-	-	-
<i>Total Deferred Inflows of Resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Restricted	36,290	-	63,254	29,064	254,141	19,797
Committed	-	241,233	-	-	-	-
<i>Total Fund Balances</i>	<u>36,290</u>	<u>241,233</u>	<u>63,254</u>	<u>29,064</u>	<u>254,141</u>	<u>19,797</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 36,290</u>	<u>\$ 243,613</u>	<u>\$ 63,254</u>	<u>\$ 29,064</u>	<u>\$ 254,141</u>	<u>\$ 19,797</u>

Continuing Training Program	FEMA	B.P. Coronavirus Relief	Police Pension	Fire Pension	Southwest General Health Center	Cash Bonds Held	Total Nonmajor Special Revenue Funds
\$ 23,233	\$ 54,663	\$ 13,019	\$ 60,513	\$ 50,105	\$ -	\$ 94,009	\$ 4,679,050
-	-	-	-	-	-	-	225
-	-	51,111	7,432	7,432	6,367	-	678,743
-	-	-	121,709	121,709	99,030	-	342,448
<u>23,233</u>	<u>54,663</u>	<u>64,130</u>	<u>189,654</u>	<u>179,246</u>	<u>105,397</u>	<u>94,009</u>	<u>5,700,466</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,472
-	-	-	-	-	-	-	9,402
-	-	-	19,963	25,358	-	-	46,637
-	-	-	-	-	-	94,009	94,009
<u>-</u>	<u>-</u>	<u>-</u>	<u>19,963</u>	<u>25,358</u>	<u>-</u>	<u>94,009</u>	<u>184,520</u>
-	-	-	116,920	116,920	95,111	-	328,951
-	-	-	4,789	4,789	3,919	-	13,497
-	-	-	7,432	7,432	6,367	-	427,241
<u>-</u>	<u>-</u>	<u>-</u>	<u>129,141</u>	<u>129,141</u>	<u>105,397</u>	<u>-</u>	<u>769,689</u>
23,233	54,663	64,130	40,550	24,747	-	-	3,478,118
-	-	-	-	-	-	-	1,268,139
<u>23,233</u>	<u>54,663</u>	<u>64,130</u>	<u>40,550</u>	<u>24,747</u>	<u>-</u>	<u>-</u>	<u>4,746,257</u>
<u>\$ 23,233</u>	<u>\$ 54,663</u>	<u>\$ 64,130</u>	<u>\$ 189,654</u>	<u>\$ 179,246</u>	<u>\$ 105,397</u>	<u>\$ 94,009</u>	<u>\$ 5,700,466</u>

City of Brook Park, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Special Revenue Funds

For The Year Ended December 31, 2020

	Street Maintenance	State Highway	Permissive Tax	Economic Development	Brook Park Road Corridor	CDBG	Special Recreation
REVENUES							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,097,596	88,997	45,864	66,232	-	-	-
Interest	5,026	3,931	1,225	-	-	-	-
Fees, Licenses, and Permits	-	-	-	49,300	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	47,342
All Other Revenues	-	-	-	7,233	-	-	-
Total Revenues	1,102,622	92,928	47,089	122,765	-	-	47,342
EXPENDITURES							
Security of Persons and Property:							
Police and Others	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
Public Health and Welfare	-	-	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-	-	278,180
Community Environment	-	-	-	335,465	-	-	-
Transportation	452,570	141	8,141	-	-	-	-
General Government	-	-	-	-	-	-	-
Total Expenditures	452,570	141	8,141	335,465	-	-	278,180
Excess of Revenues Over (Under) Expenditures	650,052	92,787	38,948	(212,700)	-	-	(230,838)
OTHER FINANCING SOURCES							
Sale of Capital Assets	-	-	-	16,557	-	-	-
Transfer In	-	-	-	175,000	-	-	-
Total Other Financing Sources	-	-	-	191,557	-	-	-
Net Change in Fund Balances	650,052	92,787	38,948	(21,143)	-	-	(230,838)
Fund Balances - Beginning of Year	1,011,710	817,399	257,353	990,214	57,835	36,290	472,071
Fund Balances - End of Year	\$ 1,661,762	\$ 910,186	\$ 296,301	\$ 969,071	\$ 57,835	\$ 36,290	\$ 241,233

Law Enforcement	DWI Enforcement & Education	Federal Forfeiture	Community Diversion	Continuing Training Program	FEMA	B.P. Coronavirus Relief	Police Pension	Fire Pension	Southwest General Health Center	Cash Bonds Held	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,459	\$ 120,459	\$ 98,082	\$ -	\$ 339,000
23,118	-	23,118	-	-	-	1,402,497	14,864	14,864	12,736	-	2,789,886
-	-	1,209	-	-	-	-	-	-	-	-	11,391
-	-	-	-	-	-	-	-	-	-	-	49,300
-	1,024	-	-	-	-	-	-	-	-	-	1,024
-	-	-	-	-	-	-	-	-	-	-	47,342
555	-	-	-	-	-	-	-	-	-	-	7,788
<u>23,673</u>	<u>1,024</u>	<u>24,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,402,497</u>	<u>135,323</u>	<u>135,323</u>	<u>110,818</u>	<u>-</u>	<u>3,245,731</u>
32,048	-	30,729	-	-	-	675,693	656,666	-	-	-	1,395,136
-	-	-	-	-	-	675,693	-	735,523	-	-	1,411,216
-	-	-	-	-	-	-	-	-	110,818	-	110,818
-	-	-	-	-	-	-	-	-	-	-	278,180
-	-	-	-	-	-	-	-	-	-	-	335,465
-	-	-	-	-	-	-	-	-	-	-	460,852
-	-	-	-	-	-	51,111	-	-	-	-	51,111
<u>32,048</u>	<u>-</u>	<u>30,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,402,497</u>	<u>656,666</u>	<u>735,523</u>	<u>110,818</u>	<u>-</u>	<u>4,042,778</u>
<u>(8,375)</u>	<u>1,024</u>	<u>(6,402)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(521,343)</u>	<u>(600,200)</u>	<u>-</u>	<u>-</u>	<u>(797,047)</u>
-	-	-	-	-	-	-	-	-	-	-	16,557
-	-	-	-	-	-	64,130	545,000	605,000	-	-	1,389,130
-	-	-	-	-	-	64,130	545,000	605,000	-	-	1,405,687
<u>(8,375)</u>	<u>1,024</u>	<u>(6,402)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,130</u>	<u>23,657</u>	<u>4,800</u>	<u>-</u>	<u>-</u>	<u>608,640</u>
71,629	28,040	260,543	19,797	23,233	54,663	-	16,893	19,947	-	-	4,137,617
<u>\$ 63,254</u>	<u>\$ 29,064</u>	<u>\$ 254,141</u>	<u>\$ 19,797</u>	<u>\$ 23,233</u>	<u>\$ 54,663</u>	<u>\$ 64,130</u>	<u>\$ 40,550</u>	<u>\$ 24,747</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,746,257</u>

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

City of Brook Park, Ohio

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

General Fund

For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 1,620,741	\$ 1,620,741	\$ 1,620,741	\$ -
Income Taxes	17,062,000	16,894,846	16,860,722	(34,124)
Other Taxes	344,600	187,944	187,944	-
Intergovernmental	566,055	685,473	685,473	-
Interest	43,980	53,258	53,258	-
Licenses and Permits	514,870	623,489	623,489	-
Fines and Forfeitures	259,232	313,921	313,921	-
Rentals	10,521	12,741	12,741	-
Charges for Services	887,823	1,014,784	1,014,784	-
Contributions and Donations	702	850	850	-
All Other Revenues	2,015,809	2,414,292	2,419,570	5,278
Total Revenues	23,326,333	23,822,339	23,793,493	(28,846)
Expenditures:				
Current:				
Security of Persons and Property				
Correctional Facility				
Personal Services	228,317	222,317	218,195	4,122
Operations	66,767	72,767	29,640	43,127
Total Correctional Facility	295,084	295,084	247,835	47,249
School Guards				
Personal Services	91,898	91,898	65,227	26,671
Total School Guards	91,898	91,898	65,227	26,671
Fire Department				
Personal Services	3,978,076	3,923,950	3,063,836	860,114
Operations	376,269	376,429	300,853	75,576
Total Fire Department	4,354,345	4,300,379	3,364,689	935,690
Police Department				
Personal Services	4,428,555	4,342,485	3,657,097	685,388
Operations	261,274	286,273	224,750	61,523
Total Police Department	4,689,829	4,628,758	3,881,847	746,911

Continued

City of Brook Park, Ohio

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

General Fund (continued)

For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Animal Control				
Personal Services	105,538	105,538	93,976	11,562
Operations	24,578	24,578	10,858	13,720
Total Animal Control	130,116	130,116	104,834	25,282
Safety Building				
Personal Services	62,529	69,301	65,506	3,795
Operations	619,066	643,014	639,204	3,810
Total Safety Building	681,595	712,315	704,710	7,605
Safety Town				
Operations	5,000	-	-	-
Total Safety Town	5,000	-	-	-
Street Lighting				
Operations	392,348	392,348	368,586	23,762
Total Street Lighting	392,348	392,348	368,586	23,762
Traffic Lights				
Operations	80,102	97,102	96,063	1,039
Total Traffic Lights	80,102	97,102	96,063	1,039

Continued

City of Brook Park, Ohio

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

General Fund (continued)

For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Disaster Services				
Personal Services	18,402	18,402	906	17,496
Operations	9,783	9,783	5,537	4,246
Total Disaster Services	28,185	28,185	6,443	21,742
Total Security of Persons and Property	10,833,004	10,676,585	8,840,234	1,836,351
Public Health & Welfare				
County Board of Health				
Operations	104,705	104,705	104,705	-
Total County Board of Health	104,705	104,705	104,705	-
Office of Aging				
Personal Services	43,294	43,294	37,446	5,848
Operations	4,914	4,913	3,742	1,171
Total Office of Aging	48,208	48,207	41,188	7,019
Total Public Health and Welfare	152,913	152,912	145,893	7,019
Leisure Time Activities				
Recreation Commission				
Personal Services	9,813	9,813	6,927	2,886
Operations	2,587	2,587	2,486	101
Total Recreation Commission	12,400	12,400	9,413	2,987
Recreation Center				
Personal Services	585,787	555,787	484,193	71,594
Operations	218,623	218,623	165,519	53,104
Other Expenses	500	8,500	1,410	7,090
Total Recreation Center	804,910	782,910	651,122	131,788
Home Day Celebration				
Personal Services	17,480	-	-	-
Operations	46,292	4,292	1,951	2,341
Total Home Day Celebration	63,772	4,292	1,951	2,341

Continued

City of Brook Park, Ohio

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

General Fund (continued)

For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Parks and Play Grounds				
Personal Services	198,623	196,671	155,249	41,422
Operations	206,750	162,550	80,535	82,015
Other Expenses	500	-	-	-
Total Parks and Play Grounds	405,873	359,221	235,784	123,437
Public Recreation				
Personal Services	19,049	19,049	11,335	7,714
Operations	27,532	27,532	15,669	11,863
Total Public Recreation	46,581	46,581	27,004	19,577
Total Leisure Time Activities	1,333,536	1,205,404	925,274	280,130
Community Development				
Planning Commission				
Personal Services	6,927	6,927	6,927	-
Total Planning Commission	6,927	6,927	6,927	-
Community Development				
Personal Services	168,841	133,840	106,271	27,569
Operations	9,125	9,126	540	8,586
Total Community Development	177,966	142,966	106,811	36,155
Board of Zoning Appeals				
Personal Services	6,927	7,966	7,966	-
Total Board of Zoning Appeals	6,927	7,966	7,966	-
Building Department				
Personal Services	518,563	518,463	471,850	46,613
Operations	88,265	88,365	49,043	39,322
Other Expenses	300	300	60	240
Total Building Department	607,128	607,128	520,953	86,175

Continued

City of Brook Park, Ohio

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

General Fund (continued)

For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Tree and Tree Lawns				
Personal Services	183,771	201,089	177,076	24,013
Operations	32,925	32,925	21,124	11,801
Total Tree and Tree Lawns	216,696	234,014	198,200	35,814
Total Community Development	1,015,644	999,001	840,857	158,144
Public Works				
Service Director				
Personal Services	133,085	132,896	121,153	11,743
Operations	10,998	10,838	7,358	3,480
Total Service Director	144,083	143,734	128,511	15,223
Service Building				
Personal Services	95,327	95,327	85,546	9,781
Operations	220,247	260,247	165,800	94,447
Total Service Building	315,574	355,574	251,346	104,228
Sanitation Department				
Personal Services	469,148	469,147	455,649	13,498
Operations	769,310	819,311	747,755	71,556
Total Sanitation Department	1,238,458	1,288,458	1,203,404	85,054
Sewers, Drains, and Pump Stations				
Personal Services	715,236	715,236	643,886	71,350
Operations	169,789	194,789	153,656	41,133
Total Sewers, Drains, and Pump Stations	885,025	910,025	797,542	112,483
Total Public Works	2,583,140	2,697,791	2,380,803	316,988

Continued

City of Brook Park, Ohio

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

General Fund (continued)

For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Transportation				
Street Cleaning				
Personal Services	79,405	1,463	-	1,463
Operations	5,000	5,000	1,325	3,675
Total Street Cleaning	84,405	6,463	1,325	5,138
Traffic Signs				
Personal Services	79,749	79,749	60,336	19,413
Operations	4,437	4,437	2,089	2,348
Total Traffic Signs	84,186	84,186	62,425	21,761
Snow Removal				
Personal Services	126,995	126,995	56,339	70,656
Operations	436,046	436,046	203,339	232,707
Total Snow Removal	563,041	563,041	259,678	303,363
Total Transportation	731,632	653,690	323,428	330,262
General Government				
City Council				
Personal Services	143,121	143,121	143,121	-
Operations	24,979	24,979	20,567	4,412
Total City Council	168,100	168,100	163,688	4,412
Clerk of Council				
Personal Services	88,121	88,121	80,177	7,944
Operations	3,628	3,628	1,956	1,672
Total Clerk of Council	91,749	91,749	82,133	9,616

Continued

City of Brook Park, Ohio

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

General Fund (continued)

For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Mayor's Court				
Personal Services	160,425	160,425	146,004	14,421
Operations	14,447	14,447	11,070	3,377
Total Mayor's Court	174,872	174,872	157,074	17,798
Civil Service Commission				
Personal Services	28,402	28,402	27,511	891
Operations	11,625	11,625	287	11,338
Total Civil Service Commission	40,027	40,027	27,798	12,229
Mayor's Office				
Personal Services	354,750	354,939	338,242	16,697
Operations	23,765	35,795	18,725	17,070
Total Mayor's Office	378,515	390,734	356,967	33,767
Human Resources				
Personal Services	104,801	104,801	88,023	16,778
Operations	12,392	12,392	3,644	8,748
Total Human Resources	117,193	117,193	91,667	25,526
Public Properties				
Personal Services	323,688	323,688	259,737	63,951
Operations	13,688	13,688	10,248	3,440
Total Public Properties	337,376	337,376	269,985	67,391

Continued

City of Brook Park, Ohio

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

General Fund (continued)

For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Legal Department				
Personal Services	392,053	392,053	285,357	106,696
Operations	3,035	3,035	1,030	2,005
Total Legal Department	395,088	395,088	286,387	108,701
Finance Department				
Personal Services	500,558	500,558	447,969	52,589
Operations	88,739	88,739	82,841	5,898
Total Finance Department	589,297	589,297	530,810	58,487
Tax Department				
Personal Services	272,006	272,006	239,631	32,375
Operations	56,912	64,912	51,653	13,259
Other Expenses	640,000	632,000	136,032	495,968
Total Tax Department	968,918	968,918	427,316	541,602
Retirees				
Personal Services	140,000	140,000	85,917	54,083
Total Retirees	140,000	140,000	85,917	54,083
Mechanics				
Personal Services	639,227	639,227	580,647	58,580
Operations	11,925	11,925	2,836	9,089
Total Mechanics	651,152	651,152	583,483	67,669
Engineering				
Operations	48,000	48,000	48,000	-
Total Engineering	48,000	48,000	48,000	-

Continued

City of Brook Park, Ohio

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

General Fund (continued)

For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Lands and Buildings				
Personal Services	1,732	6,520	4,485	2,035
Operations	165,568	200,068	186,990	13,078
Total Lands and Buildings	167,300	206,588	191,475	15,113
Other General Government				
Personal Services	311,030	365,622	284,406	81,216
Operations	904,841	932,276	792,558	139,718
Other Expenses	95,108	96,108	82,948	13,160
Total Other General Government	1,310,979	1,394,006	1,159,912	234,094
Total General Government	5,578,566	5,713,100	4,462,612	1,250,488
Total Expenditures	22,228,435	22,098,483	17,919,101	4,179,382
Excess of Revenues Over (Under) Expenditures	1,097,898	1,723,856	5,874,392	4,150,536
Other Financing Sources (Uses)				
Transfer In	40,000	20,000	5,000	(15,000)
Transfers Out	(4,221,226)	(4,221,226)	(1,820,356)	2,400,870
Total Other Financing Sources (Uses)	(4,181,226)	(4,201,226)	(1,815,356)	2,385,870
Net Change in Fund Balance	(3,083,328)	(2,477,370)	4,059,036	6,536,406
Cash Fund Balance - Beginning of Year	10,596,243	10,596,243	10,596,243	-
Current Year Encumbrances	-	-	309,728	309,728
Cash Fund Balance - End of Year	7,512,915	8,118,873	14,965,007	6,846,134

City of Brook Park, Ohio

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

Capital Improvements Fund

For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income Taxes	\$ 2,923,000	\$ 2,840,093	\$ 2,836,564	\$ (3,529)
Intergovernmental	693,775	152,234	152,234	-
Fines and Forfeitures	22,306	9,449	9,449	-
Charges for Services	13,326	5,645	5,645	-
All Other Revenues	286,839	2,000	2,000	-
Total Revenues	3,939,246	3,009,421	3,005,892	(3,529)
Expenditures:				
Community Development				
Operations	30,891	30,891	11,541	19,350
Total Community Development	30,891	30,891	11,541	19,350
Transportation				
Street Paving and Repair				
Operations	690,128	592,206	355,962	236,244
Total Transportation	690,128	592,206	355,962	236,244
General Government				
Income Tax Department				
Personal Services	57,144	57,144	52,150	4,994
Operaions	10,639	16,937	9,612	7,325
Other Expenses	242,673	242,855	34,008	208,847
Total Income Tax Department	310,456	316,936	95,770	221,166
Total General Government	310,456	316,936	95,770	221,166

Continued

City of Brook Park, Ohio

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

Capital Improvements Fund (continued)

For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Capital Outlay				
Council	-	22,000	20,127	1,873
Finance Department	-	2,500	-	2,500
Fire Department	104,547	154,547	148,476	6,071
Human Resources	59,873	-	-	-
Lands and Buildings	-	157,564	144,243	13,321
Legal Department	1,655	11,155	10,283	872
Mayor's Court	8,920	8,920	745	8,175
Mayor's Office	1,400	2,900	2,645	255
Mechanics	-	2,000	442	1,558
Office of Aging	-	79,153	79,153	-
Parks and Playgrounds	-	239,283	237,999	1,284
Police Department	3,938	62,937	61,659	1,278
Public Properties	-	5,635	5,059	576
Recreation Center	15,541	37,541	30,621	6,920
Safety Building	890	1,655	-	1,655
Sanitation	629	139,150	139,150	-
Service Building	-	8,274	8,274	-
Sewers and Drains	-	200,379	193,582	6,797
Snow Removal	9,575	94,575	69,739	24,836
Street Paving and Repair	1,301,737	1,307,437	1,306,444	993
Tax Department	-	10,000	5,911	4,089
Total Capital Outlay	<u>1,508,705</u>	<u>2,547,605</u>	<u>2,464,552</u>	<u>83,053</u>
Total Expenditures	<u>2,540,180</u>	<u>3,487,638</u>	<u>2,927,825</u>	<u>559,813</u>
Excess of Revenues Over (Under) Expenditures	1,399,066	(478,217)	78,067	556,284
Other Financing Sources (Uses)				
OPWC Loans Issued	387,710	21,311	21,311	-
Transfers In	1,690,000	1,543,000	191,069	(1,351,931)
Transfers Out	(939,377)	(972,377)	(972,197)	180
Total Other Financing Sources (Uses)	<u>1,138,333</u>	<u>591,934</u>	<u>(759,817)</u>	<u>(1,351,751)</u>
Net Change in Fund Balance	2,537,399	113,717	(681,750)	(795,467)
Cash Fund Balance - Beginning of Year	3,008,398	3,008,398	3,008,398	-
Current Year Encumbrances	-	-	1,702,244	1,702,244
Cash Fund Balance - End of Year	<u>\$ 5,545,797</u>	<u>\$ 3,122,115</u>	<u>\$ 4,028,892</u>	<u>\$ 906,777</u>

See accompanying notes to the basic financial statements.

City of Brook Park, Ohio

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

Street Maintenance Fund

For The Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 1,100,160	\$ 1,100,160	\$ -
Interest	6,236	6,236	-
Total Revenues	<u>1,106,396</u>	<u>1,106,396</u>	<u>-</u>
Expenditures:			
Current:			
Transportation			
Street Paving and Repair			
Personal Services	526,034	405,266	120,768
Operations	137,766	59,232	78,534
Total Expenditures	<u>663,800</u>	<u>464,498</u>	<u>199,302</u>
Net Change in Fund Balance	442,596	641,898	199,302
Cash Fund Balance - Beginning of Year	843,698	843,698	-
Current Year Encumbrances	-	12,247	12,247
Cash Fund Balance - End of Year	<u>\$ 1,286,294</u>	<u>\$ 1,497,843</u>	<u>\$ 211,549</u>

City of Brook Park, Ohio

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

State Highway Fund

For The Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 89,202	\$ 89,202	\$ -
Interest	5,064	5,064	-
Total Revenues	<u>94,266</u>	<u>94,266</u>	<u>-</u>
Expenditures:			
Current:			
Transportation			
Street Paving and Repair			
Personal Services	577	-	577
Operations	25,048	241	24,807
Total Expenditures	<u>25,625</u>	<u>241</u>	<u>25,384</u>
Net Change in Fund Balance	68,641	94,025	25,384
Cash Fund Balance - Beginning of Year	801,843	801,843	-
Current Year Encumbrances	-	100	100
Cash Fund Balance - End of Year	<u>\$ 870,484</u>	<u>\$ 895,968</u>	<u>\$ 25,484</u>

City of Brook Park, Ohio

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

Permissive Tax Fund

For The Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 46,287	\$ 46,287	\$ -
Interest	1,583	1,583	-
Total Revenues	<u>47,870</u>	<u>47,870</u>	<u>-</u>
Expenditures:			
Current:			
Transportation			
Street Paving and Repair			
Operations	<u>61,480</u>	<u>12,121</u>	<u>49,359</u>
Capital Outlay			
Contractual Services	<u>78,361</u>	<u>78,361</u>	<u>-</u>
Total Expenditures	<u>139,841</u>	<u>90,482</u>	<u>49,359</u>
Net Change in Fund Balance	(91,971)	(42,612)	49,359
Cash Fund Balance - Beginning of Year	253,262	253,262	-
Current Year Encumbrances	-	82,341	82,341
Cash Fund Balance - End of Year	<u>\$ 161,291</u>	<u>\$ 292,991</u>	<u>\$ 131,700</u>

City of Brook Park, Ohio

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

Economic Development Fund

For The Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 57,800	\$ 57,800	\$ -
Fees, Licenses, and Permits	49,300	49,300	-
All Other Revenues	7,233	7,233	-
Total Revenues	<u>114,333</u>	<u>114,333</u>	<u>-</u>
Expenditures:			
Current:			
Community Environment			
Operations	852,349	710,589	141,760
Total Expenditures	<u>852,349</u>	<u>710,589</u>	<u>141,760</u>
Excess of Revenues Over (Under) Expenditures	(738,016)	(596,256)	141,760
Other Financing Sources			
Sale of Capital Assets	16,557	16,557	-
Transfers In	2,310,870	175,000	(2,135,870)
Total Other Financing Sources	<u>2,327,427</u>	<u>191,557</u>	<u>(2,135,870)</u>
Net Change in Fund Balance	1,589,411	(404,699)	(1,994,110)
Cash Fund Balance - Beginning of Year	1,006,764	1,006,764	-
Current Year Encumbrances	-	390,666	390,666
Cash Fund Balance - End of Year	<u>\$ 2,596,175</u>	<u>\$ 992,731</u>	<u>\$ (1,603,444)</u>

City of Brook Park, Ohio

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

Brook Park Road Corridor Fund

For The Year Ended December 31, 2020

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

City of Brook Park, Ohio

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

CDBG Fund

For The Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Cash Fund Balance - Beginning of Year	\$ 36,290	\$ 36,290	\$ -
Cash Fund Balance - End of Year	\$ 36,290	\$ 36,290	\$ -

City of Brook Park, Ohio

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

Special Recreation Fund

For The Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Charges for Services	\$ 47,342	\$ 47,342	\$ -
Total Revenues	<u>47,342</u>	<u>47,342</u>	<u>-</u>
Expenditures:			
Current:			
Leisure Time Activities			
Public Recreation			
Parks & Playground			
Operations	310,908	272,481	38,427
Other	21,250	17,035	4,215
Capital Outlay	8,959	-	8,959
Total Expenditures	<u>341,117</u>	<u>289,516</u>	<u>51,601</u>
Net Change in Fund Balance	(293,775)	(242,174)	51,601
Cash Fund Balance - Beginning of Year	477,907	477,907	-
Current Year Encumbrances	-	7,880	7,880
Cash Fund Balance - End of Year	<u>\$ 184,132</u>	<u>\$ 243,613</u>	<u>\$ 59,481</u>

City of Brook Park, Ohio

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

Law Enforcement Fund

For The Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 23,118	\$ 23,118	\$ -
All Other Revenues	555	555	-
Total Revenues	<u>23,673</u>	<u>23,673</u>	<u>-</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police and Others			
Operations	6,600	1,600	5,000
Capital Outlay	37,500	32,048	5,452
Total Expenditures	<u>44,100</u>	<u>33,648</u>	<u>10,452</u>
Net Change in Fund Balance	(20,427)	(9,975)	10,452
Cash Fund Balance - Beginning of Year	73,229	73,229	-
Cash Fund Balance - End of Year	<u>\$ 52,802</u>	<u>\$ 63,254</u>	<u>\$ 10,452</u>

City of Brook Park, Ohio

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

DWI Enforcement and Education Fund

For The Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Fines and Forfeitures	\$ 1,024	\$ 1,024	\$ -
Total Revenues	<u>1,024</u>	<u>1,024</u>	<u>-</u>
Expenditures:			
Current:			
Security of Persons and Property			
Operations	750	-	750
Total Expenditures	<u>750</u>	<u>-</u>	<u>750</u>
Net Change in Fund Balance	274	1,024	750
Cash Fund Balance - Beginning of Year	28,040	28,040	-
Cash Fund Balance - End of Year	<u>\$ 28,314</u>	<u>\$ 29,064</u>	<u>\$ 750</u>

City of Brook Park, Ohio

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

Federal Forfeiture Fund

For The Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	23,118	23,118	-
Interest	\$ 1,576	\$ 1,576	\$ -
Total Revenues	<u>24,694</u>	<u>24,694</u>	<u>-</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police and Others			
Operations	10,000	5,160	4,840
Capital Outlay	30,000	25,569	4,431
Total Expenditures	<u>40,000</u>	<u>30,729</u>	<u>9,271</u>
Net Change in Fund Balance	(15,306)	(6,035)	9,271
Cash Fund Balance - Beginning of Year	260,157	260,157	-
Cash Fund Balance - End of Year	<u>\$ 244,851</u>	<u>\$ 254,122</u>	<u>\$ 9,271</u>

City of Brook Park, Ohio

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

Community Diversion Fund

For The Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Cash Fund Balance - Beginning of Year	\$ 19,797	\$ 19,797	\$ -
Cash Fund Balance - End of Year	<u>\$ 19,797</u>	<u>\$ 19,797</u>	<u>\$ -</u>

City of Brook Park, Ohio

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

Retiree Accrued Benefits Fund

For The Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Expenditures:			
Current:			
Public Works			
Sewers and Drains			
Personal Services	\$ 60,000	\$ 53,766	\$ 6,234
Total Expenditures	<u>60,000</u>	<u>53,766</u>	<u>6,234</u>
Other Financing Sources			
Transfers In	200,000	200,000	-
Total Other Financings Sources	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net Change in Fund Balance	140,000	146,234	6,234
Cash Fund Balance - Beginning of Year	122,995	122,995	-
Cash Fund Balance - End of Year	<u>\$ 262,995</u>	<u>\$ 269,229</u>	<u>\$ 6,234</u>

City of Brook Park, Ohio

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

Continuing Training Program Fund

For The Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Cash Fund Balance - Beginning of Year	23,233	23,233	-
Cash Fund Balance - End of Year	\$ 23,233	\$ 23,233	\$ -

City of Brook Park, Ohio

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

FEMA Fund

For The Year Ended December 31, 2020

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

City of Brook Park, Ohio

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

B.P. Coronavirus Relief Fund

For The Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 1,351,386	\$ 1,351,386	\$ -
Total Revenues	<u>1,351,386</u>	<u>1,351,386</u>	<u>-</u>
Expenditures:			
Current:			
General Government			
Lands & Buildings Department			
Personal Services	1,351,386	1,351,386	-
Capital Outlay	64,130	54,199	9,931
Total Expenditures	<u>1,415,516</u>	<u>1,405,585</u>	<u>9,931</u>
Excess of Revenues Over (Under) Expenditures	(64,130)	(54,199)	9,931
Other Financing Sources			
Transfers In	64,130	64,130	-
Total Other Financing Sources	<u>64,130</u>	<u>64,130</u>	<u>-</u>
Net Change in Fund Balance	-	9,931	9,931
Cash Fund Balance - Beginning of Year	-	-	-
Current Year Encumbrances	-	3,088	3,088
Cash Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 13,019</u>	<u>\$ 13,019</u>

See accompanying notes to the basic financial statements.

City of Brook Park, Ohio

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

Police Pension Fund

For The Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 120,459	\$ 120,459	\$ -
Intergovernmental	14,864	14,864	-
Total Revenues	<u>135,323</u>	<u>135,323</u>	<u>-</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police and Others			
Personal Services	704,114	652,648	51,466
Total Expenditures	<u>704,114</u>	<u>652,648</u>	<u>51,466</u>
Excess of Revenues Over (Under) Expenditures	(568,791)	(517,325)	51,466
Other Financing Sources			
Transfers In	545,000	545,000	-
Total Other Financing Sources	<u>545,000</u>	<u>545,000</u>	<u>-</u>
Net Change in Fund Balance	(23,791)	27,675	51,466
Cash Fund Balance - Beginning of Year	32,838	32,838	-
Cash Fund Balance - End of Year	<u>\$ 9,047</u>	<u>\$ 60,513</u>	<u>\$ 51,466</u>

City of Brook Park, Ohio

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

Fire Pension Fund

For The Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 120,459	\$ 120,459	\$ -
Intergovernmental	14,864	14,864	-
Total Revenues	<u>135,323</u>	<u>135,323</u>	<u>-</u>
Expenditures:			
Current:			
Fire			
Personal Services	740,714	728,390	12,324
Total Expenditures	<u>740,714</u>	<u>728,390</u>	<u>12,324</u>
Excess of Revenues Over (Under) Expenditures	(605,391)	(593,067)	12,324
Other Financing Sources			
Transfers In	605,000	605,000	-
Total Other Financing Sources	<u>605,000</u>	<u>605,000</u>	<u>-</u>
Net Change in Fund Balance	(391)	11,933	12,324
Cash Fund Balance - Beginning of Year	38,172	38,172	-
Cash Fund Balance - End of Year	<u>\$ 37,781</u>	<u>\$ 50,105</u>	<u>\$ 12,324</u>

City of Brook Park, Ohio

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

Southwest General Health Center Fund

For The Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 98,082	\$ 98,082	\$ -
Intergovernmental	12,736	12,736	-
Total Revenues	<u>110,818</u>	<u>110,818</u>	<u>-</u>
Expenditures:			
Current:			
Public Health and Welfare			
Operations	110,818	110,818	-
Total Expenditures	<u>110,818</u>	<u>110,818</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Cash Fund Balance - Beginning of Year	-	-	-
Cash Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Brook Park, Ohio

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

Cash Bonds Held Fund

For The Year Ended December 31, 2020

	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fees, Licenses, and Permits	\$ 27,700	\$ 27,700	\$ -
Total Revenues	<u>27,700</u>	<u>27,700</u>	<u>-</u>
Expenditures:			
Current:			
Community Environment Operations	113,358	30,380	82,978
Total Expenditures	<u>113,358</u>	<u>30,380</u>	<u>82,978</u>
Net Change in Fund Balance	(85,658)	(2,680)	82,978
Cash Fund Balance - Beginning of Year	96,689	96,689	-
Cash Fund Balance - End of Year	<u>\$ 11,031</u>	<u>\$ 94,009</u>	<u>\$ 82,978</u>

City of Brook Park, Ohio

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

General Obligation Fund

For The Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 31,677	\$ 31,677	\$ -
Special Assessments	64,438	64,438	-
Total Revenues	<u>96,115</u>	<u>96,115</u>	<u>-</u>
Expenditures:			
Current:			
General Government			
Operations	6,000	4,389	1,611
Debt Service:			
Principal	765,830	694,073	71,757
Interest & Fiscal Charges	361,563	361,563	-
Total Debt Service	<u>1,127,393</u>	<u>1,055,636</u>	<u>71,757</u>
Total Expenditures	<u>1,133,393</u>	<u>1,060,025</u>	<u>73,368</u>
Excess of Revenues Over (Under) Expenditures	(1,037,278)	(963,910)	73,368
Other Financing Sources			
Transfers In	1,007,310	1,007,310	-
Total Other Financing Sources	<u>1,007,310</u>	<u>1,007,310</u>	<u>-</u>
Net Change in Fund Balance	(29,968)	43,400	73,368
Cash Fund Balance - Beginning of Year	1,338,379	1,338,379	-
Cash Fund Balance - End of Year	<u>\$ 1,308,411</u>	<u>\$ 1,381,779</u>	<u>\$ 73,368</u>

City of Brook Park, Ohio

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

Self Insured Medical Benefits Fund

For The Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Charges for Services	\$ 2,024,824	\$ 2,024,824	\$ -
Total Revenues	<u>2,024,824</u>	<u>2,024,824</u>	<u>-</u>
Expenses			
Current:			
Personal Services	2,201,047	2,024,746	176,301
Total Expenses	<u>2,201,047</u>	<u>2,024,746</u>	<u>176,301</u>
Net Change in Fund Equity	(176,223)	78	176,301
Cash Fund Equity - Beginning of Year	2,949,598	2,949,598	-
Cash Fund Equity - End of Year	<u>\$ 2,773,375</u>	<u>\$ 2,949,676</u>	<u>\$ 176,301</u>

STATISTICAL SECTION

City of Brook Park, Ohio

Statistical Section

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

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

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

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

Table 1

	Restated (1)				Restated (2)		Restated (3)			
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in										
Capital assets	\$ 69,624,618	\$ 69,659,655	\$ 68,500,606	\$ 67,365,271	\$ 66,736,815	\$ 67,797,950	\$ 71,280,520	\$ 70,660,770	\$ 67,079,171	\$ 62,872,693
Restricted for:										
Capital projects	5,358,279	3,309,139	3,377,216	5,257,973	1,841,871	2,148,752	6,592,223	4,037,105	227,603	214,400
Debt service	634,751	730,029	747,956	803,224	3,994,770	3,726,530	1,162,932	1,370,897	1,337,446	1,411,166
Other purposes	615,393	1,180,925	1,257,622	1,270,567	1,156,438	219,890	298,572	347,549	205,957	298,137
Recreation	-	-	-	-	-	403,637	452,474	458,922	-	-
Public Safety	-	-	-	-	-	509,594	388,716	370,603	360,212	346,459
Economic development	357,863	456,696	449,730	304,469	1,263,245	800,811	250,866	417,541	-	-
Street paving and repair	1,527,587	1,646,532	1,778,891	2,023,577	2,441,997	2,284,811	1,552,700	1,815,900	2,404,362	3,274,259
Unrestricted	5,119,842	5,897,052	6,066,741	6,952,423	(7,673,180)	(7,147,730)	(28,253,077)	(29,332,329)	(13,580,960)	(10,748,216)
Total net position - governmental activities	<u>\$ 83,238,333</u>	<u>\$ 82,880,028</u>	<u>\$ 82,178,762</u>	<u>\$ 83,977,504</u>	<u>\$ 69,761,956</u>	<u>\$ 70,744,245</u>	<u>\$ 53,725,926</u>	<u>\$ 50,146,958</u>	<u>\$ 58,033,791</u>	<u>\$ 57,668,898</u>

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

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

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

Note: A portion of the 2019 net position was reclassified 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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program revenues:										
Charges for services										
General government	\$ 565,523	\$ 578,665	\$ 824,690	\$ 694,869	\$ 796,582	\$ 658,301	\$ 898,000	\$ 763,062	\$ 811,501	\$ 697,276
Security of persons and property	922,977	991,409	721,429	1,257,395	1,225,940	1,315,914	1,197,804	1,117,801	1,126,189	478,566
Public health and welfare	18,294	16,413	16,966	5,229	190	220	130	310	400	7,895
Transportation	-	-	9,028	4,266	4,706	3,000	1,000	-	-	-
Leisure time activities	543,853	504,117	459,719	312,411	244,830	241,017	311,662	304,216	321,216	140,201
Community development	1,310,136	1,352,244	1,357,232	1,350,029	1,477,072	1,395,370	1,435,498	1,470,735	1,421,074	732,272
Public works	4,749	-	-	-	-	-	16,462	3,465	2,880	5,645
Total charges for services	<u>3,365,532</u>	<u>3,442,848</u>	<u>3,389,064</u>	<u>3,624,199</u>	<u>3,749,320</u>	<u>3,613,822</u>	<u>3,860,556</u>	<u>3,659,589</u>	<u>3,683,260</u>	<u>2,061,855</u>
Operating grants and contributions										
General government	7,035	58,103	10,292	21,137	37,576	27,842	79,906	-	-	79,906
Security of persons and property	16,893	12,899	119,180	48,522	98,194	77,796	33,690	18,795	17,895	1,445,055
Transportation	937,085	948,382	920,547	897,051	950,483	889,600	890,305	920,560	1,139,018	1,351,860
Leisure time activities	-	-	12,000	-	-	-	5,000	6,000	7,822	-
Community development	-	-	-	3,360	25,744	290,153	-	41,074	217,887	66,232
Public works	-	-	23,764	24,751	32,358	2,121	6,384	-	-	6,384
Total operating grants and contributions	<u>961,013</u>	<u>1,019,384</u>	<u>1,085,783</u>	<u>994,821</u>	<u>1,144,355</u>	<u>1,287,512</u>	<u>1,015,285</u>	<u>986,429</u>	<u>1,382,622</u>	<u>2,949,437</u>
Capital grants and contributions										
General government	185,500	-	-	1,420,975	58,288	-	30,140	-	-	-
Security of persons and property	117,755	7,968	-	-	-	-	-	112,602	-	-
Transportation	1,267,992	1,938,948	5,971	95,581	-	-	2,429,074	-	1,352,553	6,840
Leisure time activities	-	-	-	-	-	-	-	-	-	-
Community development	306,298	29,713	-	150,000	-	-	-	-	-	-
Public works	-	-	59,447	476,965	1,283,315	585,456	291,844	58,988	92,793	90,870
Total capital grants and contributions	<u>1,877,545</u>	<u>1,976,629</u>	<u>65,418</u>	<u>2,143,521</u>	<u>1,341,603</u>	<u>585,456</u>	<u>2,751,058</u>	<u>171,590</u>	<u>1,445,346</u>	<u>97,710</u>
Total program revenues	<u>6,204,090</u>	<u>6,438,861</u>	<u>4,540,265</u>	<u>6,762,541</u>	<u>6,235,278</u>	<u>5,486,790</u>	<u>7,626,899</u>	<u>4,817,608</u>	<u>6,511,228</u>	<u>5,109,002</u>

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

Table 2

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
General government	5,047,013	5,957,703	4,614,338	4,902,511	4,548,339	4,756,377	4,432,813	4,274,233	6,240,854	5,782,005
Security of persons and property	11,430,668	11,068,045	11,287,480	10,985,542	10,659,035	12,063,794	12,555,307	13,944,020	1,595,353	13,192,497
Public health and welfare	412,809	314,932	313,017	278,394	230,016	209,629	247,059	148,650	258,849	268,411
Transportation	2,486,308	3,213,847	3,083,726	3,210,908	3,081,564	2,946,070	3,610,372	4,656,162	6,004,889	2,920,240
Leisure time activities	2,562,792	2,305,024	2,198,184	2,095,119	1,508,908	1,567,408	1,752,451	3,144,157	3,331,253	3,010,335
Community development	1,428,069	1,035,202	886,092	1,088,706	1,160,879	1,637,055	1,371,587	1,264,341	1,639,970	1,276,111
Public works	3,547,146	3,501,691	3,230,274	3,218,651	3,080,342	3,228,252	4,130,367	3,141,480	3,537,867	3,584,899
Interest and fiscal charges	46,100	98,982	264,510	284,964	230,077	238,212	512,537	394,353	365,537	350,480
Total primary government expenses	<u>26,960,905</u>	<u>27,495,426</u>	<u>25,877,621</u>	<u>26,064,795</u>	<u>24,499,160</u>	<u>26,646,797</u>	<u>28,612,493</u>	<u>30,967,396</u>	<u>22,974,572</u>	<u>30,384,978</u>
Net (expense)/revenue	<u>(20,756,815)</u>	<u>(21,056,565)</u>	<u>(21,337,356)</u>	<u>(19,302,254)</u>	<u>(18,263,882)</u>	<u>(21,160,007)</u>	<u>(20,985,594)</u>	<u>(26,149,788)</u>	<u>(16,463,344)</u>	<u>(25,275,976)</u>
General revenues										
Property taxes	1,994,242	1,986,778	1,807,889	1,684,574	1,769,793	1,836,353	1,852,018	1,840,585	2,045,673	1,958,089
Municipal income taxes and Other Taxes	17,801,257	17,768,862	18,134,634	18,556,361	19,570,562	19,608,280	19,774,881	19,911,095	21,231,634	19,725,264
Grants and entitlements										
not restricted to specific programs	1,393,561	878,135	615,425	790,071	716,253	618,590	600,624	596,775	713,811	755,228
Investment income	4,702	7,157	2,045	4,746	19,345	62,985	112,037	188,782	204,679	55,954
All other revenues	2,428	57,328	76,097	65,244	1,265	16,088	24,845	33,583	154,380	2,416,548
Total general revenues	<u>21,196,190</u>	<u>20,698,260</u>	<u>20,636,090</u>	<u>21,100,996</u>	<u>22,077,218</u>	<u>22,142,296</u>	<u>22,364,405</u>	<u>22,570,820</u>	<u>24,350,177</u>	<u>24,911,083</u>
Change in net position	<u>\$ 439,375</u>	<u>\$ (358,305)</u>	<u>\$ (701,266)</u>	<u>\$ 1,798,742</u>	<u>\$ 3,813,336</u>	<u>\$ 982,289</u>	<u>\$ 1,378,811</u>	<u>\$ (3,578,968)</u>	<u>\$ 7,886,833</u>	<u>\$ (364,893)</u>

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

Table 3

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund:										
Nonspendable	\$ 283,312	\$ 266,001	\$ 261,923	\$ 273,738	\$ 295,958	\$ 333,786	\$ 236,118	\$ 586,826	\$ 601,747	\$ 460,896
Committed	3,229,970	2,767,778	1,874,885	1,481,623	1,661,168	1,987,936	2,251,239	2,625,460	2,991,010	3,228,932
Assigned	414,414	277,395	266,035	250,794	216,578	2,639,376	404,642	1,457,142	2,319,089	4,462,502
Unassigned	1,415,476	3,064,486	3,070,287	3,375,377	6,697,552	4,787,899	6,028,519	6,109,471	6,980,856	8,550,846
Total general fund	5,343,172	6,375,660	5,473,130	5,381,532	8,871,256	9,748,997	8,920,518	10,778,899	12,892,702	16,703,176
All other governmental funds:										
Nonspendable	-	-	-	-	-	-	392	-	-	-
Restricted	4,316,404	3,980,814	6,967,254	6,231,265	5,247,066	4,026,978	5,307,204	2,989,931	3,507,077	4,329,888
Committed	3,568,496	2,246,761	4,091,320	4,055,013	3,957,344	4,336,381	4,452,527	4,545,380	4,464,332	5,103,300
Assigned	2,639,466	1,757,135	859,276	891,596	891,596	1,128,496	1,105,049	1,313,686	1,309,936	1,346,266
Unassigned (Deficit)	(445,746)	(354,414)	(102,722)	(153,258)	(27,198)	(66,984)	-	(14,709)	-	-
Total all other governmental funds	10,078,620	7,630,296	11,815,128	11,024,616	10,068,808	9,424,871	10,865,172	8,834,288	9,281,345	10,779,454
Total governmental funds	\$ 15,421,792	\$ 14,005,956	\$ 17,288,258	\$ 16,406,148	\$ 18,940,064	\$ 19,173,868	\$ 19,785,690	\$ 19,613,187	\$ 22,174,047	\$ 27,482,630

City of Brook Park, Ohio

Changes in Fund Balances, Governmental Funds

Modified Accrual Basis of Accounting

Last Ten Fiscal Years

Table 4

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Property Taxes	\$ 2,002,050	\$ 1,952,842	\$ 1,827,212	\$ 1,735,105	\$ 1,777,005	\$ 1,832,246	\$ 1,854,778	\$ 1,842,191	\$ 2,044,841	\$ 1,959,741
Income Taxes	17,465,889	17,603,699	17,577,172	18,097,977	19,271,134	19,055,491	19,436,285	19,794,513	20,547,833	19,230,909
Other Taxes	325,486	213,567	338,001	345,238	344,687	375,180	294,893	354,703	418,621	158,460
Intergovernmental	3,772,270	3,537,753	1,861,096	3,952,536	2,969,726	2,177,933	4,243,934	1,593,681	3,580,345	3,595,169
Interest	4,893	7,172	2,045	4,746	19,345	62,985	112,067	188,782	204,679	55,954
Licenses and Permits	705,694	689,562	739,328	699,901	855,440	751,259	642,082	693,099	769,317	671,324
Fines and Forfeitures	350,017	408,470	268,370	535,859	851,371	715,504	707,177	529,567	666,224	425,554
Rentals	1,975	3,550	3,850	1,650	87,998	90,176	53,299	50,090	50,165	12,741
Charges for Services	1,984,816	1,867,450	1,785,589	1,773,668	1,688,949	1,662,569	1,763,713	2,352,928	2,223,894	971,562
Contributions and Donations	219,725	190,820	91,648	72,075	35,724	38,735	1,825	5,215	6,369	850
Special Assessments	85,071	85,066	85,512	82,455	82,987	63,354	60,216	40,652	77,808	64,438
All Other Revenues	700,243	471,719	722,235	443,236	472,446	676,328	646,469	30,229	150,834	2,415,695
Total Revenues	27,618,129	27,031,670	25,302,058	27,744,446	28,456,812	27,501,760	29,816,738	27,475,650	30,740,930	29,562,397
Expenditures:										
Current:										
Security of persons and property	11,540,053	11,014,188	11,017,683	10,799,690	10,162,731	10,775,343	11,049,682	11,221,844	11,807,686	11,601,531
Public health and welfare	408,973	309,741	307,431	272,808	218,934	203,908	234,788	140,349	245,871	256,615
Leisure time activities	2,243,478	2,031,832	1,878,129	1,841,553	1,196,974	1,264,030	1,266,269	1,296,096	1,325,445	1,194,040
Community development	1,942,284	1,037,516	895,478	1,372,890	1,149,580	1,673,383	1,218,055	1,187,445	1,349,657	1,168,998
Public works	3,052,788	2,820,750	2,456,099	2,795,928	2,275,222	2,492,120	2,391,617	1,727,642	2,082,317	2,451,103
Transportation	1,643,494	4,243,551	2,427,129	1,250,950	1,212,767	1,310,713	1,903,259	2,391,326	2,109,374	810,352
General government	4,791,064	5,556,723	6,957,185	5,589,126	4,546,852	4,624,175	3,747,761	3,717,179	3,804,306	4,637,550
Capital Outlay	3,648,548	2,968,253	1,270,804	3,985,506	5,578,459	4,146,644	12,707,301	4,139,254	4,482,252	1,152,338
Debt Service:										
Principal retirement	287,467	388,374	398,374	608,374	764,579	541,847	1,372,623	1,469,126	1,227,395	873,046
Interest and fiscal charges	48,075	90,704	84,467	314,141	282,883	257,212	350,414	428,968	399,714	373,725
Bond issuance costs	64,143	2,491	115,166	-	-	-	160,098	-	-	-
Total expenditures	29,670,367	30,464,123	27,807,945	28,830,966	27,388,981	27,289,375	36,401,867	27,719,229	28,834,017	24,519,298
Excess of revenues over (under) expenditures	(2,052,238)	(3,432,453)	(2,505,887)	(1,086,520)	1,067,831	212,385	(6,585,129)	(243,579)	1,906,913	5,043,099

City of Brook Park, Ohio

Changes in Fund Balances, Governmental Funds (continued)

Modified Accrual Basis of Accounting

Last Ten Fiscal Years

Table 4

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other financing sources (uses):										
General Obligation Bond issued	1,705,000	-	5,520,000	-	-	-	4,980,000	-	-	-
OPWC loans issued	25,243	-	-	-	1,429,520	19,611	-	-	106,689	21,312
Premium on Debt issuance	25,873	-	253,973	-	-	-	219,628	-	-	-
Capital leases	-	2,006,371	-	150,879	-	-	1,997,323	-	-	227,615
Sale of capital assets	36,393	10,246	14,216	53,531	36,565	1,808	-	71,076	547,258	16,557
Transfers in	1,390,040	3,534,965	2,817,504	2,010,532	3,726,485	3,757,891	5,227,068	3,399,560	4,024,323	2,396,439
Transfers out	(1,390,040)	(3,534,965)	(2,817,504)	(2,010,532)	(3,726,485)	(3,757,891)	(5,227,068)	(3,399,560)	(4,024,323)	(2,396,439)
Total other financing sources (uses)	1,792,509	2,016,617	5,788,189	204,410	1,466,085	21,419	7,196,951	71,076	653,947	265,484
Net change in fund balances	\$ (259,729)	\$ (1,415,836)	\$ 3,282,302	\$ (882,110)	\$ 2,533,916	\$ 233,804	\$ 611,822	\$ (172,503)	\$ 2,560,860	\$ 5,308,583
Debt service as a percentage of noncapital expenditures	1.29%	1.88%	1.97%	3.73%	4.77%	3.39%	6.48%	7.65%	6.14%	5.62%

City of Brook Park, Ohio

Assessed Valuations and Estimated True Values

Last Ten Fiscal Years

Table 5

Collection Year	Real Property			Tangible Personal Property		Total		Ratio	Direct Tax Rate
	Assessed Value		Estimated Actual Value	Assessed Value Public Utility	Estimated Actual Value	Assessed Value	Estimated Actual Value		
	Residential/Agricultural	Commercial Industrial/PU							
2011	\$ 291,898,930	\$ 171,886,210	\$ 1,325,100,400	\$ 9,310,360	\$ 10,579,955	\$ 473,095,500	\$ 1,335,680,355	35.42	4.75
2012	291,695,680	171,577,480	1,323,637,600	9,584,670	10,891,670	472,857,830	1,334,529,270	35.43	4.75
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

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

City of Brook Park, Ohio

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

Last Ten Years

Table 6

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

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

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

Source: Cuyahoga County Fiscal Officer

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

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

City of Brook Park, Ohio

Tangible Personal Property Tax Levies And Collections

Last Ten Years

Table 7b

<u>Year</u>	<u>Current Tax Levy</u>	<u>Current Collections</u>	<u>Percentage of Current Collections To Current Levy</u>	<u>Prior Year Collections</u>	<u>Total Collections</u>	<u>Percentage of Total Collections To Current Levy</u>
2011	\$ -	\$ -	0%	\$ 984	\$ 984	0%
2012	-	-	0%	152	152	0%
2013	-	-	0%	67	67	0%
2014	-	-	0%	-	-	0%
2015	-	-	0%	-	-	0%
2016	-	-	0%	-	-	0%
2017	-	-	0%	-	-	0%
2018	-	-	0%	-	-	0%
2019	-	-	0%	-	-	0%
2020	-	-	0%	-	-	0%

Source: Cuyahoga County Fiscal Officer

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

City of Brook Park, Ohio

Principal Taxpayers - Real Estate Tax 2020 and 2011

Table 8

Name of Taxpayer	December 31, 2020	
	Assessed Value (1)	Percent of Total Assessed Value
Cleveland Electric Illuminating Company	\$ 11,249,660	2.49%
Ford Motor CO.	10,105,640	2.23%
Deep Discount Properties LLC	10,062,020	2.22%
CP-Snow Prop, LLC	5,986,900	1.32%
Laich, Walter	4,662,000	1.03%
Techpark Ltd Partnership	4,187,830	0.93%
Brook Park Station, LLC	3,541,690	0.78%
CP-Cleveland ADC LLC Chavez Urban	3,500,010	0.77%
GG Sharon City 1994 Limited System	3,255,920	0.72%
Amercian Transmission System	2,699,190	0.60%
Total	<u>\$ 59,250,860</u>	<u>13.09%</u>
Total Assessed Valuation	<u>452,232,490</u>	

Name of Taxpayer	December 31, 2011	
	Assessed Value (1)	Percent of Total Assessed Value
M.W.P. Company	\$ 21,572,500	4.56%
Ford Motor Company	20,055,470	4.24%
Cleveland Electric Illuminating	8,218,510	1.74%
Tech Park Limited Partnership	8,181,700	1.73%
Laich, Walter	6,345,510	1.34%
CP-Cleveland ADC, LLC	5,372,590	1.14%
Albrecht Inc.	5,207,690	1.10%
CP-Snow Prop, LLC	4,705,330	0.99%
Brookgate Associates, LLC	4,237,050	0.90%
KW Real	2,800,150	0.59%
Total	<u>\$ 86,696,500</u>	<u>13.77%</u>
Total Assessed Valuation	<u>473,095,500</u>	

Source: Cuyahoga County Fiscal Officer

(1) Excludes Public Utilities

(2) The amounts presented represent the assessed values upon which 2020 collections were based.

City of Brook Park, Ohio

Municipal Income Tax Revenues By Source

Modified Accrual Basis of Accounting

Last Ten Years

Table 9

<u>Withheld Year</u>	<u>Individual Tax</u>	<u>Municipal Direct Tax</u>	<u>Business Direct Tax</u>	<u>Income Tax Collections</u>
2011	\$ 15,407,196	\$ 754,473	\$ 1,304,220	\$ 17,465,889
2012	15,348,105	681,180	1,574,414	17,603,699
2013	15,290,038	708,829	1,578,305	17,577,172
2014	15,607,541	693,255	1,797,181	18,097,977
2015	16,689,291	861,607	1,720,236	19,271,134
2016	16,601,871	854,375	1,599,245	19,055,491
2017	16,751,040	871,010	1,857,938	19,479,988
2018	17,125,289	886,236	1,544,868	19,556,393
2019	17,811,207	876,837	2,124,969	20,813,013
2020	16,671,626	771,557	1,787,726	19,230,909

Source: City Financial Records

City of Brook Park, Ohio

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

Last Ten Years

Table 10

<u>Fiscal Year</u>	<u>General Obligation Bonds (1)</u>	<u>General Obligation Notes (1)</u>	<u>OPWC Loans</u>	<u>Lease Purchase Agreements</u>	<u>Total</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2011	\$ 2,765,000	\$ -	\$ 1,921,271	\$ 2,403	\$ 4,688,674	1.02%	\$ 244
2012	2,480,000	750,000	1,817,897	1,616,919	6,664,816	1.45%	347
2013	7,977,641	-	1,714,523	1,253,966	10,946,130	2.38%	570
2014	7,456,470	-	1,611,149	984,644	10,052,263	2.19%	523
2015	7,060,299	-	2,921,137	719,597	10,701,033	2.33%	557
2016	6,654,127	-	2,788,901	449,965	9,892,993	2.15%	515
2017	11,340,263	-	2,633,141	1,720,425	15,693,829	3.41%	817
2018	10,718,111	-	2,457,310	1,022,130	14,197,551	3.09%	739
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

(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, \$601,857 of the total outstanding at December 31, 2020 will be reimbursed by the City of Cleveland.

City of Brook Park, Ohio

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

Last Ten Years

Table 11

Year	Gross Bonded Debt (1)	Accumulated Resources Restricted For Repayment	Net General Bonded Debt	Assessed Value (3)	Population (2)	Ratio of Net Bonded Debt to Assessed Value	Debt per Capita
2011	\$ 2,765,000	\$ (634,751)	\$ 2,130,249	\$ 473,095,500	19,212	0.45%	\$ 110.88
2012	2,480,000	(730,029)	1,749,971	472,857,830	19,212	0.37%	91.09
2013	7,977,641	(747,956)	7,229,685	420,082,990	19,212	1.72%	376.31
2014	7,456,470	(803,224)	6,653,246	421,440,890	19,212	1.58%	346.31
2015	7,060,299	(3,994,770)	3,065,529	417,257,440	19,212	0.73%	159.56
2016	6,654,127	(3,726,530)	2,927,597	409,280,850	19,212	0.72%	152.38
2017	11,340,263	(1,162,932)	10,177,331	411,042,920	19,212	2.48%	529.74
2018	10,718,111	(1,370,897)	9,347,214	414,199,470	19,212	2.26%	486.53
2019	10,120,959	(1,337,446)	8,783,513	451,115,860	19,212	1.95%	457.19
2020	9,503,807	(1,411,166)	8,092,641	452,232,490	19,212	1.79%	421.23

(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

City of Brook Park, Ohio
Computation of Direct and Overlapping Debt
December 31, 2020

Table 12

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	(1) <u>Percentage Applicable to City of Brook Park</u>	<u>Amount Applicable to City of Brook Park</u>
Direct Debt:			
City of Brook Park (2)			
General Obligation Bonds	\$ 9,503,807	100.00%	\$ 9,503,807
OPWC Loan	2,305,408	100.00%	2,305,408
Capital Leases	589,207	100.00%	589,207
Total Direct Debt	<u>12,398,422</u>		<u>12,398,422</u>
Overlapping Debt:			
Berea City School District	109,553,000	29.54%	32,361,969
Cleveland City School District	231,922,059	0.46%	1,056,460
Cuyahoga County	245,120,000	1.64%	4,012,897
Cuyahoga Community College	207,010,000	1.64%	3,388,992
Total Overlapping Debt	<u>793,605,059</u>		<u>40,820,318</u>
Total	<u>\$ 806,003,481</u>		<u>\$ 53,218,740</u>

Source: Cuyahoga County Fiscal Officer

- (1) Percentages determined by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.
- (2) Amounts include associated premiums.

City of Brook Park, Ohio

Legal Debt Margin

Last Ten Fiscal Years

Table 13

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed Valuation	\$ 473,095,500	\$ 472,857,830	\$ 420,082,990	\$ 421,440,890	\$ 417,257,440	\$ 409,280,850	\$ 411,042,920	\$ 414,199,470	\$ 451,115,860	\$ 452,232,490
Overall debt limit - 10.5% of assessed value	49,675,028	49,650,072	44,108,714	44,251,293	43,812,031	42,974,489	43,159,507	43,490,944	47,367,165	47,484,411
Gross indebtedness	4,686,271	5,047,897	9,692,164	9,067,619	9,981,436	9,443,028	13,973,404	13,175,421	12,509,128	11,809,215
Less: debt outside limitation	(1,140,359)	(1,077,005)	(1,013,652)	(950,299)	(886,946)	(823,593)	(760,240)	(696,887)	(633,534)	(601,857)
Less: amount available in debt service fund	(1,757,346)	(1,725,522)	(1,901,974)	(1,872,159)	(1,805,318)	(2,111,431)	(1,895,640)	(2,020,619)	(1,971,913)	(1,983,636)
Net debt within 10.5% limit	1,788,566	2,245,370	6,776,538	6,245,161	7,289,172	6,508,004	11,317,524	10,457,915	9,903,681	9,223,722
Legal Debt Margin	\$ 47,886,462	\$ 47,404,702	\$ 37,332,176	\$ 38,006,132	\$ 36,522,859	\$ 36,466,485	\$ 31,841,983	\$ 33,033,029	\$ 37,463,484	\$ 38,260,689
Debt Limit - 5.5% of assessed unvoted value	\$ 26,020,253	\$ 26,007,181	\$ 23,104,564	\$ 23,179,249	\$ 22,949,159	\$ 22,510,447	\$ 22,607,361	22,780,971	24,811,372	24,872,787
Gross indebtedness authorized by council:	4,686,271	4,686,271	9,692,164	9,067,619	9,981,436	9,443,028	13,973,404	13,175,421	12,509,128	11,809,215
Less: debt outside limitation	(1,140,359)	(1,077,005)	(1,013,652)	(950,299)	(886,946)	(823,593)	(760,240)	(696,887)	(633,534)	(601,857)
Less: amount available in debt service fund	(1,757,346)	(1,725,522)	(1,901,974)	(1,872,159)	(1,805,318)	(2,111,431)	(1,895,640)	(2,020,619)	(1,971,913)	(1,983,636)
Net debt within 5.5% limit	1,788,566	1,883,744	6,776,538	6,245,161	7,289,172	6,508,004	11,317,524	10,457,915	9,903,681	9,223,722
Unvoted debt margin	\$ 24,231,687	\$ 24,123,437	\$ 16,328,026	\$ 16,934,088	\$ 15,659,987	\$ 16,002,443	\$ 11,289,837	\$ 12,323,056	\$ 14,907,691	\$ 15,649,065

Source: Cuyahoga County Fiscal Officer and City Financial Records

City of Brook Park, Ohio

Principal Employers

Current Year and 2011

Table 14

<u>Employer</u>	2020	
	<u>Employees</u>	<u>Percentage of</u>
Ford Motor Company	1,750	7.93%
Department of the Interior	1,655	7.50%
Marc Glassman Inc.	691	3.13%
Minute Men Temps	427	1.93%
Group Management	346	1.57%
Global Payment Holding	301	1.36%
Credit First National	276	1.25%
Alycon Technical	262	1.19%
HX5 Sierra, LLC	236	1.07%
City of Brook Park	233	1.06%
Total	<u>6,177</u>	<u>27.99%</u>
Total City Employment	<u>22,068</u>	<u>100.00%</u>

<u>Employer</u>	2011	
	<u>Employees</u>	<u>Percentage of</u>
Department of the Interior	1,732	9.26%
Ford Motor Company	1,254	6.71%
Marc Glassman Inc.	567	3.03%
Berea City School District	338	1.81%
City of Brook Park	335	1.79%
Credit First National	274	1.47%
Vesuvius USA Corp.	253	1.35%
Malley's Candies, Inc.	253	1.35%
PNC Bank	233	1.25%
Lakefront Lines, Inc.	220	1.18%
Total	<u>5,459</u>	<u>29.19%</u>
Total City Employment	<u>18,702</u>	<u>100.00%</u>

Source: City Income Tax Department.

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

Table 15

Year	Population (1)	Total Personal Income (4)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)
2011	\$ 19,212	\$ 459,704,736	\$ 23,928	\$ 53,264	43.8	7,017	7.1%
2012	19,212	459,704,736	23,928	53,264	43.8	7,122	6.6%
2013	19,212	459,704,736	23,928	53,264	43.8	6,681	7.2%
2014	19,212	459,704,736	23,928	53,264	43.8	6,361	5.3%
2015	19,212	459,704,736	23,928	53,264	43.8	6,491	5.5%
2016	19,212	459,704,736	23,928	53,264	43.8	6,537	5.5%
2017	19,212	459,704,736	23,928	53,264	43.8	6,379	5.6%
2018	19,212	459,704,736	23,928	53,264	43.8	6,064	5.0%
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%

(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

City of Brook Park, Ohio
Full Time Employees by Function/Program
Last Ten Years

Table 16

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Function/program:										
General government:										
Council	2.00	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	4.00
Tax	3.00	3.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Law	1.00	1.50	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Mayor's office	2.00	2.00	3.00	2.00	2.00	3.00	3.00	3.50	3.50	3.50
Human resources	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Civil service	-	0.50	-	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Clerk of courts	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50
Security of persons and property:										
Safety department	9.00	9.00	11.00	8.00	6.00	6.00	3.00	3.00	3.00	2.00
Animal warden	1.00	1.50	1.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Police	39.00	39.00	41.00	38.00	36.00	36.00	36.00	35.00	34.00	37.00
Police administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Property maintenance	4.00	3.00	4.00	4.00	3.00	3.00	4.00	4.00	4.00	3.00
Fire	34.00	34.00	36.00	33.00	30.00	30.00	30.00	30.00	31.00	29.00
Fire administration	1.00	-	-	-	-	-	-	1.00	1.00	1.00
Public health and welfare:										
Office of aging	2.50	1.50	-	-	-	-	-	1.50	1.50	1.00
Leisure time activities:										
Recreation	7.00	6.00	6.00	7.00	6.00	5.00	5.00	5.00	5.00	5.00
Community development:										
Building	5.00	4.00	4.00	5.00	5.00	5.00	5.50	5.00	5.00	5.00
Economic development	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Transportation:										
Service	43.00	40.50	36.00	39.00	31.00	36.00	36.00	33.00	30.00	30.00
Public works:										
Service	4.00	3.00	3.00	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	<u>166.50</u>	<u>159.50</u>	<u>159.00</u>	<u>153.00</u>	<u>136.00</u>	<u>141.00</u>	<u>140.50</u>	<u>141.00</u>	<u>138.00</u>	<u>136.00</u>

Source: City Payroll Records

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

Table 17

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function/program:										
General government:										
Council and clerk										
Number of ordinances passed	66	60	55	75	44	67	40	43	81	44
Number of resolutions passed	27	40	27	24	26	37	29	39	39	22
Finance department:										
Number of checks/vouchers issued (excluding payroll)	5,016	4,877	4,444	4,260	3,893	3,617	3,282	3,124	3,031	2,857
Number of purchase orders issued	1,344	1,320	1,226	1,151	1,035	1,037	995	966	909	830
Number of W-2 forms issued	335	348	377	374	322	302	276	272	279	233
City W-2 wages (in millions)	13	13	12	12	12	11	12	12	12	12
Agency ratings - Fitch	AA	AA	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-
Income tax department:										
Number of individual returns	10,379	10,022	9,970	9,984	10,085	10,473	10,398	10,358	10,126	9,609
Number of business returns	1,659	1,758	1,779	1,810	1,922	1,820	1,800	1,800	1,867	1,922
Number of business withholding accounts	1,476	1,552	1,480	1,554	1,568	1,553	1,581	1,604	1,600	1,634
Civil service:										
Number of exams given	6	4	5	2	1	2	1	3	4	-
Building department										
Number of permits issued	1,401	1,330	1,408	1,392	1,510	1,309	1,314	1,320	1,381	1,434
Security of persons and property:										
Police:										
Number of traffic citations issued	2,203	2,389	2,338	4,900	7,959	5,886	6,258	3,766	4,954	2,058
Number of parking citations issued	2,197	2,412	1,619	1,850	2,279	2,257	2,479	2,335	2,710	1,878
Number of criminal arrests	1,078	928	731	684	707	487	646	537	463	189
Animal warden service calls responded to per annual report	129	768	1,209	1,171	1,095	1,177	1,244	1,326	1,408	812

City of Brook Park, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 17

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Security of persons and property:										
Fire:										
EMS calls	2,282	2,447	2,204	2,549	2,572	2,639	2,901	2,573	2,747	2,857
Fire and fire-related calls	411	449	423	429	446	440	576	607	646	636
Hydrants tested	1,250	1,250	1,250	1,149	1,206	1,206	1,206	1,206	1,160	1,206
Leisure time activities:										
Recreation:										
Number of memberships	3,968	3,358	2,153	2,653	3,100	3,187	2,767	1,348	1,794	1,767
Community development:										
Parking fees collected due to										
Economic development dept.	\$ 976,591	\$ 975,500	\$ 968,732	\$ 965,031	\$ 985,439	\$985,758	\$ 987,855	\$ 991,597	\$ 981,453	\$ 419,736
Public works:										
Refuse disposal per year (tons)	10,930	10,870	7,129	7,423	9,483	9,734	8,840	10,502	9,083	9,842
Refuse disposal costs per year	\$ 378,919	\$ 361,016	\$ 272,325	\$ 298,457	\$ 340,659	\$ 357,231	\$ 429,612	\$ 469,575	\$ 459,222	\$ 584,815
Percentage of waste recycled	4.00%	9.00%	10.42%	15.44%	10.00%	12.79%	10.11%	10.38%		
Transportation:										
Snowfall in inches	69.50	38.90	68.10	64.60	60.00	68.00	68.1	30.7	40.0	27.4
Cost of salt purchased	\$ 100,124	\$ 127,428	\$ 167,207	\$ 188,632	\$ 213,392	\$ 201,121	\$ 88,532	\$ 197,521	\$ 246,980	\$ 159,646
Asphalt used in road maintenance (tons)	76	272	336	211	283	173	130	203	206	127
Concrete used in road maintenance (yards)	244	179	290	161	202	261	245	90	153	108
Number of trees removed	207	175	213	109	84	183	-	85	98	94
Number of trees planted	8	15	100	-	-	-	-	-	-	-
Senior citizen driveway plowing participants	1,140	1,096	1,149	-	-	-	-	-	-	-

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

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

Table 18

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function/program:										
General government:										
City Hall square footage	16,880	16,880	16,880	16,880	16,880	16,880	16,880	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	16,072	16,072	16,072	16,072	16,072
Number of vehicles	33	41	34	30	30	33	30	35	35	35
Number of street lights	2,565	2,565	2,565	2,565	2,565	2,565	2,565	2,565	2,565	2,565
Number of traffic lights	44	44	44	44	44	44	44	44	44	44
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Square footage of station	16,072	16,072	16,072	16,072	16,072	16,072	16,072	16,072	16,072	16,072
Square footage of station - Ruple	3,807	3,807	3,807	3,807	3,807	3,807	3,807	3,807	3,807	3,807
Number of Vehicles	14	14	13	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	74	74	75	75	77	77	77

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

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