



OHIO AUDITOR OF STATE
KEITH FABER



CITY OF STRONGSVILLE
CUYAHOGA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	1

This page intentionally left blank.



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

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

City of Strongsville
Cuyahoga County
16099 Foltz Industrial Parkway
Strongsville, Ohio 44149

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Strongsville, Cuyahoga County, Ohio (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 26, 2020.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

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

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

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, reading "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State

Columbus, Ohio

June 26, 2020

CITY OF STRONGSVILLE, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2019

CITY OF STRONGSVILLE, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2019

Issued by The Finance Department

Joseph K. Dubovec, CPA
Director of Finance

This page is intentionally left blank

INTRODUCTORY SECTION



City of Strongsville, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2019
Table of Contents

Page

I. Introductory Section

Table of Contents.....	i
Letter of Transmittal	viii
Elected Officials	xvi
Appointed Officials	xvii
Organizational Chart.....	xviii
Certificate of Achievement for Excellence in Financial Reporting.....	xix

II. Financial Section

Independent Auditor's Report	1
Management's Discussion and Analysis	5
Basic Financial Statements	
Government Financial Statements:	
Statement of Net Position.....	19
Statement of Activities	20
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	22
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	24
Statement of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – General Fund	26
Statement of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Street Construction, Maintenance and Repair Fund...	27
Statement of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Fire Levy Fund.....	28
Statement of Net Position – Proprietary Funds	29
Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds	30

City of Strongsville, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2019
Table of Contents

	Page
<hr/>	
II. Financial Section (Continued)	
Statement of Cash Flows – Proprietary Funds	31
Notes to the Basic Financial Statements:	
Note 1: Description of the City and Reporting Entity	33
Note 2: Summary of Significant Accounting Policies.....	33
Note 3: Changes in Accounting Principles and Restatement of Net Position	44
Note 4: Accountability	45
Note 5: Budgetary Basis of Accounting.....	45
Note 6: Fund Balance	47
Note 7: Deposits and Investments	48
Note 8: Receivables.....	51
Note 9: Transfers	54
Note 10: Capital Assets	55
Note 11: Risk Management.....	57
Note 12: Defined Benefit Pension Plans	59
Note 13: Defined Benefit OPEB Plans	70
Note 14: Short-Term Notes Payable	80
Note 15: Long-Term Obligations	80
Note 16: Leases	85
Note 17: Construction Commitments.....	86
Note 18: Contingent Liabilities	86

City of Strongsville, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2019
Table of Contents

	Page
<hr/>	
II. Financial Section (Continued)	
Note 19: Jointly Governed Organizations	86
Note 20: Related Organization	88
Note 21: Insurance Purchasing Pool	88
Note 22: Tax Abatement Disclosures	89
Note 23: Subsequent Event	89
Required Supplementary Information:	
Schedule of the City's Proportionate Share of the Net Pension Liability	90-91
Schedule of City Contributions - Pension	92-93
Schedule of the City's Proportionate Share of the Net OPEB Liability	94-95
Schedule of City Contributions - OPEB	96-97
Notes to the Required Supplementary Information	98-99
Combining Statements and Individual Fund Schedules:	
Combining Statements – Nonmajor Governmental Funds:	
Fund Descriptions	101
Combining Balance Sheet – Nonmajor Governmental Funds	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	107
Combining Balance Sheet – Nonmajor Special Revenue Funds	108
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	111
Combining Balance Sheet – Nonmajor Debt Service Funds	114
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	116

City of Strongsville, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2019
Table of Contents

	Page
<hr/>	
II. Financial Section (Continued)	
Combining Balance Sheet – Nonmajor Capital Projects Funds	118
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	119
Combining Statements – Nonmajor Proprietary Funds:	
Fund Descriptions.....	120
Combining Statement of Net Position – Nonmajor Internal Service Funds	121
Combining Statement of Revenues, Expenditures and Changes in Fund Net Position Nonmajor Internal Service Funds	122
Combining Statement of Cash Flows – Nonmajor Internal Service Funds	123
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balances/Fund Equity – Budget (Non-GAAP Basis) and Actual:	
Major Funds:	
General Fund.....	125
Street Construction, Maintenance and Repair Fund	128
Fire Levy Fund.....	129
General Bond Retirement Fund	130
General Capital Improvement Fund.....	131
Sanitary Sewer Fund.....	132
Nonmajor Funds:	
Police Pension Fund.....	134

City of Strongsville, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2019
Table of Contents

	Page
<hr/>	
II. Financial Section (Continued)	
State Highway Maintenance Fund	135
Motor Vehicle License Tax Fund	136
Emergency Vehicle Fund.....	137
Fire Pension Fund	138
Clerk of Court Computerization Fund	139
Drainage Levy Fund	140
Multi-Purpose Complex Fund.....	141
Southwest General Hospital Levy Fund	143
Law Enforcement Federal Seizure Fund.....	144
Law Enforcement State Seizure Fund.....	145
Law Enforcement Drug Fine Fund	146
Law Enforcement DWI/DUI Fund	147
Tree Fund.....	148
Bond Escrow Fund.....	149
Community Diversion Fund	150
Earned Benefits Fund.....	151
Pearl Road TIF #1 Fund	152
Royalton Road TIF Fund.....	153
Pearl Road TIF #2 Fund	154
Pearl Road TIF #3 Fund	155
Pearl Road TIF #4 Fund	156

City of Strongsville, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2019
Table of Contents

	Page
 II. Financial Section (Continued)	
Westwood Commons TIF Fund	157
Giant Eagle TIF Fund.....	158
Get Go TIF Fund	159
Clover Senior Apartments Fund.....	160
Recreation Capital Improvement Fund	161
TIF Capital Improvement Fund.....	162
Workers' Compensation Reserve Fund.....	163
Health Insurance Reserve Fund.....	164
 III. Statistical Section	
Statistical Section	S1
Net Position by Component – Last Ten Years.....	S4
Changes in Net Position – Last Ten Years	S6
Fund Balances, Governmental Funds - Last Ten Years.....	S12
Changes in Fund Balances, Governmental Funds – Last Ten Years	S14
Assessed Valuations and Estimated Actual Values of Taxable Property – Last Ten Years	S18
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years	S20
Effective Property Tax Rates – Direct and Overlapping Governments – Last Ten Years.....	S22
Property Tax Levies and Collections – Last Ten Years.....	S24
Principal Taxpayers – Real Estate Tax – 2019 and 2011.....	S26
Income Tax Revenue Base and Collections (Cash Basis) – Last Ten Years	S27
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita - Last Ten Years.....	S28

City of Strongsville, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2019
Table of Contents

	Page
<hr/>	
III. Statistical Section (Continued)	
Ratio of Net General Obligation Bonded Debt to Estimated Actual Value and Net Bonded Debt Per Capita - Last Ten Years	S29
Computation of Direct and Overlapping Debt	S30
Legal Debt Margin - Last Ten Years	S32
Demographic and Economic Statistics – Last Ten Years	S34
Principal Municipal Income Tax Withholders – Current and Nine Years Ago.....	S36
Full-Time City Employees by Function/Program – Last Ten Years	S37
Operating Indicators by Function/Program - Last Ten Years.....	S38
Capital Assets Statistics by Function/Program – Last Ten Years.....	S48



Thomas P. Perciak
Mayor

City of Strongsville

16099 Foltz Parkway
Strongsville, Ohio 44149-5598
Phone: 440-580-3150
Mayor's Office Fax: 440-572-3241
www.strongsville.org

June 26, 2020

Members of City Council and
Honorable Citizens of Strongsville, Ohio

We are pleased to submit the Comprehensive Annual Financial Report of the City of Strongsville for the year ended December 31, 2019.

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

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

Keith Faber, Auditor of State, has issued an unmodified ("clean") opinion on the City of Strongsville's financial statements for the year ended December 31, 2019. The Independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal, and should be read in conjunction with it.

Profile of the Government

The City of Strongsville is approximately 25 square miles and is located in Cuyahoga County in northeastern Ohio, approximately 14 miles southwest of the City of Cleveland. Strongsville was founded in 1816, became a township in 1818, a village in 1927, and became a city in 1961 under the laws of the State of Ohio. In 2010 the U.S. Census Bureau reported that Strongsville had a population of 44,750, up 2 percent from 43,858 in 2000.

The City of Strongsville operates and is governed by its Charter, first adopted by the voters on November 4, 1958. The Charter has been and may be amended by the voters from time to time. A nine-member Charter Review Commission reviews the Charter every five years, and most recently did so in 2018. The City is also subject to some general laws applicable to all cities. Under the State of Ohio Constitution, the City may exercise all powers of local self-government and police powers to the extent not in conflict with applicable laws. The Charter provides for a mayor-council form of government.

Legislative authority is vested in a seven-member council. Three members are elected at-large, and four members are elected from wards. The Council fixes compensation of City officials and employees, enacts ordinances and resolutions relating to City services, tax levies, appropriations, borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the President of Council, who is elected by Council for a one year term. The Charter establishes certain administrative departments and Council may establish additional departments and divisions within departments.

The City of Strongsville's chief executive and administrative officer is the Mayor, who is elected by the voters for a four-year term. The Mayor appoints, subject to approval of a majority of the members of Council, the Directors of the City's departments. The Mayor also oversees the enforcement of all laws and ordinances, and executes all contracts, conveyances, evidences of indebtedness, and all other instruments to which the municipality is a party.

The City provides its residents with a full range of municipal services. These services include, among other things, police, fire, emergency medical assistance, recreation and senior programs, building code enforcement, sanitary and storm sewer maintenance, street maintenance and repair, street lighting, traffic signalization, snow removal, refuse disposal, cemetery services and the maintenance of all City lands, buildings and equipment.

The City of Strongsville maintains its legal level of budgetary control at the department level, separated into the categories of Personal Service, Other than Personal Service, and Transfers and Advances. The Finance Director is authorized to allocate appropriations for function and object levels within the same department and category as explained above without prior Council approval, as long as the total appropriation for each department and category does not exceed that of the Council-approved appropriation.

Profile of the City

The City of Strongsville is served by diversified transportation facilities, including two State highways, U.S. Highway 42 and 82, and Interstate Highways I-71 and I-80 (the Ohio Turnpike). It is served by CSX Railroad for freight rail services, Amtrak for passenger rail services located in nearby Cleveland, and is served by passenger and freight air services at Cleveland Hopkins International Airport, located within five miles of the City, and Burke Lakefront Airport located in downtown Cleveland. Public mass transit for the area is provided by the Greater Cleveland Regional Transit Authority.

Within a 30-minute drive from the City are the locations of the Rock and Roll Hall of Fame, Progressive Field, Rocket Mortgage FieldHouse, FirstEnergy Stadium, the world-class Cleveland Orchestra, the Cleveland Museum of Art, the Natural History Museum, the Western Reserve Historical Society, the Cleveland Playhouse and Karamu House, a multi-racial performing arts center. These and other facilities in the area offer an extensive variety of cultural and educational programs to the residents of Strongsville, as well as professional sports including baseball, basketball and football.

The City of Strongsville owns four parks offering residents a variety of activities to improve health and fitness. The 57-acre Strongsville Recreation Park has three baseball diamonds and tennis courts. Surrarer Park, on the City's east side, has a baseball diamond, tennis courts and a covered pavilion. Volunteer Park, on the City's west side, has six baseball diamonds, a covered picnic area, bocce ball court and horseshoe pits. The Youth Sports Park also on the City's west side has a regulation football field, three youth baseball fields and a covered picnic area. The Strongsville Business & Technology Park, home of the Strongsville Soccer Organization, offers residents many opportunities for fitness related activities. City residents can also take advantage of the Cleveland Metroparks within minutes of home. Located in the City section of the park system are the popular toboggan chutes, Mill Stream Run and a facility for year-round recreational activities, the Chalet. Gardenview Horticultural Park is a botanical park located on 16 acres near the south end of the City. Visitors can view more than 500 species of trees and plants.

Economic Development

The City of Strongsville is home to a diverse, growing local economy that maintains a solid tax base through established business parks and a thriving commercial sector. Development in the City of Strongsville has closely followed the City's Comprehensive Master Plan, which was first developed in the early 1960s and has been modified regularly to accommodate changes in the economic climate. As part of that plan, four industrial development areas, totaling over 2,362 acres, have been established within the City featuring large setbacks and ample green space, resulting in a "park-like" atmosphere. A summary of each of the four business parks is listed below:

The Strongsville Business & Technology Park

- 1,693 acres; 70% developed
- 3,850,923 SF of build-out with a 2.8% vacancy rate
- Home to over 70 companies that employ over 3,000 employees
- Ranked as the #1 industrial park in Northeast Ohio by Crain's Cleveland Business (9/2019)
- Over 500 acres of undeveloped, greenfield land available for future industrial development
- Major employers in the park: Momentive Quartz Technologies, Vitamix, Foundation Software, Clark Reliance's Corporate Headquarters, Sparten Medical Devices, CCL Industries' North American Headquarters, and Eberhard Manufacturing

The Dow Circle Research & Development Park

- 258 acres; 95% developed
- 910,112 SF of build-out with a 2.61% vacancy rate
- Home to over 30 companies that employ over 2,600 employees
- Major employers in the park: Regional Headquarters for Enterprise Rental Car, Lumitex, Akzo Nobel Coatings RD&I Center, & PNC Bank's Technology Center

The Progress Drive Business Park

- 325 acres; 96% developed
- 1,513,726 SF of build-out with a 1.98% vacancy rate
- Home to over 40 companies that employ over 2,000 employees
- Major employers in the park: Corporate Headquarters of Atlantic Tool & Die, PPG Industries, and the Corporate Headquarters for Insight/Chemical Services

Park 82

- 86 acres; 100% developed
- 1,349,280 SF of build-out with 5.11% vacancy rate
- Home to over 15 companies that employ over 1,000 employees
- Major employers in the park: Darice Inc, (a division of Michael's), Intralot, and Dealer Tire

Overall, Strongsville's business parks are home to 7,624,041 SF of industrial/high tech build-out with an occupancy rate at 97%, as of December 31, 2019.

Job growth and business retention continued to be robust within the business parks in 2019. A highlight of several projects within the business parks include:

CCL North American Headquarters

-*Company Description:* Manufacturer

-*Business Park:* Strongsville Business & Technology Park

-Purchased 22.6 acres within the business park from the City of Strongsville to construct a new 112,000 SF manufacturing facility and office, establishing Strongsville as their new North American Headquarters.

-Project will retain 246 existing employees and create 150 new jobs

Viccarone Heating & Air Conditioning

-*Company Description:* Heating & Air Conditioning

-*Business Park:* Strongsville Business & Technology Park

-Constructing new 17,895 SF corporate headquarters featuring corporate offices and warehouse space

Solutions Industries

-*Company Description:*

-*Business Park:* Strongsville Business & Technology Park

-Leased 78,000 SF

-Relocated their corporate office and distribution center to Strongsville

Union Home Mortgage

-*Company Description:* Mortgage Broker

-*Business Park:* Dow Circle Research & Development Park

-Continued buildout of corporate campus by occupies newly renovated 21,800 SF office building while beginning redevelopment of the 60,969 SF former ITT Tech office space

-Company continues to aggressively expand their Corporate Headquarters within Strongsville with additional office facility renovations

Foundation Software

- Company Description:* Software Developer & Payroll Specialist for the Construction Industry
- Business Park:* Strongsville Business & Technology Park & the Royalton Collection
- Completed renovations and occupied new 120,000 SF corporate headquarters within the Royalton Collection
- The company maintains their Foltz Parkway location and employs over 300 individuals within Strongsville

Patituce & Associates

- Company Description:* Law Firm
- Business Park:* Strongsville Business & Technology Park
- Purchased 15,000 SF office building within for new legal offices
- Relocating 15+ new jobs to the City of Strongsville

Mills Business Park – Phase II

- Company Description:* Industrial Developer
- Business Park:* Strongsville Business & Technology Park
- Scannell Properties began construction of Phase II of the Mills Business Park project featuring a new 179,604 SF multi-tenant industrial building
- Project construction is scheduled to be completed in 2020 with 30% of the new facility currently pre-leased

To facilitate the expansion and attraction of economic development projects, the City utilizes four tax incentive programs:

- **Community Reinvestment Area (CRA) Program**
The City has established nineteen (19) Pre-1994 CRAs within and surrounding Strongsville's business parks. Improvements within these CRAs are granted an exemption from real estate property taxes for 100% of the incremental increase in assessed value for a period of up to 15 years.
- **Strongsville Job/Payroll Creation Incentive Grant Program**
The City of Strongsville utilizes an incentive program designed to attract large end-users with significant payroll to the community. Under the Strongsville Job/Payroll Creation Incentive Grant Program, a company that creates and maintains over \$6 million in new annual payroll within the City is eligible for an annual grant payment based on a percentage of the annual payroll withholding taxes generated by the project.
- **Enterprise Zone Program**
The City's Enterprise Zone Program provides tax incentives in a designated Enterprise Zone to businesses that agree to invest in capital improvements and create or retain jobs. Tax incentives under this program are negotiated and can provide tax abatements of up to 75% for a term of up to ten years, subject to City, County and State approval.
- **Foreign Trade Zone (FTZ)**
The City has seven (7) established FTZs within the City's business parks. FTZs allow companies to defer, reduce, or eliminate US Customs' duties.

The City has also created a Community Improvement Corporation, to facilitate future economic development. This non-profit corporation is registered with the State of Ohio and it is separate from the City, with its own code of regulations and directors. This corporation can be used to facilitate private entity borrowing or to hold properties, as approved by the City, for use in enhancing business opportunities.

In addition to the local tax incentive programs, the City of Strongsville utilizes County programs such as the Storefront Renovation Program and Brownfield Redevelopment Funds, as well as State programs for job creation and workforce development.

Long-Term Financial Planning, Initiatives and Accomplishments

The City is very pleased that Moody's Investors Services reaffirmed the City's Aaa bond rating on November 19, 2019. This is the highest rating a city can receive, which attests to the City's prudent fiscal management and strong economic health.

The City's elected and appointed officials consider many factors when setting the budget parameters for each year. Budget priorities for the past several years continue to include; ensuring public safety, regionalism, providing high quality services, job creation and retention, maintaining infrastructure, and prudent fund balances to protect the City's Aaa bond rating. The City keeps these objectives in mind while diligently monitoring revenues and expenditures on a daily basis. The City continues to practice measures of cost containment. The City also strives to maintain adequate reserves to meet matching grant requirements enabling the City to pursue any grants or donations to fund operations and specific capital projects.

Although the City has not adopted a formal minimum fund balance policy, we have always strived to maintain fund balances that would finance at least a minimum of three months (25 percent) of operations. The Finance Department reviews all transactions on an on-going basis and balances bank accounts daily.

The City administration prepared and City Council adopted the 2019 annual budget prior to December 31, 2018. This affords City Departments the opportunity to bid projects beginning in January in order to take advantage of lower bids and save on construction projects.

The Earned Benefits, Health Insurance Reserve and Workers Compensation Reserve funds are all used to accumulate funds that can be used during times of higher expenditures or lower revenues. They are designed to smooth cash inflows and outflows in other operating funds. On generally accepted accounting principles (GAAP) basis, the Earned Benefits fund was presented in the general fund and the Hospitalization Reserve fund and the Workers' Compensation Reserve fund were allocated back into the funds which contributed to it.

The City of Strongsville's Finance Department was proud to receive its 8th consecutive, Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the Fiscal Year ended December 31, 2017. It was also the 6th year that the Finance Department produced its award winning Popular Annual Financial Report.

The Mayor, Economic Development Director and Tax Increment Financing (TIF) Specialist, have aggressively pursued the use of TIF Financing as an economic development tool. The City currently has eighteen state approved areas designated as TIF Financing Districts with four pending. Total TIF revenue collected since the inception of the TIF program has now reached \$14,305,215.

The City's Engineering Department has developed a proactive 10-phase Sanitary Sewer Capital Improvement Plan designed to eliminate 663 of the 850 septic systems in place throughout the City. The first six phases of this plan have been completed at a total construction cost of \$7,368,715. These projects were partially financed with grants from the Ohio Public Works Commission and Northeast Ohio Regional Sewer District totaling \$2,480,307 and loans from the Ohio Water Development Authority totaling \$2,187,181.

These loans were obtained to initially pay the residents' share of the construction costs, which will be repaid from the proceeds of special assessments levied against the property owners who benefitted from these projects. Construction on Phase VII and the elimination of 35 systems is scheduled to be completed in 2020 at an estimated cost of \$1,256,275.

The City's Fire & Emergency Services Department utilized a \$161,764 energy efficiency infrastructure grant from the Northeast Ohio Public Energy Council (NOPEC). The grant was used in the reconstruction of Ward 1 Fire Station and will improve the energy efficiency of the facility.

The City's Senior Center received a \$100,000 grant from Cuyahoga County Division of Senior & Adult Services through its Community Social Services Program, to assist in senior adult development programs and transportation services.

The City's Recreation Department received a \$40,000 State of Ohio Nature Works grant from the Ohio Department of Natural Resources (ODNR). The grant was utilized to furnish the second phase of an ADA-compliant playground which includes a zip line and a large play structure.

The City's Engineering Department was awarded a \$624,750 grant from the Northeast Ohio Regional Sewer District through its Member Community Infrastructure Grant Program for the Willow Lane Sanitary Sewer Project. This project includes the construction of an 8" sanitary sewer and appurtenances to eliminate existing septic systems.

The City's Engineering Department was also awarded a \$1,435,000 grant from the Northeast Ohio Areawide Coordinating Agency (NOACA) for the Citywide Traffic Signal Project. This project includes upgrading all 57 signalized intersections in the city with a computerized system that monitors traffic patterns to improve the overall efficiency and safety of traffic flow.

The City has continued its commitment to improve infrastructure throughout the City, and to also upgrade its vehicle fleet and equipment. Approximately \$4.4 million was spent on roadway projects, concrete replacement and asphalt reconstruction and replacement, while a combined \$1.9 million was spent on the replacement of police radios, a city wide server, an ambulance, six pickup trucks, five police vehicles, a Cushman, six trailers, Scag lawn mower, baseball field groomer and various sanitary sewer equipment.

In 2019 the City hosted the 10th annual Strongsville Community Business Expo, a community-friendly event designed to support the local business community by increasing exposure of the goods and services they provide to the public. This event, which is marketed with social media boosts, radio spots, and advertisements in area newspapers. The Business Expo attracted over 100 business vendors that provided product demonstrations, samples and promotional literature to thousands of area residents and businesses.

For more than nineteen years, Strongsville has offered its residents curbside recycling. In 2019, a \$5,000 grant was received to design and distribute the City's Recycling newsletter, "Keeping Strongsville Green". Over 18,000 households now receive this newsletter that promotes the City's recycling program.

The City received its 24th – Tree City USA Award, sponsored by the National Arbor Day Foundation in cooperation with the U.S. Forest Service, the U.S. Conference of Mayors, the National Association of State Foresters, and the National League of Cities.

Awards and Acknowledgments

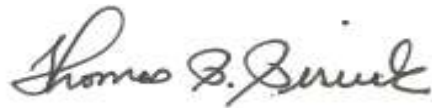
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Strongsville for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized comprehensive annual financial report that satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

A certificate is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements, and are submitting it to GFOA to determine its eligibility for another certificate.

The successful completion of a report of this scope depends upon the dedicated contributions of many employees. The sincere appreciation of those primarily responsible for the completion of this CAFR is extended to all contributors, but especially those employees in the Department of Finance who have spent their time and energy on various parts of the report, and to the staff from James G. Zupka, Certified Public Accountants, Incorporated, for their assistance in compiling the Comprehensive Annual Financial Report.

In addition, we would like to thank the members of Strongsville City Council, for their support in striving for excellence in financial reporting and disclosure.

Respectfully submitted,



Thomas P. Perciak
Mayor



Joseph K. Dubovec, CPA
Director of Finance

City of Strongsville, Ohio
Elected Officials
December 31, 2019

Official	Term	Term Expiration
Mayor:		
Thomas P. Perciak	4 years	December 31, 2023
Council Members:		
<u>At-Large:</u>		
Joseph C. DeMio - President	4 years	December 31, 2021
James E. Carbone - President Pro Tem	4 years	December 31, 2021
Matthew A. Schonhut	4 years	December 31, 2021
<u>Wards:</u>		
Mathew P. Patten (Ward 1)	4 years	December 31, 2019
Annmarie P. Roff (Ward 2)	4 years	December 31, 2019
Kelly A. Kosek (Ward 3)	4 years	December 31, 2019
Gordon C. Short (Ward 4)	4 years	December 31, 2019

City of Strongsville, Ohio

Appointed Officials

December 31, 2019

Law Director:
Neal M. Jamsion

Communication & Technology Director:
David E. Sems

Assistant Law Director:
Daniel J. Kolick

Human Resources Director:
Stephen F. Kilo

Finance Director:
Joseph K. Dubovec, CPA

Recreation, Parks & Senior Services Director:
Bryan V. Bogre

Service Director:
Joseph M. Walker

Chief of Police:
Mark Fender

Economic Development Director:
Brent T. Painter

Chief of Fire:
John D. Draves

City Engineer:
Kenneth P. Mikula

Magistrate:
Kenneth A. Kraus

Building Commissioner:
Anthony J. Biondillo

City Prosecutor:
John Castele

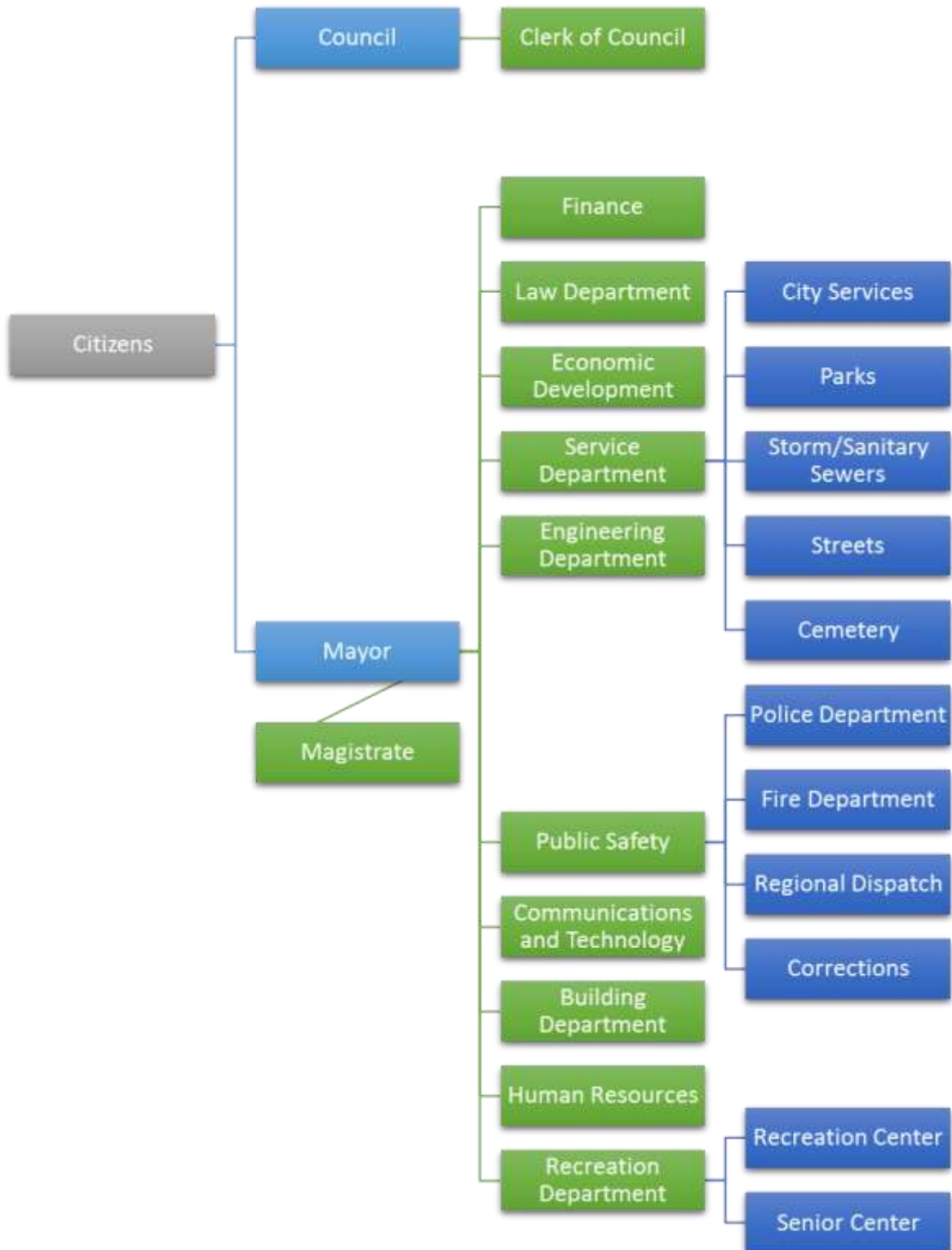
Clerk of Council (Appointed by Council):
Aimee K. Pientka

Public Safety Director:
Charles W. Goss

City of Strongsville, Ohio

Organizational Chart

December 31, 2019



Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Strongsville
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

A handwritten signature in black ink that reads "Christopher P. Morrill". The signature is written in a cursive style with a large, stylized 'C' and 'M'.

Executive Director/CEO

This page intentionally left blank.

FINANCIAL SECTION





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

INDEPENDENT AUDITOR'S REPORT

City of Strongsville
Cuyahoga County
16099 Foltz Industrial Parkway
Strongsville, Ohio 44149

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Strongsville, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Strongsville, Cuyahoga County, Ohio, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Street Construction, Maintenance and Repair Fund, and Fire Levy Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2020, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State

Columbus, Ohio

June 26, 2020



City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

As management of the City of Strongsville (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with the additional information contained in the financial statements and the notes thereof.

Financial Highlights

- The City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the close of 2019 by \$198,312,435.
- The City's total net position increased \$26,050,872 or 15.12 percent in 2019. Net position of the governmental activities increased \$24,633,861, which represents a 21.42 percent increase from 2018. Net position of the business-type activities increased \$1,417,011 or 2.48 percent from 2018.
- The Ohio Police and Fire Pension Fund made a change in its health care model resulting in a decrease in its current year OPEB expense. This change decreased the City's Security of persons and property expense by \$23,721,154 or 77.05 percent from 2018.
- The General Fund reported a fund balance of \$20,875,469 at the end of the current fiscal year. The unassigned fund balance for the General Fund was \$15,575,515 or 41.13 percent of the total General Fund expenditures (including transfers out). The General Fund experienced an increase of \$3,319,668 in its fund balance for the year ended December 31, 2019.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statement of net position and statement of activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in one column.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the residual being reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, security of persons and property, public health services, transportation, community environment, basic utility services, leisure time activities, and interest and fiscal charges. The business-type activities include sanitary sewer services and improvements.

The government-wide financial statements can be found starting on page 19 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The City does not have any fiduciary funds.

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 funds financial statements focus on the *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 33 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, Street Construction, Maintenance and Repair Fund, Fire Levy Fund, General Bond Retirement Fund, and General Capital Improvement Fund, all of which are considered to be major funds. Data from the other 28 governmental funds are combined into a single aggregated presentation.

The basic governmental fund financial statements can be found on pages 22-28 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its sanitary sewer operations. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally to the City's various functions. The City has two Internal Service Funds to account for workers' compensation coverage and health insurance.

City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

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 sanitary sewer operations, as it is considered a major fund and the internal service funds. The basic proprietary fund financial statements can be found on pages 29-32 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City does not have any fiduciary funds.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and can be found on pages 33-89.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the financial statements, the required supplementary information and notes to the required supplementary information related to the net pension liability and net OPEB liability/asset, the combining statements referred to earlier in connection with non-major governmental and proprietary funds are presented, as well as individual detailed budgetary comparisons for non-major funds. This information can be found on pages 90-164 of the report.

Government-wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2019?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector. The accrual basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position (Assets and Deferred Outflows of Resources minus Liabilities and Deferred Inflows of Resources)
- Program Expenses and Revenues
- General Revenues
- Net Position Beginning and End of Year

City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

The City of Strongsville as a Whole

Recall that the Statement of Net Position looks at the City as a whole. The following provides a summary of the City's net position for 2019 compared to 2018.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018 *	2019	2018	2019	2018 *
ASSETS						
Current and other assets	\$ 74,118,673	\$ 64,869,791	\$ 17,307,423	\$ 15,931,199	\$ 91,426,096	\$ 80,800,990
Capital assets, net	196,383,532	198,250,699	46,377,479	46,574,994	242,761,011	244,825,693
Net Pension Asset	68,796	72,967	5,178	5,492	73,974	78,459
Total Assets	270,571,001	263,193,457	63,690,080	62,511,685	334,261,081	325,705,142
DEFERRED OUTFLOWS OF RESOURCES						
Deferral on Refunding	2,031,185	2,290,079	-	-	2,031,185	2,290,079
Pension	18,911,929	8,433,983	545,023	261,029	19,456,952	8,695,012
OPEB	4,042,615	4,249,736	75,194	65,362	4,117,809	4,315,098
Total Deferred Outflows of Resources	24,985,729	14,973,798	620,217	326,391	25,605,946	15,300,189
LIABILITIES						
Current and other liabilities	3,811,723	8,090,532	251,214	530,127	4,062,937	8,620,659
Long-term liabilities:						
Due within one year	13,071,499	6,281,335	484,455	443,355	13,555,954	6,724,690
Due in more than one year:						
Net Pension Liability	69,361,444	48,136,642	1,802,723	1,026,619	71,164,167	49,163,261
Net OPEB Liability	16,067,834	41,239,044	828,079	706,961	16,895,913	41,946,005
Other Amounts	38,491,254	41,740,979	2,262,144	2,598,997	40,753,398	44,339,976
Total Liabilities	140,803,754	145,488,532	5,628,615	5,306,059	146,432,369	150,794,591
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	9,864,587	9,549,447	-	-	9,864,587	9,549,447
Payments in Lieu of Taxes	2,196,451	1,823,873	-	-	2,196,451	1,823,873
Pension	1,208,574	5,209,783	26,556	243,485	1,235,130	5,453,268
OPEB	1,823,808	1,069,925	2,247	52,664	1,826,055	1,122,589
Total Deferred Inflows of Resources	15,093,420	17,653,028	28,803	296,149	15,122,223	17,949,177
NET POSITION						
Net Investment in						
Capital Assets	158,096,697	157,042,285	43,960,039	43,847,136	202,056,736	200,889,421
Restricted	22,079,657	22,449,428	-	-	22,079,657	22,449,428
Unrestricted	(40,516,798)	(64,466,018)	14,692,840	13,388,732	(25,823,958)	(51,077,286)
Total Net Position	\$ 139,659,556	\$ 115,025,695	\$ 58,652,879	\$ 57,235,868	\$ 198,312,435	\$ 172,261,563

* Restated

City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2019 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 Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

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/asset and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Over time, net position may serve 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 2019 by \$198,312,435. Due to the GASB 68 and GASB 75, the City reports a net pension of liability of \$71,164,167 and net OPEB liability of \$16,895,913. The recording of these pension and OPEB liabilities results in the City reporting total unrestricted net position of a negative \$25,823,958 and the governmental activities unrestricted net position was a negative \$40,516,798, respectively. The unrestricted net position of the City's business-type activities was \$14,692,840, with net investment in capital assets accounting for \$43,960,039 or 74.95 percent of the total business-type activities' net position. It is important to note that the unrestricted net position of the City's business-type activities, \$14,692,840, may not be used to fund governmental activities.

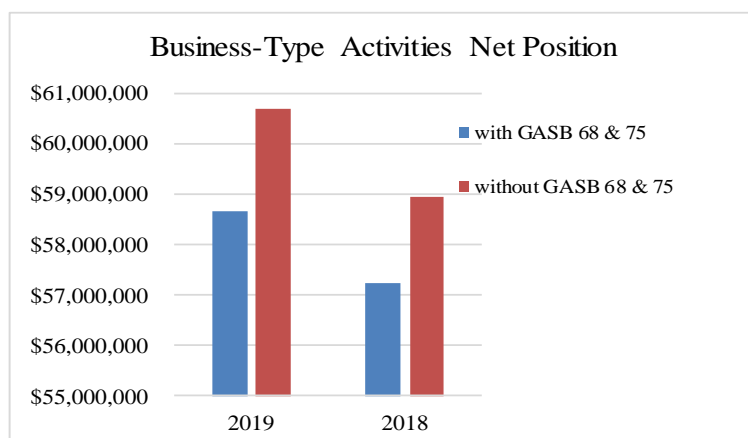
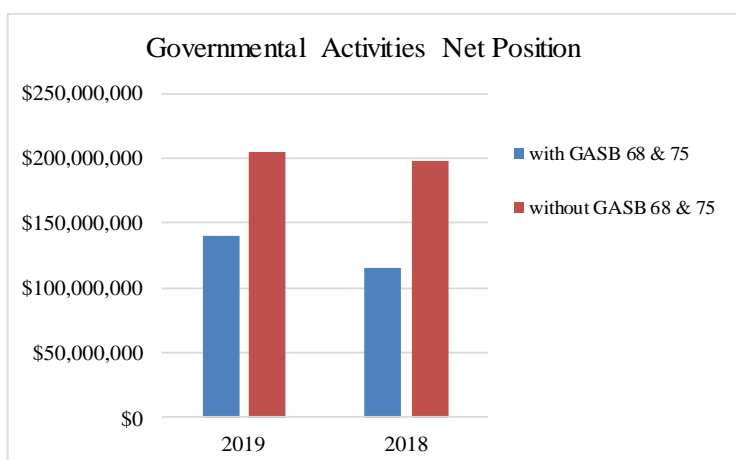
The largest portion of the City's total net position reflects its investments in capital assets (e.g., land, construction in progress, buildings, land improvements, machinery and equipment, furniture and fixtures, vehicles, and infrastructure), less any related debt used to acquire those assets that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

Total assets increased from 2018 to 2019 in the amount of \$8,555,939, while the City's total liabilities decreased by \$4,362,222. The increase in assets was primarily due to an increase in pooled cash and cash equivalents. Cash increased due to the following: Income tax revenue increased due to a continued healthy economy. Property taxes increased due to the sexennial reappraisal by the county in 2018, which was first reflected in the 2019 Distributions to the City. Payments in lieu of Taxes increased as monies from new Tax Increment Financing projects were first received in 2019. Investment earnings increased due to having more funds to invest, higher interest rates, and an increase in the fair market value of the City's portfolio. Increases in the state levied/shared gas tax, the return of State Local Government funding for City's that levy an income tax, as well as the sale of City land for \$650,000 also contributed to an increase in cash. Cash also increased due to the accumulation of resources for 2020 capital projects coupled with unspent resources for 2019 construction projects currently in progress. The decrease in liabilities is primarily the result of an increase in the Net Pension Liability of \$22,000,906 offset by a decrease in the Net OPEB Liability of \$25,050,092. The scheduled retirement of the City's long-term debt also contributed to the decrease in liabilities.

City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

The implementation of GASB Statements No. 68 and 75 requires the reader to perform additional calculations to determine the City's Total Net Position at December 31, 2019 without the implementation of GASB Statements No. 68 and 75. This is an important exercise, as the State Pension Systems (OPERS & OP&F) collect, hold, invest, and distribute pensions to our employees, not the City of Strongsville. These calculations are as follows:

	Governmental Activities	Business-Type Activities
Total Net Position at December 31, 2019 (with GASB 68 and 75)	\$ 139,659,556	\$ 58,652,879
GASB 68/75 Calculations:		
Add:		
Deferred Inflows related to Pension	1,208,574	26,556
Deferred Inflows related to OPEB	1,823,808	2,247
Net Pension Liability	69,361,444	1,802,723
Net OPEB Liability	16,067,834	828,079
Less:		
Net Pension Asset	(68,796)	(5,178)
Deferred Outflows related to Pension	(18,911,929)	(545,023)
Deferred Outflows related to OPEB	(4,042,615)	(75,194)
Total Net Position (without GASB 68 and 75)	<u>\$ 205,097,876</u>	<u>\$ 60,687,089</u>



City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for the current year.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
REVENUES						
Program Revenues:						
Charges for services	\$ 9,126,383	\$ 7,993,148	\$ 7,898,147	\$ 7,639,666	\$ 17,024,530	\$ 15,632,814
Operating grants and contributions	3,656,675	2,416,764	-	-	3,656,675	2,416,764
Capital grants and contributions	588,890	4,416,614	1,090,354	1,622,890	1,679,244	6,039,504
Total Program Revenues	13,371,948	14,826,526	8,988,501	9,262,556	22,360,449	24,089,082
General Revenues:						
Property taxes	10,014,574	9,324,478	-	-	10,014,574	9,324,478
Municipal income taxes	37,453,465	35,702,476	-	-	37,453,465	35,702,476
Other taxes	1,267,421	1,303,597	-	-	1,267,421	1,303,597
Payments in lieu of taxes	2,061,623	1,588,960	-	-	2,061,623	1,588,960
Grants and entitlements	1,991,522	1,757,839	-	-	1,991,522	1,757,839
Investment income	1,530,571	907,713	333,766	278,014	1,864,337	1,185,727
All other revenues	482,504	168,100	-	9,475	482,504	177,575
Total General Revenues	54,801,680	50,753,163	333,766	287,489	55,135,446	51,040,652
Total Revenues	68,173,628	65,579,689	9,322,267	9,550,045	77,495,895	75,129,734
EXPENSES						
Program Expenses:						
Security of persons and property	7,065,433	30,786,587	-	-	7,065,433	30,786,587
Public health services	742,149	694,657	-	-	742,149	694,657
Leisure time activities	6,934,786	6,362,268	-	-	6,934,786	6,362,268
Community environment	2,099,904	1,936,789	-	-	2,099,904	1,936,789
Basic utility services	2,643,767	2,470,103	-	-	2,643,767	2,470,103
Transportation	17,664,738	17,026,618	-	-	17,664,738	17,026,618
General government	5,281,083	4,747,998	-	-	5,281,083	4,747,998
Interest and fiscal charges	1,214,403	1,249,396	60,523	70,161	1,274,926	1,319,557
Sanitary sewer	-	-	7,738,237	6,606,738	7,738,237	6,606,738
Total Expenses	43,646,263	65,274,416	7,798,760	6,676,899	51,445,023	71,951,315
Change in Net Position before Transfers	24,527,365	305,273	1,523,507	2,873,146	26,050,872	3,178,419
Transfers	106,496	1,587,555	(106,496)	(1,587,555)	-	-
Change in Net Position	24,633,861	1,892,828	1,417,011	1,285,591	26,050,872	3,178,419
Net Position - Beginning of Year, Restated	115,025,695	113,132,867	57,235,868	55,950,277	172,261,563	169,083,144
Net Position - End of Year	\$ 139,659,556	\$ 115,025,695	\$ 58,652,879	\$ 57,235,868	\$ 198,312,435	\$ 172,261,563

Governmental Activities

Governmental activities increased the City's net position by \$24,633,861. In 2018, pension and OPEB expense (including contractually required contributions) for Governmental funds was \$6,112,247. In 2019 pension and OPEB expense (including contractually required contributions) was (\$17,460,388) for a decrease in expenses of \$23,572,635. This decrease is attributable to The Ohio Police and Fire Pension Fund (OP&F) making a change to its health care model. Beginning January 1, 2019 OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place will be a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend-based health care model, OP&F management expects that it will be able to provide stipends to eligible participants for the next 15 years. This change decreased the City's Security of persons and property expense by \$23,721,154 from 2018.

City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

Several types of revenues fund the City's governmental activities with the City's income tax being the biggest contributor. The income tax rate was 2.00 percent for 2019, the same as the prior year. Both residents of the City and non-residents who work in the City are subject to the income tax. However, if residents work in a different locality that has a municipal income tax, the City provides a 75.00 percent credit up to 2.00 percent for those who pay income tax to another City. City Council could by Ordinance, choose to reduce that income tax credit and create additional revenues for the City. The municipal income tax revenue for 2019 was \$37,453,465. Of the \$68,173,628 in total program and general revenues, municipal income tax accounts for 54.94 percent of that total.

Property taxes of \$10,014,574 account for 14.69 percent of total revenues; charges for services account for 13.39 percent of total revenues; operating and capital grants and contributions, and general revenues from grants and entitlements account for 9.15 percent of total governmental revenues; and investment earnings, other taxes, payments in lieu of taxes, and all other revenues make up the remaining 7.83 percent. Capital grants and contributions decreased by \$3,827,724 in 2019 because the City received more infrastructure donations in 2018.

The City monitors its sources of revenues very closely for fluctuations. Municipal income taxes, property taxes, Charges for services, Payments in lieu of taxes, and Investment income all increased in 2019 due to a continued healthy economy with minimal delinquencies.

The provisions of GASB Statements 68 and 75 required the City to recognize a pension/OPEB adjustment that reduced expenses by \$23,572,635 in 2019 compared to 2018. As a result, it is difficult to ascertain the true operational cost of services and the changes in the cost of services from year to year. The table below shows the total cost of services by function with the GASB Statements 68 and 75 pension and OPEB costs removed.

	Governmental Activities	
	2019	2018
EXPENSES		
Program Expenses:		
Security of persons and property	\$ 27,796,688	\$ 26,421,077
Public health services	710,303	677,034
Leisure time activities	6,067,645	5,904,069
Community environment	1,771,199	1,767,149
Basic utility services	2,643,767	2,470,103
Transportation	16,349,518	16,310,136
General government	4,553,128	4,363,205
Interest and fiscal charges	1,214,403	1,249,396
Total Expenses	\$ 61,106,651	\$ 59,162,169

Using the adjusted amounts from the table above, the City's total governmental activities experienced a 3.29 percent increase in 2019 program expenses when compared to 2018 expenses. The largest program function for the City is security of persons and property. During 2019, 45.49 percent of all program expenses relate to security of persons and property, which includes Police and Fire protection. The expenses of this program experienced a 5.21 percent increase from 2018 to 2019. This increase was due to full staffing levels throughout 2019 made possible by lateral transfers from other departments, the addition of a new first responders pay bonus, and the purchase of various special operating equipment used in the fire department.

City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

The second largest program function of the City is transportation and the expenses of this program increased 0.24 percent. During 2019, 26.76 percent of program expenses relate to transportation, which includes road repairs and snow removal. The annual depreciation expense that is included in the total transportation expense is \$6,901,846.

Business-Type Activities

The business-type activities of the City, which pertain to the City's sanitary sewer operations, increased the City's total net position by \$1,417,011. A variety of factors contributed to this change. Operating revenues increased about 3.38 percent because the City's rates increased in conjunction with a rate increase from the Northeast Ohio Regional Sewer District (NEORS) however the volume of sewage treated expressed in MFC (Thousand cubic feet) decreased. Salaries and fringe benefits increased because an additional three man sewer crew was redeployed from the Street Department in an effort to do more sewer cleaning which should also help prevent drainage issues. Contract services increased by about 22.7 percent as maintenance costs for our aging sewer plants and expenses related to sewer line cleaning and grouting increased. Net position also increased because in 2018 Sanitary Sewer fund capital distributions to Governmental activities were \$1,587,555 compared to only \$106,496 in 2019.

Financial Analysis of Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2019, the City's governmental funds reported an ending combined fund balance of \$48,104,575, an increase of \$11,372,686 in comparison with the prior year. \$15,539,787 of the ending combined fund balance for 2019 constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is *nonspendable, restricted, or committed* to indicate that it is not available for new spending because it is not in spendable form or it has already been restricted or committed by external or internal constraints.

All governmental funds had total revenues of \$67,461,541 and expenditures of \$63,003,445 (not including other financing sources and uses) with revenues exceeding expenditures by \$4,458,096. Total revenues increased 9.19 percent in 2019 while expenditures increased 2.89 percent in 2019. The revenue increase was mainly due to a healthy economy and low unemployment resulting in increased income tax collections, charges for services and interest income. The largest expenditure increase was in Security of Persons and Property due to increased costs associated with providing Police and Fire services.

General Fund Analysis

The General Fund is the chief operating fund of the City. At the beginning of the current year, total restated fund balance for the General Fund was \$17,555,801. General Fund expenditures (including transfers out) for the current year were \$37,870,970, with revenues and other financing sources of \$41,190,638, leaving a fund balance of \$20,875,469, and an unassigned balance of \$15,575,515 in the General Fund.

City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (including transfers out). The General Fund's unassigned fund balance represents 41.13 percent of total General Fund expenditures (including transfers out) while total fund balance represents 55.12 percent of that same amount. In 2019, the fund balance of the City's General Fund increased by \$3,319,668 when compared to 2018. Revenue highlights include an increase in income taxes of \$1,660,641 due a healthy economy and low unemployment. Charges for services increased because Olmsted Township joined the City's Joint Dispatch Center in 2019 and we collected a full years' of charges from the City of Brook Park in 2019 versus only two months of fees in 2018. Finally, interest income increased by about 75 percent in 2019. Most of the increase in expenditures was due to higher personnel costs in the Security of Persons & Property expense function.

Other Major Governmental Funds Analysis

The City's Street Construction, Maintenance and Repair Fund experienced an increase of \$1,976,928 in its 2019 fund balance when compared to 2018 primarily due to an increase in the Ohio gas tax that went into effect in July of 2019, as well as a healthy increase in income taxes and the issuance of a long term note. Capital outlays decreased by \$450,249 mostly due to a large purchase of snow plowing equipment of \$727,405 made in 2018.

The City's Fire Levy Fund experienced a decrease of \$961,603 in its 2019 fund balance when compared to 2018. Property taxes increased by \$182,812 due to the 2018 county reappraisal first collected in 2019. Expenditures for capital outlay increased by \$129,848 primarily due to the purchase of SCUBA and extraction equipment, as well as expenditures of \$180,000 for the replacement of turn out gear which occurs every five years accounted for most of the increase in expenditures. A planned decision to reduce the Operating Transfer in from the General Fund also contributed to the decrease in fund balance.

The City's General Bond Retirement Fund balance experienced an increase of \$464,992 in 2019. Almost all of this change in fund balance was because of an increase in property taxes due to the county reappraisal of real property in 2018 that was first collected and remitted to the City in 2019.

The City's General Capital Improvement Fund experienced an increase of \$3,441,446 in its 2019 fund balance when compared to 2018. Notable items include a Federal Grant passed thru the Ohio Department of Transportation of \$199,296 for sidewalk and traffic signal improvements and an Energized Community Grant from NOPEC for \$161,764 which funded energy conservation projects for Fire Station Number One. The other major item contributing to the increase in fund balance was a one-time sale of City owned property for \$650,000 which will be used for development and the issuance of a long-term note in the amount of \$3,000,000.

General Fund Budgetary Highlights

The City's budget is prepared according to Ohio law and is based on accounting for transactions on a cash basis. The most significant budgeted fund is the General Fund. During the course of 2019, the City amended its General Fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund. The General Fund supports many of the City's major activities such as the Police Department, Fire Department, Service Department, and Recreation Department, as well as most legislative and executive activities. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

For the General Fund, original budgeted revenues (including other financing sources) were \$38,845,239. The final budgeted revenue amount (including other financing sources) was \$43,731,483. This increase was due to an increase in the estimates for income taxes, interest income, advances-in and charges for services. The actual revenues (including other financing sources) were lower than the final budgeted amounts by \$410,325.

Original General Fund budgeted expenditures (including other financing uses) were \$38,741,000 and the final amended budgeted expenditures (including other financing uses) were \$43,425,700. The main contributors to this increase was an increase in transfers out of \$2,000,000 to provide resources for future capital projects and an increase of \$2,000,000 for a temporary advance to the TIF Capital Improvement Fund which was repaid in 2019 upon the issuance of Bond Anticipation Notes . Actual General Fund expenditures (including other financing uses) were \$41,645,386 or 4.10 percent less than the final budgeted amounts. Positive expenditure variances were most notable in the security of persons and property and general government expense functions due to operating expenditures being less than originally estimated.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2019, amounts to \$242,761,011 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, land improvements, machinery and equipment, furniture and fixtures, vehicles, streets, sidewalks, bridges, traffic signalization, and storm and sanitary sewers.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 11,322,884	\$ 11,584,462	\$ 1,508,079	\$ 1,508,079	\$ 12,830,963	\$ 13,092,541
Construction in progress	3,623,987	1,556,430	2,674,804	1,893,939	6,298,791	3,450,369
Total Non-Depreciable	14,946,871	13,140,892	4,182,883	3,402,018	19,129,754	16,542,910
Buildings	39,578,609	40,274,863	3,703,594	3,866,562	43,282,203	44,141,425
Land improvements	1,872,456	1,857,413	260,714	266,396	2,133,170	2,123,809
Machinery and equipment	1,945,458	1,309,888	1,513,303	1,682,329	3,458,761	2,992,217
Furniture and fixtures	124,703	140,896	986	986	125,689	141,882
Vehicles	4,885,248	5,391,566	770,791	821,868	5,656,039	6,213,434
Infrastructure:						
Streets	68,013,104	68,957,000	-	-	68,013,104	68,957,000
Bridges	141,246	148,960	-	-	141,246	148,960
Storm sewers	59,524,928	61,267,967	-	-	59,524,928	61,267,967
Sidewalks	2,362,202	2,526,857	-	-	2,362,202	2,526,857
Traffic signalization	2,988,707	3,234,397	-	-	2,988,707	3,234,397
Sanitary sewers	-	-	35,945,208	36,534,835	35,945,208	36,534,835
Total Depreciable,						
Net of Depreciation	181,436,661	185,109,807	42,194,596	43,172,976	223,631,257	228,282,783
Total Capital Assets,						
Net of Depreciation	\$ 196,383,532	\$ 198,250,699	\$ 46,377,479	\$ 46,574,994	\$ 242,761,011	\$ 244,825,693

City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

Major capital asset events during 2019 included the following:

- Total capital assets, net of accumulated depreciation, decreased by \$2,064,682;
- Governmental activity capital assets decreased by \$1,867,167 (net of accumulated depreciation). This decrease was due to current year depreciation expense exceeding capital additions.
- Business-type activity capital assets decreased by \$197,515 (net of accumulated depreciation). This decrease was also due to current year depreciation expense exceeding capital additions.

Refer to Note 10 of the basic financial statements for more detail on capital asset activity.

Debt - The General Bond Retirement Debt Service Fund is funded primarily with 2.3 mills of the City's inside property tax millage, property tax related intergovernmental revenues, and General Fund transfers. At December 31, 2019, the City had \$42,345,626 of long-term bonds, notes and loans outstanding, with \$39,928,186 in governmental activities and \$2,417,440 in business-type activities and is included herein.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ 32,090,000	\$ 34,845,000	\$ -	\$ -	\$ 32,090,000	\$ 34,845,000
Long-term Notes	6,100,000	-	-	-	6,100,000	-
OPWC Loan	1,738,186	1,846,822	913,405	962,778	2,651,591	2,809,600
OWDA Loans	-	-	1,504,035	1,765,080	1,504,035	1,765,080
Total Outstanding Debt	<u>\$ 39,928,186</u>	<u>\$ 36,691,822</u>	<u>\$ 2,417,440</u>	<u>\$ 2,727,858</u>	<u>\$ 42,345,626</u>	<u>\$ 39,419,680</u>

In a continuing effort to be conscientious about how taxpayer dollars are spent, the City has received a Aaa rating from Moody's Investors Service. This rating was recently reaffirmed by Moody's in conjunction with its most recent annual review of the City's financial statements. Strongsville remains one of the few cities in Ohio to have been awarded this rating.

The City is within all of its legal debt limitations. The Ohio Revised Code provides that the net debt (as defined in the Ohio Revised Code) of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5 percent of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5 percent of the total taxation value of property. The statutory limitations on debt are measured by the ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2019, the City's overall legal debt margin was at \$132,787,796 and the unvoted legal debt margin was at \$51,744,766. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt is limited to ten mills. This millage is measured against the property values in each overlapping district.

Refer to Notes 14 and 15 of the basic financial statements for more detail on short-term and long-term debt activity.

City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

Economic Factors

The total negative financial impact caused by the Federal and State-wide lockdown due to the Covid-19 outbreak has not yet been determined. The City's elected and appointed officials are monitoring the loss of all revenues on a daily basis. Expense budgets for the current year are being reexamined and reduced and non-essential purchases are being postponed. The City's administration is actively pursuing all grants and reimbursements to fund operations.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show accountability for the money it receives, spends, or invests. If you have any questions about this report or need financial information contact Director of Finance, Joseph K. Dubovec, CPA, City of Strongsville, 16099 Foltz Parkway, Strongsville, Ohio 44149, telephone 440-580-3100.

City of Strongsville, Ohio

Statement of Net Position

December 31, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 46,321,941	\$ 14,174,568	\$ 60,496,509
Materials and Supplies Inventory	782,430	-	782,430
Accounts Receivable	866,686	1,592,910	2,459,596
Accrued Interest Receivable	225,590	-	225,590
Intergovernmental Receivable	5,503,232	-	5,503,232
Hotel Taxes Receivable	17,679	-	17,679
Franchise Taxes Receivable	184,558	-	184,558
Permissive Motor Vehicle Taxes Receivable	27,795	-	27,795
Prepaid Items	843,786	149,108	992,894
Municipal Income Taxes Receivable	9,218,458	-	9,218,458
Property Taxes Receivable	10,125,405	-	10,125,405
Special Assessments Receivable	1,113	1,390,837	1,391,950
Nondepreciable Capital Assets	14,946,871	4,182,883	19,129,754
Depreciable Capital Assets	181,436,661	42,194,596	223,631,257
Net Pension Asset	68,796	5,178	73,974
Total Assets	270,571,001	63,690,080	334,261,081
DEFERRED OUTFLOWS OF RESOURCES			
Deferral on Refunding	2,031,185	-	2,031,185
Pension	18,911,929	545,023	19,456,952
OPEB	4,042,615	75,194	4,117,809
Total Deferred Outflows of Resources	24,985,729	620,217	25,605,946
LIABILITIES			
Accounts Payable	635,212	78,132	713,344
Contracts Payable	1,272,040	-	1,272,040
Accrued Wages and Benefits	868,770	39,340	908,110
Intergovernmental Payable	200,283	5,999	206,282
Accrued Interest Payable	140,640	-	140,640
Retainage Payable	140,255	127,743	267,998
Unearned Revenue	554,523	-	554,523
Long-term Liabilities:			
Due within one year	13,071,499	484,455	13,555,954
Due in more than one year:			
Net Pension Liability	69,361,444	1,802,723	71,164,167
Net OPEB Liability	16,067,834	828,079	16,895,913
Other Amounts Due in more than one year	38,491,254	2,262,144	40,753,398
Total Liabilities	140,803,754	5,628,615	146,432,369
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	9,864,587	-	9,864,587
Payments in Lieu of Taxes	2,196,451	-	2,196,451
Pension	1,208,574	26,556	1,235,130
OPEB	1,823,808	2,247	1,826,055
Total Deferred Inflows of Resources	15,093,420	28,803	15,122,223
NET POSITION			
Net Investment in Capital Assets	158,096,697	43,960,039	202,056,736
Restricted for:			
Debt Service	4,440,553	-	4,440,553
Capital Projects	7,579,695	-	7,579,695
Police and Fire	652,484	-	652,484
Streets and Highways	7,773,531	-	7,773,531
Drainage Levy	1,472,543	-	1,472,543
Other Purposes	160,851	-	160,851
Unrestricted	(40,516,798)	14,692,840	(25,823,958)
Total Net Position	\$ 139,659,556	\$ 58,652,879	\$ 198,312,435

See accompanying notes to the basic financial statements

City of Strongsville, Ohio
Statement of Activities
For the Year Ended December 31, 2019

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and Contributions	Grants and Contributions
Primary Government:				
Governmental activities:				
Security of Persons and Property	\$ 7,065,433	\$ 4,078,643	\$ 135,317	\$ 161,764
Public Health Services	742,149	69,050	-	-
Leisure Time Activities	6,934,786	3,129,469	218,400	49,496
Community Environment	2,099,904	1,350,004	5,000	-
Basic Utility Services	2,643,767	57,640	-	-
Transportation	17,664,738	13,792	3,297,958	377,630
General Government	5,281,083	427,785	-	-
Interest and Fiscal Charges	1,214,403	-	-	-
Total Governmental activities	43,646,263	9,126,383	3,656,675	588,890
Business-type activities:				
Sanitary Sewer	7,798,760	7,898,147	-	1,090,354
Total Business-type activities	7,798,760	7,898,147	-	1,090,354
Total Primary Government	\$ 51,445,023	\$ 17,024,530	\$ 3,656,675	\$ 1,679,244
General Revenues:				
Property Taxes levied for:				
General Purposes				
Debt Service Purpose				
Other Purposes				
Municipal Income Taxes levied for:				
General Purposes				
Other Purposes				
Hotel Taxes				
Permissive Motor Vehicle Taxes				
Franchise Taxes				
Payments in Lieu of Taxes				
Grants and Entitlements not Restricted to Specific Programs				
Investment Income				
Gain on Sale of Capital Assets				
All Other Revenues				
Transfers				
Total General Revenues				
Change in Net Position				
Net Position - Beginning of Year, Restated				
Net Position - End of Year				

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (2,689,709)	\$ -	\$ (2,689,709)
(673,099)	-	(673,099)
(3,537,421)	-	(3,537,421)
(744,900)	-	(744,900)
(2,586,127)	-	(2,586,127)
(13,975,358)	-	(13,975,358)
(4,853,298)	-	(4,853,298)
(1,214,403)	-	(1,214,403)
<u>(30,274,315)</u>	<u>-</u>	<u>(30,274,315)</u>
 -	 1,189,741	 1,189,741
<u>-</u>	<u>1,189,741</u>	<u>1,189,741</u>
<u>(30,274,315)</u>	<u>1,189,741</u>	<u>(29,084,574)</u>
 492,537	 -	 492,537
3,324,843	-	3,324,843
6,197,194	-	6,197,194
 33,415,106	 -	 33,415,106
4,038,359	-	4,038,359
176,880	-	176,880
355,213	-	355,213
735,328	-	735,328
2,061,623	-	2,061,623
1,991,522	-	1,991,522
1,530,571	333,766	1,864,337
431,501	-	431,501
51,003	-	51,003
106,496	(106,496)	-
<u>54,908,176</u>	<u>227,270</u>	<u>55,135,446</u>
24,633,861	1,417,011	26,050,872
 115,025,695	 57,235,868	 172,261,563
<u>\$ 139,659,556</u>	<u>\$ 58,652,879</u>	<u>\$ 198,312,435</u>

	General Fund	Street Construction, Maintenance & Repair	Fire Levy	General Bond Retirement	General Capital Improvement
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 15,170,052	\$ 4,325,046	\$ 1,312,110	\$ 2,770,771	\$ 7,937,841
Materials and Supplies Inventory	72,772	709,658	-	-	-
Accrued Interest Receivable	198,649	15,049	-	-	-
Accounts Receivable	659,827	12,642	-	-	-
Due from Other Funds	-	-	-	-	-
Intergovernmental Receivable	387,408	1,684,034	276,178	203,749	174,617
Prepaid Items	96,958	66,429	53,750	-	-
Municipal Income Taxes Receivable	8,225,880	992,578	-	-	-
Property Taxes Receivable	490,276	-	4,550,825	3,357,338	-
Special Assessments Receivable	-	-	-	-	1,113
Hotel Taxes Receivable	17,679	-	-	-	-
Franchise Taxes Receivable	-	-	-	-	184,558
Permissive Motor Vehicle Taxes Receivable	-	-	-	-	-
Total Assets	\$ 25,319,501	\$ 7,805,436	\$ 6,192,863	\$ 6,331,858	\$ 8,298,129
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 397,797	\$ 99,063	\$ 15,215	\$ -	\$ 4,882
Accrued Wages and Benefits	439,150	111,769	259,701	-	-
Contracts Payable	-	-	-	-	1,113,799
Intergovernmental Payable	32,337	16,189	3,739	-	-
Accrued Interest Payable	-	14,132	-	-	38,542
Retainage Payable	-	-	-	-	77,850
Due to Other Funds	1,100	-	-	-	-
Unearned Revenue	-	-	-	-	-
Total Liabilities	870,384	241,153	278,655	-	1,235,073
Deferred Inflows of Resources:					
Property Taxes and Payments in Lieu of Taxes	477,647	-	4,433,601	3,270,857	-
Unavailable Revenue - Delinquent Property Taxes	12,629	-	117,224	86,481	-
Unavailable Revenue - Income Taxes	2,762,644	333,029	-	-	-
Unavailable Revenue - Other	320,728	1,237,993	276,178	203,749	74,826
Total Deferred Inflows of Resources	3,573,648	1,571,022	4,827,003	3,561,087	74,826
Fund Balances:					
Nonspendable	169,730	776,087	53,750	-	-
Restricted	-	5,217,174	1,033,455	2,770,771	6,988,230
Committed	5,130,224	-	-	-	-
Unassigned	15,575,515	-	-	-	-
Total Fund Balances	20,875,469	5,993,261	1,087,205	2,770,771	6,988,230
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 25,319,501	\$ 7,805,436	\$ 6,192,863	\$ 6,331,858	\$ 8,298,129

		Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities December 31, 2019	
Other Governmental Funds	Total Governmental Funds		
\$ 10,988,870	\$ 42,504,690	Total Governmental Funds Balance	\$ 48,104,575
-	782,430	<i>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</i>	
11,892	225,590	Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.	
194,217	866,686		196,383,532
1,100	1,100	Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds:	
2,604,461	5,330,447	Delinquent property taxes	\$ 260,818
106,192	323,329	Municipal income taxes	3,095,673
-	9,218,458	Special assessments	1,113
1,726,966	10,125,405	Intergovernmental	2,156,666
-	1,113	Franchise Taxes	73,713
-	17,679	Charges for services	164,467
-	184,558	Total	5,752,450
27,795	27,795	In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due.	
\$ 15,661,493	\$ 69,609,280		(85,188)
\$ 118,255	\$ 635,212	Internal Service funds are used by management to charge costs of certain activities, such as insurance to individual funds. The assets and liabilities of the Internal Service funds are included in Governmental Activities in the Statement of Net Position.	
58,150	868,770		1,976,176
158,241	1,272,040	The net pension liability and net OPEB liability are not due and payable in the current period, and the net pension asset is not available for spending in the current period; therefore the asset, liability, and related deferred inflows/ outflows are not reported in governmental funds:	
111,600	163,865	Deferred Outflows - Pension	18,911,929
2,778	55,452	Deferred Inflows - Pension	(1,208,574)
62,405	140,255	Net Pension Asset	68,796
-	1,100	Net Pension Liability	(69,361,444)
554,523	554,523	Deferred Outflows - OPEB	4,042,615
1,065,952	3,691,217	Deferred Inflows - OPEB	(1,823,808)
3,878,933	12,061,038	Net OPEB Liability	(16,067,834)
44,484	260,818	Total	(65,438,320)
-	3,095,673	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
282,485	2,395,959	General obligation bonds	(32,090,000)
4,205,902	17,813,488	Long Term Notes	(6,100,000)
106,192	1,105,759	OPWC loan	(1,738,186)
6,987,025	22,996,655	Unamortized premiums	(1,952,755)
3,332,150	8,462,374	Capital Leases	(23,271)
(35,728)	15,539,787	Deferral on refunding	2,031,185
10,389,639	48,104,575	Compensated absences	(7,160,642)
\$ 15,661,493	\$ 69,609,280	Total	\$ (47,033,669)
		Net Position of Governmental Activities	\$ 139,659,556

City of Strongsville, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General Fund	Street Construction, Maintenance & Repair	Fire Levy	General Bond Retirement	General Capital Improvement
REVENUES					
Property Taxes	\$ 490,299	\$ -	\$ 4,464,174	\$ 3,310,310	\$ -
Municipal Income Taxes	33,706,024	4,074,720	-	-	-
Hotel Taxes	176,880	-	-	-	-
Permissive Motor Vehicle Taxes	-	-	-	-	-
Franchise Taxes	-	-	-	-	734,801
Payments in Lieu of Taxes	-	-	-	-	-
Intergovernmental	869,146	2,511,708	557,448	410,027	361,060
Interest	1,310,099	119,371	-	-	6,094
Fees, Licenses, and Permits	1,185,731	-	2,720	-	-
Fines and Forfeitures	824,776	-	-	-	-
Charges for Services	2,158,279	12,642	6,093	-	900
Contributions and Donations	3,377	-	5,410	-	-
Special Assessments	-	-	-	-	8,335
All Other Revenues	436,213	-	-	-	-
Total Revenues	41,160,824	6,718,441	5,035,845	3,720,337	1,111,190
EXPENDITURES					
Security of Persons and Property	15,503,017	-	8,217,600	-	-
Public Health Services	349,028	-	-	-	-
Leisure Time Activities	326,813	-	-	-	-
Community Environment	1,585,511	-	-	-	-
Basic Utility Services	2,498,222	-	-	-	-
Transportation	86,038	9,283,187	-	-	145,107
General Government	4,429,233	-	-	-	2,247
Capital Outlay	154,598	567,524	129,848	-	4,105,247
Debt Service:					
Principal Retirement	5,710	18,906	-	2,458,636	-
Interest and Fiscal Charges	800	40,994	-	893,500	67,143
Debt Issuance Costs	-	-	-	54,861	-
Total Expenditures	24,938,970	9,910,611	8,347,448	3,406,997	4,319,744
Excess of Revenues Over (Under) Expenditures	16,221,854	(3,192,170)	(3,311,603)	313,340	(3,208,554)
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	833	69,098	-	-	650,000
Inception of Capital Lease	28,981	-	-	-	-
Bond Anticipation Notes	-	1,100,000	-	-	3,000,000
Premium on Debt Issuance	-	-	-	51,652	-
Transfers In	-	4,000,000	2,350,000	100,000	3,000,000
Transfers Out	(12,932,000)	-	-	-	-
Total Other Financing Sources (Uses)	(12,902,186)	5,169,098	2,350,000	151,652	6,650,000
Net Change in Fund Balances	3,319,668	1,976,928	(961,603)	464,992	3,441,446
Fund Balances - Beginning of Year, Restated	17,555,801	4,016,333	2,048,808	2,305,779	3,546,784
Fund Balances - End of Year	\$ 20,875,469	\$ 5,993,261	\$ 1,087,205	\$ 2,770,771	\$ 6,988,230

See accompanying notes to the basic financial statements

		<i>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, 2019</i>	
Other Governmental Funds	Total Governmental Funds		
\$ 1,705,184	\$ 9,969,967	Net Change in Fund Balances-Total Governmental Funds	\$ 11,372,686
-	37,780,744	<i>Amounts reported for Governmental Activities in the Statement of Activities are different because:</i>	
-	176,880	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 outlay and donations in the current period.	
355,213	355,213	Capital outlay	\$ 7,560,177
-	734,801	Infrastructure donations	106,496
2,061,623	2,061,623	Depreciation	<u>(9,231,384)</u>
778,755	5,488,144	Total	(1,564,711)
95,007	1,530,571	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.	
112,350	1,300,801		(302,456)
85,969	910,745	Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
4,341,889	6,519,803	Delinquent property taxes	44,607
127,911	136,698	Municipal income taxes	(327,279)
-	8,335	Special assessments	(8,003)
51,003	487,216	Intergovernmental	611,928
9,714,904	67,461,541	Franchise Taxes	527
		Charges for services	<u>(41,194)</u>
		Total	280,586
3,078,469	26,799,086	Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
357,275	706,303	Pension	4,568,086
4,959,299	5,286,112	OPEB	72,614
169,921	1,755,432	Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability and net pension asset are reported as pension/ OPEB expense in the statement of activities.	
145,545	2,643,767		(11,317,904)
115,788	9,630,120		24,137,592
35,879	4,467,359	Repayment of bond principal, loans and leases are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
2,602,960	7,560,177		2,888,252
405,000	2,888,252	Other financing sources in the Governmental funds increases long-term liabilities in the Statement of Net Position. These sources were attributed to the issuance of a capital lease and long-term note.	
209,189	1,211,626		(6,180,633)
350	55,211	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.	
12,079,675	63,003,445	Compensated absences	(356,048)
(2,364,771)	4,458,096	Accrued interest on bonds	6,765
		Amortization of premiums	304,564
14,026	733,957	Amortization of deferral on refunding	<u>(258,894)</u>
-	28,981	Total	(303,613)
2,000,000	6,100,000	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.	
-	51,652		983,362
4,482,000	13,932,000	Change in Net Position of Governmental Activities	
(1,000,000)	(13,932,000)		\$ 24,633,861
5,496,026	6,914,590		
3,131,255	11,372,686		
7,258,384	36,731,889		
\$ 10,389,639	\$ 48,104,575		

City of Strongsville, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 32,230,000	\$ 33,500,000	\$ 33,479,171	\$ (20,829)
Property Taxes	458,145	490,299	490,299	-
Hotel Taxes	180,000	180,000	166,755	(13,245)
Intergovernmental Revenues	644,394	832,784	825,334	(7,450)
Charges for Services	1,993,600	2,179,100	2,154,905	(24,195)
Fees, Licenses, and Permits	1,030,500	1,192,500	1,185,731	(6,769)
Fines and Forfeitures	800,500	975,500	868,451	(107,049)
Interest Income	720,000	965,000	967,724	2,724
Contributions and Donations	1,000	1,000	3,377	2,377
Miscellaneous	787,100	1,308,300	1,072,578	(235,722)
<i>Total Revenues</i>	<u>38,845,239</u>	<u>41,624,483</u>	<u>41,214,325</u>	<u>(410,158)</u>
Expenditures:				
Current:				
Security of Persons and Property	15,757,000	16,119,600	15,508,020	611,580
Public Health Services	367,200	367,200	348,702	18,498
Leisure Time Activities	432,500	437,600	417,829	19,771
Community Environment	1,779,600	1,798,000	1,566,964	231,036
Basic Utility Services	2,600,000	2,600,000	2,488,411	111,589
General Government	5,572,700	5,871,300	5,083,460	787,840
<i>Total Expenditures</i>	<u>26,509,000</u>	<u>27,193,700</u>	<u>25,413,386</u>	<u>1,780,314</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	12,336,239	14,430,783	15,800,939	1,370,156
Other Financing Sources (Uses)				
Sale of Capital Assets	-	1,000	833	(167)
Advances In	-	2,106,000	2,106,000	-
Advances Out	-	(2,000,000)	(2,000,000)	-
Transfers Out	(12,232,000)	(14,232,000)	(14,232,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(12,232,000)</u>	<u>(14,125,000)</u>	<u>(14,125,167)</u>	<u>(167)</u>
<i>Net Change in Fund Balance</i>	104,239	305,783	1,675,772	1,369,989
<i>Fund Balance - Beginning of Year, Restated</i>	8,193,950	8,193,950	8,193,950	-
<i>Fund Balance - End of Year</i>	<u>\$ 8,298,189</u>	<u>\$ 8,499,733</u>	<u>\$ 9,869,722</u>	<u>\$ 1,369,989</u>

See accompanying notes to the basic financial statements

City of Strongsville, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal Income Taxes	\$ 3,970,000	\$ 4,200,000	\$ 4,048,100	\$ (151,900)
Intergovernmental Revenues	1,950,000	2,510,700	2,352,761	(157,939)
Charges for Services	-	11,000	10,196	(804)
Interest Income	89,000	95,000	94,868	(132)
Miscellaneous		112,300	-	(112,300)
<i>Total Revenues</i>	<u>6,009,000</u>	<u>6,929,000</u>	<u>6,505,925</u>	<u>(423,075)</u>
Expenditures:				
Current:				
Transportation	10,729,800	10,509,800	10,076,603	433,197
Debt Service	1,639,000	1,639,000	1,638,550	450
<i>Total Expenditures</i>	<u>12,368,800</u>	<u>12,148,800</u>	<u>11,715,153</u>	<u>433,647</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(6,359,800)	(5,219,800)	(5,209,228)	10,572
Other Financing Sources				
Sale of Capital Assets	20,000	70,000	69,098	(902)
Bond Anticipation Notes Issued	1,100,000	1,100,000	1,100,000	-
Transfers In	4,100,000	4,000,000	4,000,000	-
<i>Total Other Financing Sources</i>	<u>5,220,000</u>	<u>5,170,000</u>	<u>5,169,098</u>	<u>(902)</u>
<i>Net Change in Fund Balance</i>	(1,139,800)	(49,800)	(40,130)	9,670
<i>Fund Balance - Beginning of Year</i>	<u>4,352,289</u>	<u>4,352,289</u>	<u>4,352,289</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 3,212,489</u>	<u>\$ 4,302,489</u>	<u>\$ 4,312,159</u>	<u>\$ 9,670</u>

See accompanying notes to the basic financial statements

City of Strongsville, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Fire Levy Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 4,150,559	\$ 4,464,174	\$ 4,464,174	\$ -
Intergovernmental Revenues	556,191	557,505	557,448	(57)
Charges for Services	600	6,600	6,093	(507)
Fees, Licenses, and Permits	2,800	2,800	2,720	(80)
Contributions and Donations	3,000	5,000	5,410	410
Miscellaneous	-	174,700	-	(174,700)
<i>Total Revenues</i>	<u>4,713,150</u>	<u>5,210,779</u>	<u>5,035,845</u>	<u>(174,934)</u>
Expenditures:				
Current:				
Security of Persons and Property	<u>8,558,400</u>	<u>8,947,800</u>	<u>8,347,851</u>	<u>599,949</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,845,250)	(3,737,021)	(3,312,006)	425,015
Other Financing Sources				
Transfers In	<u>3,000,000</u>	<u>2,350,000</u>	<u>2,350,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(845,250)	(1,387,021)	(962,006)	425,015
<i>Fund Balance - Beginning of Year</i>	<u>2,274,116</u>	<u>2,274,116</u>	<u>2,274,116</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 1,428,866</u>	<u>\$ 887,095</u>	<u>\$ 1,312,110</u>	<u>\$ 425,015</u>

See accompanying notes to the basic financial statements

City of Strongsville, Ohio

Statement of Net Position

Proprietary Funds

December 31, 2019

	Business-Type Activities Sanitary Sewer Fund	Governmental Activities Internal Service Funds
ASSETS		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 14,174,568	\$ 3,817,251
Accounts Receivable	1,592,910	-
Intergovernmental Receivable	-	172,785
Prepaid Items	149,108	520,457
Special Assessments Receivable	1,390,837	-
<i>Total Current Assets</i>	<u>17,307,423</u>	<u>4,510,493</u>
Noncurrent Assets:		
Capital Assets:		
Land	1,508,079	-
Construction in Progress	2,674,804	-
Depreciable Assets, Net of Depreciation	42,194,596	-
Net Pension Asset	5,178	-
<i>Total Noncurrent Assets</i>	<u>46,382,657</u>	<u>-</u>
Total Assets	<u>63,690,080</u>	<u>4,510,493</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	545,023	-
OPEB	75,194	-
Total Deferred Outflows of Resources	<u>620,217</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	78,132	-
Accrued Wages and Benefits	39,340	-
Retainage Payable	127,743	-
Intergovernmental Payable	5,999	36,418
Compensated Absences Payable	162,957	-
Claims Payable	-	442,503
OWDA Loans Payable	272,125	-
OPWC Loans Payable	49,373	-
<i>Total Current Liabilities</i>	<u>735,669</u>	<u>478,921</u>
Noncurrent Liabilities:		
Compensated Absences Payable	166,202	-
Claims Payable	-	2,055,396
OWDA Loans Payable	1,231,910	-
OPWC Loans Payable	864,032	-
Net Pension Liability	1,802,723	-
Net OPEB Liability	828,079	-
<i>Total Noncurrent Liabilities</i>	<u>4,892,946</u>	<u>2,055,396</u>
Total Liabilities	<u>5,628,615</u>	<u>2,534,317</u>
DEFERRED INFLOWS OF RESOURCES		
Pension	26,556	-
OPEB	2,247	-
Total Deferred Inflows of Resources	<u>28,803</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	43,960,039	-
Unrestricted	14,692,840	1,976,176
Total Net Position	<u>\$ 58,652,879</u>	<u>\$ 1,976,176</u>

See accompanying notes to the basic financial statements

City of Strongsville, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Business-Type Activities Sanitary Sewer Fund	Governmental Activities Internal Service Funds
OPERATING REVENUES		
Charges for Services	\$ 7,765,647	\$ 6,421,797
Miscellaneous	-	500,367
Other Services	132,500	-
Total Operating Revenues	7,898,147	6,922,164
OPERATING EXPENSES		
Salaries	1,265,127	-
Fringe Benefits	833,980	-
Materials and Supplies	117,912	-
Contractual Services	3,498,247	2,113,618
Depreciation	2,015,470	-
Claims	-	3,825,184
Other	7,501	-
Total Operating Expense	7,738,237	5,938,802
Operating Income	159,910	983,362
NONOPERATING REVENUES (EXPENSES)		
Interest	333,766	-
Interest and Fiscal Charges	(60,523)	-
Capital Distribution	(106,496)	-
Total Nonoperating Revenues (Expenses)	166,747	-
Income before Capital Contributions and Transfers	326,657	983,362
Capital Contributions from Special Assessments	287,787	-
Capital Contributions from Grants	450,000	-
Capital Contributions from Tap In Fees	352,567	-
Change in Net Position	1,417,011	983,362
Net Position - Beginning of Year	57,235,868	992,814
Net Position - End of Year	\$ 58,652,879	\$ 1,976,176

See accompanying notes to the basic financial statements

City of Strongsville, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Business-Type Activities	Governmental Activities
	Sanitary Sewer Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Charges for Services	\$ 7,845,785	\$ 493,334
Cash Received from Interfund Services Provided	-	5,928,463
Other Cash Receipts	-	398,988
Cash Payments to Employees for Services	(1,240,304)	-
Cash Payments for Employee Benefits	(496,060)	-
Cash Payments for Goods and Services	(3,640,772)	(2,625,738)
Cash Payments for Claims	-	(3,628,610)
Other Cash Payments	(7,451)	-
Net Cash Provided by Operating Activities	<u>2,461,198</u>	<u>566,437</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Grants Received	450,000	-
Capital Contributions from Tap In Fees	352,567	-
Capital Contributions from Special Assessments	141,647	-
Principal Paid on Debt	(310,418)	-
Interest Paid on Debt	(60,523)	-
Payments for Capital Acquisitions	(2,208,107)	-
Net Cash Used for Capital and Related Financing Activities	<u>(1,634,834)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	360,226	-
Net Cash Provided by Investing Activities	<u>360,226</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	1,186,590	566,437
Cash and Cash Equivalents - Beginning of Year	12,987,978	3,250,814
Cash and Cash Equivalents - End of Year	<u><u>\$ 14,174,568</u></u>	<u><u>\$ 3,817,251</u></u>

(Continued)

See accompanying notes to the basic financial statements

City of Strongsville, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2019

	Business-Type Activities	Governmental Activities
	Sanitary Sewer Fund	Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 159,910	\$ 983,362
Adjustments:		
Depreciation	2,015,470	-
(Increase) Decrease in Assets:		
Accounts Receivable	(52,362)	-
Intergovernmental Receivable	-	(101,379)
Prepaid Items	(17,592)	(520,457)
Net Pension Asset	314	-
(Increase) in Deferred Outflows of Resources - Pension	(283,994)	-
(Increase) in Deferred Outflows of Resources - OPEB	(9,832)	-
Increase (Decrease) in Liabilities::		
Accounts Payable	(6,971)	(4,199)
Accrued Wages	10,158	-
Intergovernmental Payable	1,556	12,536
Claims Payable	-	196,574
Compensated Absences Payable	14,665	-
Net Pension Liability	776,104	-
Net OPEB Liability	121,118	-
(Decrease) in Deferred Inflow of Resources - Pension	(216,929)	-
(Decrease) in Deferred Inflow of Resources - OPEB	(50,417)	-
Net Cash Provided by Operating Activities	\$ 2,461,198	\$ 566,437

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

The net impact of accruals in the Sanitary Sewer fund related to capital assets are in the amount of \$283,656.
In 2019, Capital Contributions were made to Governmental Activities in the amount of \$106,496.

See accompanying notes to the basic financial statements

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 – Description of the City and Reporting Entity

The City of Strongsville, Cuyahoga County, Ohio (City) was incorporated under the laws of the State of Ohio in 1958. The City operates under and is governed by a Mayor/Council form of government in accordance with the general laws of the State of Ohio. In addition, the City may exercise all powers of local self-government under the Ohio Constitution, to the extent not in conflict with the applicable general laws of Ohio.

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. This definition of reporting entity is found in GASB Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and 34*.

The City's primary government consists of all funds, departments, boards, and agencies that are not legally separate from the City. The City provides the following services as authorized by its Charter: police and fire protection, road maintenance and repair, snow removal, traffic signalization, street lighting, storm and sanitary sewers, waste collection and general administrative services. None of these services are provided by legally separate organizations; therefore, these operations are included in the primary government. The operation of each of these activities is directly controlled by Council through the budgetary process.

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

The City's financial statements include all organizations, activities, and functions for which the City is financially accountable.

Also, the City is associated with five jointly governed organizations, one related organization, and one insurance pool that are further described in Notes 19, 20 and 21.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

The more significant of the City's accounting policies are described below.

A. Basis of Presentation

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

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. As a general rule, the activities of the internal service fund are eliminated to avoid "doubling up" revenues and expenses. An exception to this general rule is that interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

The following are the City's major governmental funds:

General Fund – This fund is used to account for all financial resources, except for those required to be accounted for in another fund. Major revenue sources of this fund include: municipal income taxes, charges for services, local government assistance funds; and to a lesser degree, various fees, licenses and permits, property taxes, and fines and forfeitures. This fund is the primary operating fund of the City.

Street Construction, Maintenance and Repair (SCMR) Fund - This fund is required by the Ohio Revised Code to account for revenue from the state gasoline tax and motor vehicle registration fees. The Ohio Revised Code requires that 92.50 percent of these revenues be used for the maintenance and repair of streets within the City. As provided in the Codified Ordinance Section 881.01, this fund is credited with one-sixth of the proceeds realized from the first 1.50 percent (referred to as the Base Tax) of the 2.00 percent municipal income tax. Operating deficiencies are subsidized by an operating transfer from the General Fund.

Fire Levy Fund - This fund is used to account for the proceeds of two voted property tax levies (gross and effective millage are 3.50 and 3.094, respectively, for tax year 2018/collection year 2019) approved for the purpose of providing and maintaining a full-time Fire Department. Transfers from the General Fund are necessary to cover the operating costs in excess of operating revenues.

General Bond Retirement Fund – This fund accounts for the proceeds of a 2.30 mill inside property tax levy used to accumulate resources for the payment of principal, interest and fiscal charges on general obligation.

General Capital Improvement Fund – This fund accounts for the Cable TV Franchise fees and other resources that are used to construct, equip and furnish the capital assets used by the various departments of the city, as well as for various infrastructure projects.

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.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City's only enterprise fund is the Sanitary Sewer Fund which accounts for sewer construction projects and sanitary sewer services provided to the residential and commercial users in the City.

Internal Service Funds - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds are the Workers' Compensation Reserve Fund and the Health Insurance Reserve Fund. Both funds account for the accumulation of resources, primarily interfund chargebacks, to pay workers' compensation claims, health care claims, administrative fees and stop loss insurance premiums.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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 has no fiduciary funds.

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. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources along with 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 along with 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 Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

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

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 8). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license tax), fines and forfeitures, interest, grants and entitlements, fees, 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, represents 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 a deferral on refunding and for pension and OPEB plans. A deferral on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes 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 as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, OPEB and unavailable revenues. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance year 2020 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes (\$260,818), income taxes (\$3,095,673), intergovernmental grants (\$2,156,666), cable TV franchise fees (\$73,713), special assessments (\$1,113), and charges for services (\$164,467). These amounts are deferred and recognized as inflows 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 Notes 12 and 13).

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.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

E. Cash and Cash Equivalents

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

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 2019, the City's investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio), negotiable certificates of deposits, United States Agency debt securities, Commercial Paper and money market mutual funds. The City's investment in State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The city measures their investment in STAR Ohio as 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 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice should be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the daily transactions to \$100 million. All accounts of the participant will be combined for these purposes.

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

Following Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2019 amounted to \$1,310,099 which includes \$933,445 assigned from other City funds.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

F. Receivables

Receivables at December 31, 2019, consist of municipal income taxes, property taxes, other local taxes, amounts due from other governments, accounts (billings for user charged services), and special assessments. All are deemed collectible in full.

G. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental funds when consumed. Inventories of the proprietary funds are expensed when used. Inventory consists of expendable supplies held for consumption.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities' column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

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

All capital assets are depreciated except for land 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:

	Governmental Activities	Business-Type Activities
<u>Description</u>	<u>Estimated Lives</u>	<u>Estimated Lives</u>
Land Improvements	15-20 years	15-20 years
Buildings	50 years	50 years
Furniture and Fixtures	7-10 years	7-10 years
Machinery and Equipment	5-20 years	5-20 years
Vehicles	3-6 years	3-6 years
Infrastructure	25-50 years	50 years

J. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "Interfund receivables/payables." Interfund balance amounts are eliminated in the Statement of Net Position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Leave time that has been earned but is unavailable for use as paid time off, or as some other form of compensation, because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that conditions for compensation will be met in the future.

The criteria for determining vested vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn vacation and sick leave at different rates depending upon length of service and type of employment. Vacation leave is recognized when earned. All full-time City employees earn vacation at varying rates based upon length of service. An employee's vacation leave balance will carry over into the next fiscal year if it is not used. Upon retirement, termination, lay-off or death, employees or their estate are paid accumulated vacation leave. Full-time employees earn sick leave at a rate of 4.60 hours per 80 hours of service up to a maximum of 120 hours per year. Staff firefighters earn sick leave at a rate of 12 hours per month up to a maximum of 144 hours per year. Unused sick leave shall accumulate without limit. Upon retirement, employees can be paid varying amounts of their unused sick leave balance based on criteria contained in union agreements and the City's codified ordinances. Beginning in 2013, some employees having 25 or more years of service with the City may annually elect to convert to cash up to one-half of the value of their accumulated sick leave balance that exceeds 1,000 hours.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

L. 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.

M. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. 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, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

N. 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. In the General Fund, assigned amounts would represent intended uses established by City Council.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In 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 Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

O. 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. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The government-wide statement of net position reports \$22,079,657 of the restricted component of net position, none of which is restricted by enabling legislation. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted components of net position are available.

P. 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.

Q. Operating Revenues and Expenses

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

R. Contributions of Capital

Contributions of capital in governmental and proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

S. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

T. 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 type of transaction occurred during 2019.

U. Estimates

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

V. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the personal service and other expenditure level for all funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2019.

Encumbrances - Encumbrances outstanding at year end represent the estimated amount of expenditures that will ultimately result if unperformed contracts in process (for example, purchase orders and contracted services) are completed. Encumbrances outstanding at year end are reported as part of restricted, committed, or assigned fund balance for subsequent year expenditures in the governmental funds. The City had no outstanding encumbrances at December 31, 2019.

Lapsing of Appropriations - At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations.

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 3 – Changes in Accounting Principles and Restatement of Net Position

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

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 2019 financial statements; however, there was no effect on the beginning net position/fund balance.

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statements information for certain component units. The implementation of this Statement did not have an effect on the financial statements of the City.

GASB Statement No. 95, *Postponement of the Effect Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The City has postponed the implementation of GASB Statement No. 83.

GASB Statement No. 84, *Fiduciary Activities*. This Statement established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the City will no longer be reporting fiduciary funds. The City reviewed its fiduciary funds and all of the funds have been reclassified as governmental funds. The schedule of revenues, expenditures, and changes in fund balance – budget and actual beginning fund balance for the General Fund was restated from \$8,126,489 to \$8,193,950.

The implementation of GASB Statement No. 84 had the following effect on Governmental fund balance/net position.

	General Fund	Street Construction, Maintenance & Repair	Fire Levy	General Bond Retirement
Fund Balance December 31, 2018	\$ 17,488,340	\$ 4,016,333	\$ 2,048,808	\$ 2,305,779
Adjustments:				
GASB Statement No. 84	67,461	-	-	-
Restated Fund Balance December 31, 2018	<u>\$ 17,555,801</u>	<u>\$ 4,016,333</u>	<u>\$ 2,048,808</u>	<u>\$ 2,305,779</u>

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

	General Capital Improvement	Other Governmental	Total Governmental Funds
Fund Balance December 31, 2018	\$ 3,546,784	\$ 7,220,341	\$ 36,626,385
Adjustments:			
GASB Statement No. 84	-	38,043	105,504
Restated Fund Balance December 31, 2018	<u>\$ 3,546,784</u>	<u>\$ 7,258,384</u>	<u>\$ 36,731,889</u>

	Governmental Activities
Net Position December 31, 2018	\$ 114,920,191
Adjustments:	
GASB Statement No. 84	105,504
Restated Net Position December 31, 2018	<u>\$ 115,025,695</u>

Note 4 – Accountability

Fund balances at December 31, 2019 included the following individual fund deficit:

	Deficit
Nonmajor Governmental Funds:	
Westwood Commons TIF	<u>\$ 35,728</u>

The General Fund is liable for any deficits in this fund and provides transfers when cash is required not when accruals occur. The deficit fund balance resulted from adjustments for accrued liabilities in accordance with generally accepted accounting principles (GAAP).

Note 5 – Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law is based upon accounting for transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented for the General Fund and the major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

The major differences between the budget basis and the GAAP basis are:

- Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and the major special revenue funds.

	General	Street Construction, Maintenance and Repair	Fire Levy
Net Change in Fund Balance - GAAP Basis	\$ 3,319,668	\$ 1,976,928	\$ (961,603)
Net Adjustment			
Revenue Accruals	2,130,520	(212,516)	-
Expenditure Accruals	(2,682,896)	(1,804,542)	(403)
Funds with Separate Legally Adopted Budgets	(1,091,520)	-	-
Net Change in Fund Balance - Budgetary Basis	<u>\$ 1,675,772</u>	<u>\$ (40,130)</u>	<u>\$ (962,006)</u>

This space intentionally left blank.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 6 – Fund Balance

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	Street Construction, Maintenance & Repair	Fire Levy	General Bond Retirement	General Capital Improvement	Other Governmental Funds	Total Governmental Funds
<i>Nonspendable</i>							
Prepaid Items	\$ 96,958	\$ 66,429	\$ 53,750	\$ -	\$ -	\$ 106,192	\$ 323,329
Inventories	72,772	709,658	-	-	-	-	782,430
<i>Total Nonspendable</i>	<u>169,730</u>	<u>776,087</u>	<u>53,750</u>	<u>-</u>	<u>-</u>	<u>106,192</u>	<u>1,105,759</u>
<i>Restricted for</i>							
Police Pension	-	-	-	-	-	172,828	172,828
Fire Pension	-	-	-	-	-	253,525	253,525
Fire Services	-	-	1,033,455	-	-	-	1,033,455
Other Law Enforcement	-	-	-	-	-	150,419	150,419
Streets and Highways	-	5,217,174	-	-	-	1,282,866	6,500,040
Clerk of Court Computerization	-	-	-	-	-	132,596	132,596
Drainage Levy	-	-	-	-	-	1,427,220	1,427,220
General Bond Retirement	-	-	-	2,770,771	-	-	2,770,771
Pearl Road TIF	-	-	-	-	-	720,269	720,269
Royalton Road TIF	-	-	-	-	-	159,227	159,227
Pearl Road TIF #2	-	-	-	-	-	99,684	99,684
Pearl Road TIF #3	-	-	-	-	-	92,066	92,066
Pearl Road TIF #4	-	-	-	-	-	125,000	125,000
Giant Eagle TIF	-	-	-	-	-	103,296	103,296
Get Go TIF	-	-	-	-	-	83,984	83,984
Clover Senior Apartments TIF	-	-	-	-	-	111,796	111,796
TIF Capital Improvements	-	-	-	-	-	2,072,249	2,072,249
Capital Improvements	-	-	-	-	6,988,230	-	6,988,230
<i>Total Restricted</i>	<u>-</u>	<u>5,217,174</u>	<u>1,033,455</u>	<u>2,770,771</u>	<u>6,988,230</u>	<u>6,987,025</u>	<u>22,996,655</u>
<i>Committed to</i>							
Termination Benefits	5,130,224	-	-	-	-	-	5,130,224
Emergency Vehicles	-	-	-	-	-	2,310,002	2,310,002
Multi-Purpose Complex	-	-	-	-	-	741,434	741,434
Tree Maintenance	-	-	-	-	-	43,078	43,078
Bond Escrow	-	-	-	-	-	29,296	29,296
Recreation Capital Improvement	-	-	-	-	-	208,340	208,340
<i>Total Committed</i>	<u>5,130,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,332,150</u>	<u>8,462,374</u>
<i>Unassigned (Deficit)</i>	<u>15,575,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(35,728)</u>	<u>15,539,787</u>
Total Fund Balances	<u><u>\$ 20,875,469</u></u>	<u><u>\$ 5,993,261</u></u>	<u><u>\$ 1,087,205</u></u>	<u><u>\$ 2,770,771</u></u>	<u><u>\$ 6,988,230</u></u>	<u><u>\$ 10,389,639</u></u>	<u><u>\$ 48,104,575</u></u>

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 7 - 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 deposits that Council has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts. Interim monies may be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any Federal government agency or instrumentality including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All Federal agency securities shall be direct issuances of Federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed 30 days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) and (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 Treasury Asset Reserve of Ohio (STAR Ohio).

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

The City may also invest any monies not required to be used for a period of 6 months or more in the following:

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

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 5 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. Payments 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.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Cash on Hand

At December 31, 2019, the City had \$6,544 in undeposited cash on hand, which is included on the balance sheet of the City as part of "Equity in Pooled Cash and Cash Equivalents."

Deposits

At December 31, 2019, the carrying amount of the City's deposits was \$456,832. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2019, \$622,609 of the City's bank balance of \$2,194,186 was covered by Federal Depository Insurance and \$1,146,096 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name, and \$425,481 was uninsured and uncollateralized. The City's financial institutions were approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System, resulting in the uninsured and uncollateralized balance.

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. Protection of the City's cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC), as well as qualified securities pledged by the institution holding the assets. Ohio law requires that deposits either be 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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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 institutions. 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. All of the City's financial institutions had enrolled in OPCS as of December 31, 2019.

Investments

The City has a formal investment policy and utilizes a pooled investment concept for all its funds to maximize its investment program. STAR Ohio is measured at net asset value per share while all other investments are measured at fair value. Fair value is determined by quoted market prices and other acceptable pricing methodologies. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs). The table on the next page identifies the City's recurring fair value measurement and level inputs as of December 31, 2019. As previously discussed, Star Ohio is reported at its net asset value. All other investments of the City are valued using quoted market prices. As of December 31, 2019, fair value was \$193,177 above the City's net cost for investments.

Interest Rate Risk

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

Credit Risk

The City has no investment policy that would further limit its investment choices other than the limitations imposed by the Ohio Revised Code. See the table below for the credit ratings of the City's investments provided by Standard and Poor's/Moody's.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee. The City's investment in negotiable certificates of deposit were fully insured by Federal depository insurance.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Concentration of Credit Risk

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

As of December 31, 2019, the City had the following investments and investment maturities:

Investment Type	Measurement Value	Credit Rating (*)	Level Input	Investment Maturities (in Years)		
				<1	1-3	3-5
Star Ohio	\$ 11,868,635	AAAm	N/A	\$ 11,868,635	\$ -	\$ -
U.S. Agencies Debt Securities	25,399,389	AA+/Aaa	2	11,967,477	3,113,422	10,318,490
Money Market Mutual Fund	2,113,169	AAAm/Aaa-mf	N/A	2,113,169	-	-
Negotiable Certificate of Deposits	7,008,501	N/A	2	2,973,457	1,504,081	2,530,963
Commercial Paper	2,420,180	A1+/P1	2	2,420,180	-	-
Commercial Paper	11,223,259	A1/P1	2	11,223,259	-	-
Total Investments	<u>\$ 60,033,133</u>			<u>\$42,566,177</u>	<u>\$ 4,617,503</u>	<u>\$ 12,849,453</u>

Reconciliation of Cash and Investments per the Note to the Statements

The following is a reconciliation of cash and investments as reported in the note above to cash and investments reported on the statement of net position and statement of fiduciary assets and liabilities as of December 31, 2019.

Cash and Investments per Note

Investments	\$60,033,133
Carrying Amount of Deposits	456,832
Cash on Hand	<u>6,544</u>
Total Cash and Investments per Note	<u>\$60,496,509</u>

Cash and Investments per Statements

Governmental Activities	\$46,321,941
Business-Type Activities	<u>14,174,568</u>
Total Cash and Investments per Statements	<u>\$60,496,509</u>

Note 8 - Receivables

Receivables at December 31, 2019, consisted primarily of municipal income taxes, property and other local taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, and accounts (billing for utility services). No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

Property Taxes

Property taxes include amounts levied against all real and public utility property, and tangible personal (used in business) 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.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Assessed values for real property are established by State law at 35 percent of appraised market value. All property is required to be reevaluated every six years. The latest update was completed in 2018 with the next reappraisal being scheduled in 2021. Public utility real and tangible personal property tax collected in one calendar year is levied in the preceding calendar year on assessed values determined as of December 31 of the year preceding the tax collection year, the lien date.

Public utility tangible personal property currently is assessed by varying percentages of true value; public utility real property taxes are assessed at 35 percent of true value. 2019 public utility property taxes which became a lien at December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

The 2018 assessed value upon which the 2019 tax receipts were based on was \$1,620,860,590. The full tax rate for all City operations applied to taxable property for the year ended December 31, 2019, was \$9.3 per \$1,000 of assessed valuation.

Real and public utility property taxes are payable annually or semi-annually. If paid annually, payment is due December 31. If paid semi-annually, the first payment is due December 31, with the remainder payable by June 30. Under certain circumstances, State Statute permits earlier or later payment dates to be established.

Public Utility tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Fiscal Officer periodically remits to the taxing districts their portions of the taxes collected.

Municipal Income Taxes

The City's municipal income tax of 2.0 percent is levied on gross salaries, wages and other personal service compensation earned by residents both in and out of the City and on the earnings of nonresidents (except certain transients) earned in the City. This tax also applies to net income of business organizations within the City. Residents of the City are granted a 75 percent credit up to 2.0 percent of the income taxes paid to another municipality.

The City utilizes the Regional Income Tax Agency (RITA) to collect and administer its local income tax. Employers within the City are required to withhold income tax on employee earnings and remit the tax to RITA at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. The tax is collected by RITA and remitted to the City on the 1st and 10th business days of each month.

Municipal income taxes are allocated by City ordinance as follows: 16.67 percent of the first 1.50 percent of the total of 2.00 percent of the City income tax is credited to the Street Construction, Maintenance and Repair Fund with the remainder credited to the General Fund.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Special Assessments

Special assessments include assessments for debt obligations, which are levied against specific property owners who primarily benefitted from the project.

Special assessments are payable by the timetable and in the manner stipulated in the assessing ordinance and are a lien from the date of the passage of the ordinance.

The City's assessments include sidewalk repair, sewer maintenance, sewer rehabilitation, paving and curbing, and water main tap-ins which are billed and collected by the County Fiscal Officer.

The County Fiscal Officer periodically remits these collections to the City. Special assessments collected in one calendar year are levied and certified in the preceding calendar year. Since all assessment collections are remitted to the City outside of the available period, the entire amount has been deferred on the fund financial statements.

At December 31, 2019, governmental and business-type activities reported special assessments receivable in the amounts of \$1,113 and \$1,390,837, respectively. Of these amounts reported, delinquent special assessments for governmental and business-type activities are \$422 and \$4,637, respectively.

Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities:	
Local Government	\$ 336,277
Homestead and Rollback	614,487
Gasoline Tax	1,435,028
Auto Registration	197,460
Payment in Lieu of Taxes	2,196,451
Cuyahoga County Grant - Roads	173,983
NOPEC Energized Community Grant	161,764
Federal Grant via ODOT for sidewalks and traffic signals	190,855
Other Grants	20,137
Berea Municipal Court Fines	4,005
Bureau of Workers Compensation rebate/refund	172,785
<i>Total Governmental Activities Intergovernmental Receivables</i>	<u><u>\$ 5,503,232</u></u>

Payments in Lieu of Taxes

In accordance with State law, the City has established eighteen tax incremental financing districts (TIF's) within the City. For seventeen of these TIF's, the City has granted property tax exemptions and agreed to construct certain infrastructure improvements, as described in the authorizing ordinances. The property owners have agreed to make payments to the City to help pay the costs of the infrastructure improvements. The amount of those payments would generally reflect all or a portion of the property taxes which the property owners would have paid if the property had not been declared exempt.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

The property owners' contractual promise to make these payments in lieu of taxes generally continues until the cost of the improvement has been paid or the agreement expires, whichever comes first. The remaining TIF agreement stipulates that the City will reimburse the Developer for the public infrastructure improvements that directly benefit the City, its residents and the property.

Note 9 –Transfers

Transfers made during the year ended December 31, 2019 were as follows:

	TRANSFERS OUT									
	Governmental Activities						Business- Type Activities			
	Major Fund	Nonmajor Funds					Major Fund			
		Pearl Road TIF #1	Royalton Road TIF	Pearl Road TIF #2	Pearl Road TIF #3	Giant Eagle TIF				
	General						Sewer	Total		
TRANSFERS IN										
Governmental Activities										
<u>Major Funds:</u>										
Street Construction, Maintenance and Repair	\$	4,000,000	\$	-	\$	-	\$	-	\$	4,000,000
Fire Levy		2,350,000		-		-		-		2,350,000
General Bond Retirement		100,000		-		-		-		100,000
General Capital Improvement		2,000,000		500,000		200,000		100,000		100,000

Transfers made from the General Fund to various other funds provided additional resources for current operations. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16. Transfers between governmental funds are eliminated on the governmental activities' statement of activities. During 2019, GAAP transfers from nonmajor funds were required to reflect the pay down of Bond Anticipation Notes principal and interest. These transfers were necessary to record the retirement in the proper governmental funds.

During 2019, a capital distribution was made from the Sewer Fund to the governmental capital assets in the amounts of \$106,496 for construction related to the Howe Road Sanitary Sewer project and is reported as a transfer on the entity wide statements.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 10 - Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
<u>Governmental Activities</u>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 11,584,462	\$ -	\$ (261,578)	\$ 11,322,884
Construction in Progress	1,556,430	3,952,746	(1,885,189)	3,623,987
<i>Total Capital Assets Not Being Depreciated</i>	<u>13,140,892</u>	<u>3,952,746</u>	<u>(2,146,767)</u>	<u>14,946,871</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	55,613,167	402,681	(6,858)	56,008,990
Land Improvements	3,897,160	160,125	-	4,057,285
Machinery and Equipment	4,637,510	1,006,875	-	5,644,385
Furniture and Fixtures	994,494	11,452	-	1,005,946
Vehicles	16,918,201	788,662	(330,601)	17,376,262
Infrastructure:				
Streets	187,089,304	3,122,825	-	190,212,129
Bridges	203,000	-	-	203,000
Storm Sewers	108,145,655	106,496	-	108,252,151
Sidewalks	9,023,408	-	-	9,023,408
Traffic Signalization	6,465,583	-	-	6,465,583
<i>Total Capital Assets Being Depreciated</i>	<u>392,987,482</u>	<u>5,599,116</u>	<u>(337,459)</u>	<u>398,249,139</u>
<i>Total Capital Assets at Cost</i>	<u>406,128,374</u>	<u>9,551,862</u>	<u>(2,484,226)</u>	<u>413,196,010</u>
Less: Accumulated Depreciation:				
Buildings	(15,338,304)	(1,092,998)	921	(16,430,381)
Land Improvements	(2,039,747)	(145,082)	-	(2,184,829)
Machinery and Equipment	(3,327,622)	(371,305)	-	(3,698,927)
Furniture and Fixtures	(853,598)	(27,645)	-	(881,243)
Vehicles	(11,526,635)	(1,260,039)	295,660	(12,491,014)
Infrastructure:				
Streets	(118,132,304)	(4,066,721)	-	(122,199,025)
Bridges	(54,040)	(7,714)	-	(61,754)
Storm Sewers	(46,877,688)	(1,849,535)	-	(48,727,223)
Sidewalks	(6,496,551)	(164,655)	-	(6,661,206)
Traffic Signalization	(3,231,186)	(245,690)	-	(3,476,876)
<i>Total Accumulated Depreciation</i>	<u>(207,877,675)</u>	<u>(9,231,384) *</u>	<u>296,581</u>	<u>(216,812,478)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>185,109,807</u>	<u>(3,632,268)</u>	<u>(40,878)</u>	<u>181,436,661</u>
Total Governmental Activities Capital Asset, Net	<u>\$ 198,250,699</u>	<u>\$ 320,478</u>	<u>\$ (2,187,645)</u>	<u>\$ 196,383,532</u>

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

* Depreciation expense was charged to governmental functions as follows:

Security of Persons and Property	\$ 1,347,886
Leisure Time Activities	808,391
Transportation	6,901,846
General Government	144,572
Community Environment	28,689
Total Depreciation Expense	<u>\$ 9,231,384</u>

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
<u>Business-Type Activities</u>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 1,508,079	\$ -	\$ -	\$ 1,508,079
Construction in Progress	1,893,939	1,758,286	(977,421)	2,674,804
<i>Total Capital Assets Not Being Depreciated</i>	<u>3,402,018</u>	<u>1,758,286</u>	<u>(977,421)</u>	<u>4,182,883</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	10,252,481	25,010	-	10,277,491
Land Improvements	3,909,917	-	-	3,909,917
Machinery and Equipment	10,570,829	-	-	10,570,829
Furniture and Fixtures	19,748	-	-	19,748
Vehicles	2,486,444	178,481	-	2,664,925
Infrastructure:				
Sanitary Sewer	105,128,099	833,599	-	105,961,698
<i>Total Capital Assets Being Depreciated</i>	<u>132,367,518</u>	<u>1,037,090</u>	<u>-</u>	<u>133,404,608</u>
<i>Total Capital Assets at Cost</i>	<u>135,769,536</u>	<u>2,795,376</u>	<u>(977,421)</u>	<u>137,587,491</u>
Less: Accumulated Depreciation:				
Buildings	(6,385,919)	(187,978)	-	(6,573,897)
Land Improvements	(3,643,521)	(5,682)	-	(3,649,203)
Machinery and Equipment	(8,888,500)	(169,026)	-	(9,057,526)
Furniture and Fixtures	(18,762)	-	-	(18,762)
Vehicles	(1,664,576)	(229,558)	-	(1,894,134)
Infrastructure:				
Sanitary Sewers	(68,593,264)	(1,423,226)	-	(70,016,490)
<i>Total Accumulated Depreciation</i>	<u>(89,194,542)</u>	<u>(2,015,470)</u>	<u>-</u>	<u>(91,210,012)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>43,172,976</u>	<u>(978,380)</u>	<u>-</u>	<u>42,194,596</u>
Total Business-Type Activities				
Capital Asset, Net	<u>\$ 46,574,994</u>	<u>\$ 779,906</u>	<u>\$ (977,421)</u>	<u>\$ 46,377,479</u>

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 11 – Risk Management

Commercial Insurance

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, vehicles, and general liability risks including public officials' liability.

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2019, the City contracted with The Fedeli Group to manage its insurance coverage through Travelers Insurance Companies as follows:

Type of Coverage	Coverage Limits		Deductible
	Per Occurrence	Aggregate	
Commercial and Personal Property Coverage (Includes Boiler and Machinery Coverage)	\$139,101,608		\$5,000
Ancillary Equipment (Rented)	\$150,000		\$1,000
Earthquake Damage	\$1,000,000		\$50,000
Flood Damage	\$1,000,000		\$50,000/\$100,000
Inland Marine	\$6,105,864		\$1,000
Crime Coverage			
Theft, Disappearance and Destruction	\$25,000		\$2,500
Employee Dishonesty	\$500,000		\$2,500
Forgery and Alteration	\$25,000		\$1,000
Computer Fraud	\$100,000		\$1,000
Comprehensive General Liability	\$1,000,000	\$2,000,000	\$0
Employee Benefits Liability	\$1,000,000	\$3,000,000	\$1,000
Stop Gap	\$1,000,000		\$0
Public Officials Liability	\$1,000,000	\$1,000,000	\$25,000
Police Professional Liability	\$1,000,000	\$1,000,000	\$25,000
Employment Practices Liability	\$1,000,000	\$1,000,000	\$25,000
Property Liability	\$1,000,000	\$2,000,000	\$0
Pesticide/Herbicide Liability	\$1,000,000	\$2,000,000	\$0
Cemetery Professional Liability	\$1,000,000	\$2,000,000	\$0
EMT/Paramedic Malpractice Liability	\$1,000,000	\$2,000,000	\$0
Sewer Liability	\$1,000,000	\$2,000,000	\$0
Certified Acts of Terrorism	Included		\$0
Automobile Liability and Physical Damage Coverage	\$1,000,000		\$0
Auto Liability Comprehensive			
Fire Vehicles	Agreed Value		\$1,000/\$2,000
Other Vehicles	Actual Cash Value		\$1,000/\$2,000
Auto Liability Collision			
Fire Vehicles	Agreed Value		\$1,000/\$2,000
Other Vehicles	Actual Cash Value		\$1,000/\$2,000
Hired Vehicle Rentals	Actual Cash Value		\$250
Miscellaneous			
Umbrella Coverage	\$10,000,000		\$10,000
Cyber Liability	\$1,000,000		\$10,000
Flood - Additional Coverage: 16099 Foltz Industrial Parkway	\$100,000		\$1,000
Flood - Additional Coverage: 22000 Albion Road	\$100,000		\$1,000

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

The City also carries flood insurance through the National Flood Insurance Plan (NFIP). A portion of the City has been mapped and designated an "A" area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency, and thus the City is eligible to purchase coverage of \$500,000 for both Building and Contents with a \$1,250 deductible. Additional flood policies have been purchased through NFIP for 16099 Foltz Industrial Parkway (City Hall building and the equipment storage building) with \$100,000 limit and \$1,000 deductible, and 22000 Albion Road (Fire Station No. 3) with a \$150,000 limit and \$1,250 deductible.

The City continues to carry commercial insurance for other risks of loss, including employee health and life insurance. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverage limits in any of the past five fiscal years.

Workers' Compensation

The City has established a formal self-insurance program for liabilities arising from the City's participation in the Ohio Bureau of Workers' Compensation (Ohio BWC) Individual Retrospective Rating Plan that covers workers' compensation claims occurring between January 1, 2006 to December 31, 2014. In 2015, the City chose to be a state funded risk, paid a premium, and transferred all risk to the Ohio Bureau of Workers' Compensation for calendar year 2015. Starting in calendar year 2016, the City has participated in the Ohio Association of Public Treasurer's (OAPT) Group Retrospective Rating Program, which is administered by a Third Party Administrator, CompManagement. OAPT offers Group Retrospective Rating as an alternative rating program to assist members in reducing their workers' compensation premium. Through the program, cities are grouped together to achieve premium refunds based on the performance of the group. Cities continue to pay their own individual merit-rated premium to the Ohio BWC and depending on the performance, the participating cities can either receive a retrospective premium refund or assessment (maximum assessment selected per group). Retrospective refunds are achieved when the standard premium of the group exceeds developed claim costs. For that reason, there is an increased emphasis on safety and claims management for Group Retrospective Rating participants.

The claims liability of \$2,169,488 reported in the fund at December 31, 2019, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claim, be reported. The estimate was not affected by incremental claims adjustment expense and does not include other allocated or unallocated claims adjustment expense. Changes in the fund's claims liability amount in 2017, 2018 and 2019 were as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2017	\$ 1,416,142	\$ 304,049	\$ 34,457	\$ 1,685,734
2018	\$ 1,685,734	\$ 227,420	\$ 70,329	\$ 1,842,825
2019	\$ 1,842,825	\$ 390,642	\$ 63,979	\$ 2,169,488

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Employee Health Benefits

The City manages employee prescriptions and health benefits on a self-insured basis. The employee health benefit plan provides basic health coverage through Medical Mutual, the third-party administrator of the program, which reviews and pays the claims. A specific excess loss coverage insurance (stop-loss) policy with Medical Mutual covers claims in excess of \$100,000 per person per year.

The claims liability of \$328,411, reported in the self-insurance fund at December 31, 2019, is estimated by the third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustments expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount in 2017, 2018 and 2019 were as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2017	\$ -	\$ 3,446,373	\$ 3,240,375	\$ 205,998
2018	\$ 205,998	\$ 4,078,816	\$ 3,826,314	\$ 458,500
2019	\$ 458,500	\$ 3,434,542	\$ 3,564,631	\$ 328,411

Note 12 – Defined Benefit Pension Plans

Net Pension Asset/Liability

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

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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 asset/liability. Resulting adjustments to the net pension asset/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 asset/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.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a 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.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members 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 member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information):

Group A	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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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

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

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

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.

This space intentionally left blank.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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

	<u>State and Local</u>
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2019 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.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions was \$1,915,320 for 2019.

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

Plan Description - City full-time police and firefighters participate in the 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 Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(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.

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

	<u>Police</u>	<u>Firefighters</u>
2019 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2019 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 \$2,786,838 for 2019.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Pension Liabilities, Pension Assets, 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, 2018, 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, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. 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	0.093485%	0.057634%	0.2672358%	0.2948424%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.094031%	0.066153%	0.2664479%	0.2898791%	
Change in Proportionate Share	<u>0.000546%</u>	<u>0.00852%</u>	<u>-0.000788%</u>	<u>-0.004963%</u>	
Proportionate Share of the Net Pension Liability/(Asset)	\$ 25,753,185	\$ (73,974)	\$ 21,749,191	\$ 23,661,791	\$ 71,090,193
Pension Expense	\$ 5,831,006	\$ 19,958	\$ 2,824,042	\$ 3,052,465	\$ 11,727,471

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F Police	OP&F Fire	Total
Deferred Outflows of Resources				
Net difference between projected and actual earnings on pension plan investments	\$ 3,511,364	\$ 2,679,483	\$ 2,915,111	\$ 9,105,958
Differences between expected and actual experience	1,188	893,589	972,167	1,866,944
Changes of assumptions	2,258,387	576,600	627,305	3,462,292
Changes in proportion and differences between City contributions and proportionate share of contributions	99,802	47,078	172,720	319,600
City contributions subsequent to the measurement date	<u>1,915,320</u>	<u>1,353,800</u>	<u>1,433,038</u>	<u>4,702,158</u>
Total Deferred Outflows of Resources	<u>\$ 7,786,061</u>	<u>\$ 5,550,550</u>	<u>\$ 6,120,341</u>	<u>\$ 19,456,952</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$ 368,366	\$ 20,308	\$ 22,096	\$ 410,770
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>10,979</u>	<u>270,276</u>	<u>543,105</u>	<u>824,360</u>
Total Deferred Inflows of Resources	<u>\$ 379,345</u>	<u>\$ 290,584</u>	<u>\$ 565,201</u>	<u>\$ 1,235,130</u>

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

\$4,702,158 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 or addition of net pension asset in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OP&F Police	OP&F Fire	Total
2020	\$ 2,389,295	\$ 1,216,570	\$ 1,303,628	\$ 4,909,493
2021	1,154,373	630,645	666,182	\$2,451,200
2022	323,355	770,885	779,736	\$1,873,976
2023	1,629,698	1,216,465	1,296,344	\$4,142,507
2024	(2,485)	71,601	76,212	145,328
Thereafter	(2,840)	-	-	(2,840)
Total	<u>\$ 5,491,396</u>	<u>\$ 3,906,166</u>	<u>\$ 4,122,102</u>	<u>\$ 13,519,664</u>

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, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees; 3 percent, simple
	Post 1/7/2013 retirees; 3 percent, simple
	through 2018, then 2.15% simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

The total pension asset in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees; 3 percent, simple
	Post 1/7/2013 retirees; 3 percent, simple
	through 2018, then 2.15% simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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

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

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was at a loss of 2.94 percent for 2018.

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 below displays the Board-approved asset allocation policy for 2018 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	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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.

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:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability/(asset)			
Traditional Pension Plan	\$ 38,044,943	\$ 25,753,185	\$ 15,538,623
Combined Plan	\$ (24,477)	\$ (73,974)	\$ (109,814)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, 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, 2018, are presented below:

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
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 Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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

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

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Mortality rates for active members were based on the RP2014 Total employee and Healthy Annuitant Mortality Tables rolled back to 2006, and projected with the Conduent Modified 2016 Improvement Scale.

<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 January 1, 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018 are summarized on the next page.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(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 %	1.00 %	0.80 %
Domestic Equity	16.00	5.60	5.50
Non-US Equity	16.00	6.10	5.90
Core Fixed Income *	23.00	2.20	2.60
U.S. Inflation Linked Bonds *	17.00	1.30	2.30
High Yield Fixed Income	7.00	4.20	4.80
Real Estate	12.00	5.70	6.10
Private Markets	8.00	8.40	8.40
Master Limited Partnerships	8.00	6.70	6.40
Private Credit	5.00	8.30	7.50
Real Assets	8.00	7.00	7.00
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	\$ 59,689,606	\$ 45,410,982	\$ 33,479,129

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 13 – Defined Benefit OPEB Plans

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 who 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.

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.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, the City contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. 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 2019 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 \$6,987 for 2019.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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 2019, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$66,116 for 2019.

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, 2017, rolled forward to the measurement date of December 31, 2018, 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, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. 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.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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	0.090030%	0.562078%	
Proportion of the Net OPEB Liability			
Current Measurement Date	<u>0.090735%</u>	<u>0.556327%</u>	
Change in Proportionate Share	<u>-0.0007050%</u>	<u>0.0057512%</u>	
Proportionate Share of the Net			
OPEB Liability	\$ 11,829,702	\$5,066,211	\$16,895,913
OPEB Expense	\$ 876,550	(\$24,952,784)	(\$24,076,234)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and			
actual earnings on pension plan investments	\$ 542,323	\$ 171,496	\$ 713,819
Changes of assumptions	381,404	2,626,080	3,007,484
Differences between expected and			
actual experience	4,005	-	4,005
Changes in proportion and differences			
between City contributions and			
proportionate share of contributions	139,483	179,915	319,398
City contributions subsequent to the			
measurement date	<u>6,987</u>	<u>66,116</u>	<u>73,103</u>
Total Deferred Outflows of Resources	<u>\$ 1,074,202</u>	<u>\$ 3,043,607</u>	<u>\$ 4,117,809</u>
Deferred Inflows of Resources			
Differences between expected and			
actual experience	\$ 32,097	\$ 135,735	\$ 167,832
Changes of assumptions	-	1,402,566	1,402,566
Changes in proportion and differences			
between City contributions and			
proportionate share of contributions	<u>-</u>	<u>255,657</u>	<u>255,657</u>
Total Deferred Inflows of Resources	<u>\$ 32,097</u>	<u>\$ 1,793,958</u>	<u>\$ 1,826,055</u>

\$73,103 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 the year ending December 31, 2020.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(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:

Fiscal Year Ending December 31:	OPERS	OP&F	Total
2020	\$533,255	\$213,508	\$746,763
2021	138,670	213,508	352,178
2022	89,987	213,509	303,496
2023	273,206	265,379	538,585
2024	-	183,602	183,602
Thereafter	-	94,027	94,027
Total	<u>\$1,035,118</u>	<u>\$1,183,533</u>	<u>\$2,218,651</u>

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, 2017, rolled forward to the measurement date of December 31, 2018. 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	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.71 percent
Health Care Cost Trend Rate	10.0 percent, initial 3.25 percent, ultimate in 2029
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.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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

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

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

During 2018, 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 5.60 percent for 2018.

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 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	100.00 %	5.16 %

Discount Rate A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. 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).

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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 3.71 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 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

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

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 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 (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
City's proportionate share of the net OPEB liability	\$15,134,598	\$11,829,702	\$9,201,436

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 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$11,370,910	\$11,829,702	\$12,358,107

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, 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.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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, 2018, with actuarial liabilities rolled forward to December 31, 2018
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	4.66 percent
Prior measurement date	3.24 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 Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, are summarized below:

Asset Class	Target Allocation	10 year Expected Real Rate of Return **	30 year Expected Real Rate of Return **
Cash and Cash Equivalents	0.00 %	1.00 %	0.80 %
Domestic Equity	16.00	5.30	5.50
Non-US Equity	16.00	6.10	5.90
Core Fixed Income *	23.00	2.20	2.60
U.S. Inflation Linked Bonds *	17.00	1.30	2.30
High Yield Fixed Income	7.00	4.20	4.80
Real Estate	12.00	5.70	6.10
Private Markets	8.00	8.40	8.40
Master Limited Partnerships	8.00	6.70	6.40
Private Credit	5.00	8.30	7.50
Real Assets	8.00	7.00	7.00
Total	<u>120.00 %</u>		

Note: Assumptions are geometric

* levered 2x

** numbers are net of expected inflation

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(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 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 OPEB liability was calculated using the discount rate of 4.66 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 4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 4.66 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 2031. The long-term expected rate of return on health care investments was applied to projected costs through 2031, 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 4.66 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 (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$6,172,028	\$5,066,211	\$4,137,973

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 medial benefit that is a flat dollar amount.

Changes between Measurement Date and Report Date

Beginning January 1, 2019 OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be 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.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 14 – Short-Term Notes Payable

The City's note activity, including the amount outstanding and the interest rate, is as follows:

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
Governmental Activities:				
<i>Various Purpose Improvement Notes, Series 2018</i>				
2018 Vehicle Acquisition - 3.375%, 10/10/2018	\$ 1,600,000	\$ -	\$ (1,600,000)	\$ -
2018 Street Improvement - 3.00%, 06/28/2018	4,000,000	-	(4,000,000)	-
Unamortized Premiums on Notes	33,444	-	(33,444)	-
Total Governmental Activities	\$ 5,633,444	\$ -	\$ (5,633,444)	\$ -

Note 15 – Long-Term Obligations

The original issuance date, maturity date, interest rate, and original issuance amounts for the City's long-term obligations were as follows:

	Original Issuance Date	Maturity Date	Interest Rate	Original Issuance Amount
Governmental Activities:				
<u>General Obligation Bonds</u>				
<i>Various Purpose Improvements, Series 2009-02:</i>				
Street Improvements (Pearl Road Widening)	12/8/2009	12/1/2019	1.500 - 5.000%	\$7,000,000
<i>Various Purpose Refundings, Series 2011:</i>				
Multi-Purpose Complex	9/6/2011	12/1/2021	2.000 - 4.000%	8,300,000
Service Center Complex Renovations	9/6/2011	12/1/2021	2.000 - 4.000%	365,000
Fire Station #3	9/6/2011	12/1/2021	2.000 - 4.000%	1,585,000
<i>Total Various Purpose Refundings, Series 2011</i>				10,250,000
<i>Various Purpose Refundings, Series 2014:</i>				
Foltz Industrial Parkway Extension (refunded series 2005)	4/1/2014	12/1/2025	1.500 - 3.000%	1,095,000
Royalton Road Improvements (refunded series 2005)	4/1/2014	12/1/2025	1.500 - 3.000%	2,150,000
Police/City Hall (refunded series 2006)	4/1/2014	12/1/2026	1.500 - 3.000%	305,000
Municipal Service Center (refunded series 2006)	4/1/2014	12/1/2026	1.500 - 3.000%	545,000
New Fire Station Ward 4 (refunded series 2006)	4/1/2014	12/1/2026	1.500 - 3.000%	5,390,000
<i>Total Various Purpose Refundings, Series 2014</i>				9,485,000
<i>Various Purpose Improvement Refundings, Series 2015:</i>				
Police/City Hall (refunded series 2006)	10/22/2015	12/1/2023	1.500 - 2.125%	80,000
Municipal Service Center (refunded series 2006)	10/22/2015	12/1/2023	1.500 - 2.125%	165,000
New Fire Station Ward 4 (refunded series 2006)	10/22/2015	12/1/2023	1.500 - 2.125%	2,250,000
Police Station, Jail, and Mayor's Court (refunded series 2009)	10/22/2015	12/1/2026	1.500 - 3.000%	3,705,000
Intersection of Drake & Howe Roads (refunded series 2009)	10/22/2015	12/1/2026	1.500 - 3.000%	605,000
Recreation Land Acquisition (Lunn Road) (refunded series 2009)	10/22/2015	12/1/2026	1.500 - 3.000%	660,000
Intersection of Royalton Road and W. 130th (refunded series 2009)	10/22/2015	12/1/2026	1.500 - 3.000%	170,000
<i>Total Various Purpose Refundings, Series 2015</i>				7,635,000
<i>Various Purpose Improvement Refundings, Series 2016-01:</i>				
Police Station, Jail, and Mayor's Court (refunded series 2009)	7/21/2016	12/1/2034	1.500 - 4.000%	9,270,000
Intersection of Drake & Howe Roads (refunded series 2009)	7/21/2016	12/1/2029	1.500 - 4.000%	750,000
Recreation Land Acquisition (Lunn Road) (refunded series 2009)	7/21/2016	12/1/2029	1.500 - 4.000%	730,000
Intersection of Royalton Road and W. 130th (refunded series 2009)	7/21/2016	12/1/2029	1.500 - 4.000%	220,000
<i>Total Various Purpose Refundings, Series 2016</i>				10,970,000
<i>Various Purpose Improvement, Series 2016-02:</i>				
Street Improvements (Pearl Road Widening)	7/21/2016	12/1/2029	1.500 - 4.000%	5,510,000

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Governmental Activities: (Continued)

Long-term Notes

Various Purpose Improvement Notes, Series 2019

2019 Vehicle Acquisition - 2.50%, 06/26/2019	6/26/2019	6/25/2020	2.50%	\$	1,100,000
2019 Street Improvement - 2.50%, 06/26/2019	6/26/2019	6/25/2020	2.50%		3,000,000

Traffic Signalization Improvement Notes, Series 2019

2019 Traffic Signalization - 2.50%, 12/10/2019	12/10/2019	6/25/2020	2.50%		2,000,000
--	------------	-----------	-------	--	-----------

Ohio Public Works Commission (OPWC) Loans

Pearl Road Widening - Phase II	7/1/2013	1/1/2036	0%		2,172,730
--------------------------------	----------	----------	----	--	-----------

Business-Type Activities:

Ohio Water Development Authority (OWDA) Loans

Westwood Park Sanitary Sewer	6/27/2002	7/1/2022	4.700%		948,523
Force Main, Pump Station and Sanitary Sewers	1/30/2003	7/1/2023	4.400%		2,259,707
Sewer Construction	5/27/2010	7/1/2030	3.390%		544,038
Drake Road East Sanitary Extension	12/9/2010	7/1/2032	2.870%		655,678
					<u>4,407,946</u>

Ohio Public Works Commission (OPWC) Loans

Drake, Bowman & Fetzer Sanitary Sewers	7/1/2017	7/1/2038	0%		2,172,730
--	----------	----------	----	--	-----------

Changes in the long-term obligations of the City during 2019 were as follows:

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019	Amounts Due in One Year
Governmental Activities:					
<u>General Obligation Bonds</u>					
<i>Various Purpose Improvements, Series 2009-02:</i>					
Street Improvements (Pearl Road Widening)	\$ 365,000	\$ -	\$ (365,000)	\$ -	\$ -
<i>Various Purpose Refundings, Series 2011:</i>					
Multi-Purpose Complex Refunding, Series 2001	2,930,000	-	(935,000)	1,995,000	980,000
Service Center Complex Renovations	85,000	-	(35,000)	50,000	25,000
Fire Station #3	<u>660,000</u>	<u>-</u>	<u>(200,000)</u>	<u>460,000</u>	<u>225,000</u>
Total Various Purpose Refunding, Series 2011	3,675,000	-	(1,170,000)	2,505,000	1,230,000
<i>Various Purpose Refundings, Series 2014:</i>					
Foltz Industrial Parkway Extension	785,000	-	(85,000)	700,000	90,000
Royalton Road Improvements	1,555,000	-	(180,000)	1,375,000	180,000
Police/City Hall	245,000	-	(40,000)	205,000	40,000
Municipal Service Center	435,000	-	(70,000)	365,000	65,000
New Fire Station Ward 4	<u>4,585,000</u>	<u>-</u>	<u>(535,000)</u>	<u>4,050,000</u>	<u>550,000</u>
Total Various Purpose Refunding, Series 2014	7,605,000	-	(910,000)	6,695,000	925,000
<i>Various Purpose Refundings, Series 2015:</i>					
Police/City Hall	50,000	-	-	50,000	-
Municipal Service Center	100,000	-	-	100,000	-
New Fire Station Ward 4	1,780,000	-	(5,000)	1,775,000	5,000
Police Station, Jail, and Mayor's Court	3,555,000	-	(30,000)	3,525,000	30,000
Intersection of Drake & Howe Roads	575,000	-	(5,000)	570,000	5,000
Recreation Land Acquisition (Lunn Road)	630,000	-	(5,000)	625,000	5,000
Intersection of Royalton Road and W. 130th	<u>150,000</u>	<u>-</u>	<u>(5,000)</u>	<u>145,000</u>	<u>5,000</u>
Total Various Purpose Refunding, Series 2015	6,840,000	-	(50,000)	6,790,000	50,000
<i>Various Purpose Refundings, Series 2016-01:</i>					
Police Station, Jail, and Mayor's Court	9,250,000	-	(105,000)	9,145,000	125,000
Intersection of Drake & Howe Roads	740,000	-	(60,000)	680,000	60,000
Recreation Land Acquisition (Lunn Road)	720,000	-	(40,000)	680,000	45,000
Intersection of Royalton Road and W. 130th	<u>210,000</u>	<u>-</u>	<u>(15,000)</u>	<u>195,000</u>	<u>20,000</u>
Total Various Purpose Refunding, Series 2016-01	10,920,000	-	(220,000)	10,700,000	250,000
<i>Various Purpose Improvements, Series 2016-02:</i>					
Street Improvements (Pearl Road Widening)	5,440,000	-	(40,000)	5,400,000	415,000
Total General Obligation Bonds	<u>34,845,000</u>	<u>-</u>	<u>(2,755,000)</u>	<u>32,090,000</u>	<u>2,870,000</u>

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019	Amounts Due in One Year
Governmental Activities (Continued):					
<u>Long-term Notes</u>					
<i>Various Purpose Improvement Notes, Series 2019</i>					
2019 Vehicle Acquisition - 2.50%, 06/26/2019	\$ -	\$ 1,100,000	\$ -	\$ 1,100,000	\$ 1,100,000
2019 Street Improvement - 2.50%, 06/26/2019	-	3,000,000	-	3,000,000	3,000,000
<i>Total Various Purpose Improvement Notes, Series 2019</i>	-	4,100,000	-	4,100,000	4,100,000
<i>Traffic Signalization Improvement Notes, Series 2019</i>					
2019 Traffic Signalization - 2.50%, 12/10/2019	-	2,000,000	-	2,000,000	2,000,000
<i>Total Long Term Notes</i>	-	6,100,000	-	6,100,000	6,100,000
<u>Direct Borrowings and Direct Placements of debt</u>					
Ohio Public Works Commission (OPWC) Loan					
Pearl Road Widening - Phase II	1,846,822	-	(108,636)	1,738,186	108,636
<u>Net Pension Liability</u>					
OPERS	13,639,365	10,311,097	-	23,950,462	-
OP&F	34,497,277	10,913,705	-	45,410,982	-
<i>Total Net Pension Liability</i>	48,136,642	21,224,802	-	69,361,444	-
<u>Net OPEB Liability</u>					
OPERS	9,392,480	1,609,143	-	11,001,623	-
OP&F	31,846,564	-	(26,780,353)	5,066,211	-
<i>Total Net OPEB Liability</i>	41,239,044	1,609,143	(26,780,353)	16,067,834	-
<u>Other Long-Term Obligations</u>					
Unamortized Bond and Note Premiums	2,205,667	51,652	(304,564)	1,952,755	-
Capital Lease	18,906	28,981	(24,616)	23,271	5,328
Claims Payable	2,301,325	3,825,184	(3,628,610)	2,497,899	442,503
Compensated Absences	6,804,594	3,232,362	(2,876,314)	7,160,642	3,545,032
<i>Total Other Long-Term Obligations</i>	11,330,492	7,138,179	(6,834,104)	11,634,567	3,992,863
Total Governmental Activities Long-Term Obligations	<u>\$ 137,398,000</u>	<u>\$ 36,072,124</u>	<u>\$ (36,478,093)</u>	<u>\$ 136,992,031</u>	<u>\$ 13,071,499</u>
Business-Type Activities:					
<u>Direct Borrowings</u>					
Ohio Water Development Authority (OWDA) Loans					
Westwood Park Sanitary Sewer	\$ 235,236	\$ -	\$ (63,354)	\$ 171,882	\$ 66,367
Force Main, Pump Station and Sanitary Sewers	691,499	-	(142,181)	549,318	148,506
Sewer Construction	356,365	-	(25,815)	330,550	26,698
Drake Road East Sanitary Sewer Extension	481,980	-	(29,695)	452,285	30,554
<i>Total OWDA Loans</i>	1,765,080	-	(261,045)	1,504,035	272,125
Ohio Public Works Commission (OPWC) Loan					
Drake, Bowman & Fetzner Sanitary Sewers	962,778	-	(49,373)	913,405	49,373
<u>Net Pension Liability</u>					
OPERS	1,026,619	776,104	-	1,802,723	-
<u>Net OPEB Liability</u>					
OPERS	706,961	121,118	-	828,079	-
<u>Other Long-Term Obligations</u>					
Compensated Absences	314,494	147,602	(132,937)	329,159	162,957
Total Business-Type Activities Long-Term Obligations	<u>\$ 4,775,932</u>	<u>\$ 1,044,824</u>	<u>\$ (443,355)</u>	<u>\$ 5,377,401</u>	<u>\$ 484,455</u>
Total Entity-Wide Long-Term Obligations	<u>\$ 142,173,932</u>	<u>\$ 37,116,948</u>	<u>\$ (36,921,448)</u>	<u>\$ 142,369,432</u>	<u>\$ 13,555,954</u>

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

The Ohio Water Development Authority (OWDA) loans are revenue obligations (not general obligations) of the City, payable from the revenue of the systems that are improved with the OWDA loans and from special assessments that relate to those improvements. The OWDA does not require that the City generate “coverage” (revenues in excess of the amounts needed for system operations and loan payments), nor does the OWDA require the creation or funding of any reserve funds. The OWDA loans will be paid from the Sanitary Sewer Fund. The Ohio Public Works Commission (OPWC) loan for Pearl Road Widening will be paid from the General Bond Retirement Fund, the Ohio Public Works Commission (OPWC) loan for the Drake, Bowman & Fetzer Sanitary Sewers will be paid from the Sanitary Sewer Fund, General obligation bonds will be paid from the General Bond Retirement Fund and Pearl Road TIF #1 Fund.

The capital lease will be paid from General Fund (refer to Note 16 for further information). Workers’ Compensation claims will be paid from the Workers’ Compensation Reserve Fund (refer to Note 11 for further information). The compensated absences liability and employer pension and OPEB contributions are paid from the funds benefiting from their service, which includes the General fund, police pension, SCMR, fire levy, fire pension, multipurpose complex, community diversion, and sanitary sewer funds. There is no repayment schedule for the net pension liability and net OPEB liability. For additional information related to the net pension liability and net OPEB liability see Notes 12 and 13.

In July 2013, the City entered into a loan agreement with the Ohio Public Works Commission (OPWC) for a zero percent interest loan for the Pearl Road Widening project. In 2015 the City made its final drawdown on the loan for a total amount of \$2,172,730. The twenty-year loan will be repaid with forty semi-annual payments of \$54,318 commencing July 1, 2016. The loan will be repaid from the General Bond Retirement Fund.

In July 2017, the City entered into a loan agreement with the Ohio Public Works Commission (OPWC) for a zero percent interest loan for the Drake, Bowman & Fetzer Sanitary Sewer Project. The agreement provided for a grant of \$617,165 and a zero percent interest loan of \$987,465 for a total of \$1,604,630. In 2018 the City received the balance of the grant amount as well as the proceeds of the loan. The twenty-year loan will be repaid with forty semi-annual payments of \$24,687. The first payment on the loan was due on January 1, 2019, however the City made this payment prior to year end. The loan will be repaid from the Sanitary Sewer Fund.

The City’s direct borrowings from OWDA in the amount of \$1,504,035 contain a provision that in an event of default the amount of such default shall bear interest at the default rate from the due date until the date of the payment. In addition to the interest, a late charge of one percent on the amount of each defaults shall also be paid to OWDA by the City from the pledged revenues for failure to make the payment.

The City’s total direct borrowings from OPWC in the amount of \$2,651,591 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 become 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.

In 2019, the City issued \$4,100,000 in Various Purpose Notes Series 2019. This note is dated June 26, 2019, and will mature on June 25, 2020 and bear a 2.50 percent rate of interest. \$1,100,000 of the proceeds from the 2019 Note was used for public service vehicles and equipment and \$3,000,000 was used for road improvements.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

In 2019, the City issued \$2,000,000 in Traffic Signalization Notes Series 2019. This note is dated December 10, 2019 and will mature on June 25, 2020 and bear a 2.50 percent rate of interest. The proceeds from the 2019 Note will be used for the City-Wide traffic signalization project. As of December 31, 2019, the City has unspent proceeds of \$1,555,610.

On June 10, 2020 the City refinanced the 2019 vehicle acquisition and street improvement notes for \$1,100,000 and \$2,000,000, respectively. Because these notes were issued after the balance sheet date but prior to the issuance of the financial statements they are reported as long-term debt obligations. Similarly, on June 24, 2020 the City refinanced the \$2,000,000 in Traffic Signalization notes, which resulted in them also being classified as long-term obligations.

The notes are backed by the full faith and credit of the City and mature on June 25, 2020. The note liabilities are reflected in the fund which received the proceeds. The premium and issuance costs are recorded in the General Bond Retirement Fund.

Principal and Interest Requirements

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2019 are as follows:

Governmental Activities					
Years	General Obligation Bonds		OPWC Loan	Total	
	Principal	Interest	Principal	Principal	Interest
2020	\$ 2,870,000	\$ 1,022,256	\$ 108,636	\$ 2,978,636	\$ 1,022,256
2021	2,975,000	940,256	108,636	3,083,636	940,256
2022	2,140,000	855,256	108,636	2,248,636	855,256
2023	2,955,000	811,531	108,636	3,063,636	811,531
2024	3,005,000	745,863	108,636	3,113,636	745,863
2025-2029	12,405,000	2,406,350	543,180	12,948,180	2,406,350
2030-2034	5,740,000	694,750	543,180	6,283,180	694,750
2035	-	-	108,646	108,646	-
Total	<u>\$ 32,090,000</u>	<u>\$ 7,476,262</u>	<u>\$ 1,738,186</u>	<u>\$ 33,828,186</u>	<u>\$ 7,476,262</u>

Business-Type Activities					
Years	OWDA Loan		OPWC Loan	Total	
	Principal	Interest	Principal	Principal	Interest
2020	\$ 272,125	50,467	\$ 49,373	\$ 321,498	\$ 50,467
2021	283,682	39,980	49,373	333,055	39,980
2022	258,903	29,041	49,373	308,276	29,041
2023	146,498	19,858	49,373	195,871	19,858
2024	64,782	16,213	49,373	114,155	16,213
2025-2029	355,738	49,239	246,865	602,603	49,239
2030-2034	122,307	4,824	246,865	369,172	4,824
2035	-	-	172,810	172,810	-
Total	<u>\$ 1,504,035</u>	<u>\$ 209,622</u>	<u>\$ 913,405</u>	<u>\$ 2,417,440</u>	<u>\$ 209,622</u>

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 16 – Leases

Capital Lease

In 2019, the City paid off a prior year lease and entered into a new lease agreement for the acquisition of a utility tractor. Capital lease payments are reflected as program expenditures on the budgetary statement and part of debt service on the Statement of Revenue, Expenditures, and Changes in Fund Balances. The capital asset acquired by the lease has been capitalized in the amount of \$28,981 (with a salvage value of \$1,449), with an accumulated depreciation of \$3,262, for a total book value of \$24,270 as of December 31, 2019.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and present value of the minimum lease payments as of December 31, 2019:

<u>Year</u>	<u>Payments</u>
2020	\$ 6,510
2021	6,510
2022	6,510
2023	6,510
	<u>26,040</u>
Less: Amount Representing Interest	(2,769)
Present Value of Minimum Lease Payment	<u>\$ 23,271</u>

In the event of a default the lender may declare all unmatured obligations, may require the City at the City's cost, to promptly deliver possession of the collateral to the lender, and may recover all expenses and collection costs which the lender has incurred.

This space intentionally left blank

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 17 – Construction Commitments

As of December 31, 2019, the City had the following significant commitments with respect to capital-related projects:

	<u>Remaining Construction Commitment</u>
<u>Motor Vehicle License Tax</u>	
Pearl Road (Strongsville, Middleburg Heights and Parma Heights)	\$ 1,265,208
<u>Emergency Vehicle</u>	
Police Vehicles	69,833
<u>Drainage Levy Fund</u>	
Donegal Drive Retention	750,000
Falling Water Culvert	32,207
The Greens	2,415,658
<u>General Capital Improvement</u>	
City-Wide Traffic Signalization	5,822,700
42/82 Intersection Improvement	370,143
Fire Station #1 HVAC	173,238
Sprague Road Widening	2,103,408
<u>Sanitary Sewer Fund</u>	
Treatment Plant Renovations	2,360
West 130th Pump Station	365,957
Willow Drive Sanitary Sewer	1,250,000
Bent Tree Lift Station	325,000
Westwood Pump Station	150,236
Total Government-wide Construction Commitments	<u><u>\$ 15,095,948</u></u>

Note 18 – Contingent Liabilities

There are several lawsuits pending in which the City is involved. City management estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

Under the terms of federal and state grants, periodic audits are required and certain expenditures may be questioned as not appropriate under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial.

Note 19 - Jointly Governed Organizations

Southwest General Health Center

The 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.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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, 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.

The Board exercises total control over the operation of the Health Center including budgeting, appropriating, contracting and designating management. Each City's control is limited to its representation on the Board. In 2019, the City of Strongsville contributed \$357,275 to the Health Center. Financial information may be obtained by writing to the Southwest General Health Center, 18697 Bagley Road, Middleburg Heights, Ohio 44130-3497.

Regional Income Tax Agency

In 1971, thirty-eight municipalities joined together to organize a Regional Council of Governments (RCOG) to administer tax collection and enforcement concerns facing the cities and villages. The first official act of the RCOG was to form the Regional Income Tax Agency (RITA). Today RITA serves as the income tax collection agency for over 300 municipalities throughout the State of Ohio. The City was one of the original members of RCOG. Financial information may be obtained by writing to RITA, 10107 Brecksville Road, Brecksville, Ohio, 44141.

Southwest Council of Governments

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

The Council has established two subsidiary organizations, the Hazardous Material Response Team ("HAZMAT"), which provides hazardous material protection and assistance, and the Southwest Enforcement Bureau, which provides extra assistance to cities in the form of a SWAT team. In 2019, the City of Strongsville contributed \$20,000 to the Council. Financial information may be obtained by writing to the Finance Director of the City of Berea, at 11 Berea Commons, Berea, Ohio 44017.

Northeast Ohio Public Energy Council

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of energy. NOPEC is currently comprised of over 220 communities who have been authorized by ballot to purchase energy on behalf of their citizens. The intent of NOPEC is to provide energy at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide energy to the citizens of its member communities. NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eleven-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information should be directed to NOPEC, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

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 the 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 and amended by GASB Statement No. 61, the City does not have an equity interest in the organization. In 2019, the City of Strongsville contributed \$76,046 to the organization. Financial information may be obtained by contacting Martin S. Healy, 17401 Holland Road, Brook Park, Ohio 44142, or by email at healymswcc@gmail.com.

Note 20 – Related Organization

The Strongsville Community Improvement Corporation (CIC) was formed to promote and assist in economic development with the City. City Council created the CIC in 1977 and appointed the initial CIC Board members. The CIC does not represent a potential financial benefit for or burden on the City.

Note 21 – Insurance Purchasing Pool

Ohio Government Benefit Cooperative

The City participates in the Ohio Government Benefit Cooperative (OGBC), a claims servicing and group purchasing pool comprised of five cities. The OGBC was created and organized pursuant to and as authorized by Section 9.833 of the Ohio Revised Code. The Board of Directors is the governing body of the consortium. Each City appoints one individual to be its representative on the Board of Directors. The City of North Royalton serves as the fiscal agent for OGBC. OGBC is an unincorporated, non-profit association of its members which was created for the purpose of enabling members of the Plan to maximize benefits and/or reduce costs of medical, prescription drug, vision, dental, life and/or other group insurance coverage for their employees, and their eligible dependents and designated beneficiaries of such employees.

Participants pay an initial \$500 membership fee to OGBC. OGBC offers two options to participants. Participants may enroll in the joint insurance purchasing program for medical, prescription drug, vision dental and/or life insurance. A second option is available for self-insured participants that provides for the purchase of stop loss insurance coverage through OGBC's third party administrator. Medical Mutual is the Administrator of the OGBC. During 2019, the City elected to participate in the self-insured joint insurance program for medical, prescription drug, and vision coverage.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 22 – Tax Abatement Disclosures

Pursuant to Ohio Revised Code Chapter 3735.65-70, the City has established nineteen Pre-1994 Community Reinvestment Area's (CRAs) within and surrounding Strongsville's business parks. The CRA program provided the City with a resource to stimulate growth and economic development by providing a direct incentive tax exemption benefiting both residential and industrial property owners who renovate existing or construct new buildings within the designated area. Improvements within the CRAs designated areas are granted an abatement of 100% on the additional property taxes resulting from the increase in assessed value as a result of the improvements for a period of up to 15 years. The amount of the abatement is deducted from the recipient's property tax bill.

Below is the information relevant to the disclosure of the program for the year ended December 31, 2019.

(Tax year 2018/Collection Year 2019)

<u>Tax Abatement Program</u>	<u>Total Amount of City Taxes Abated in 2019</u>
Community Reinvestment Area (CRA)	
Industrial/Residential	\$ 539,925

Note 23 – Subsequent Events

On April 6, 2020, Council authorized the issuance of \$5.5 million in traffic signalizations bonds or notes, \$1.1 million of vehicle acquisition notes, and \$7 million in notes for street improvements.

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 will impact subsequent periods of the City. The impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

City of Strongsville, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System
Last Six Years (1)

Traditional Plan	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.094031%	0.093485%	0.092880%	0.091907%	0.087814%	0.087814%
City's Proportionate Share of the Net Pension Liability	\$25,753,185	\$14,665,984	\$21,091,469	\$15,919,450	\$10,591,350	\$10,352,127
City's Covered Payroll	\$12,700,486	\$12,355,438	\$12,005,508	\$11,437,692	\$10,801,667	\$10,433,501
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	202.77%	118.70%	175.68%	139.18%	98.05%	99.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
Combined Plan	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension (Asset)	0.066153%	0.057634%	0.075003%	0.067880%	0.056160%	0.056160%
City's Proportionate Share of the Net Pension (Asset)	(\$73,974)	(\$78,459)	(\$41,744)	(\$33,030)	(\$21,623)	(\$5,893)
City's Covered Payroll	\$282,936	\$236,038	\$291,950	\$247,042	\$206,833	\$212,553
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	26.15%	33.24%	14.30%	13.37%	10.45%	2.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	126.64%	137.28%	116.55%	116.90%	114.83%	104.33%

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

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

See accompanying notes to the required supplementary information

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

Police	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.2664479%	0.2672358%	0.2659770%	0.2714812%	0.2758712%	0.2758712%
City's Proportionate Share of the Net Pension Liability	\$21,749,191	\$16,401,468	\$16,846,716	\$17,464,577	\$14,291,279	\$13,435,793
City's Covered Payroll	\$6,698,421	\$6,488,579	\$6,392,026	\$6,149,832	\$6,078,132	\$6,080,280
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	324.69%	252.77%	263.56%	283.98%	235.13%	220.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%	66.77%	71.71%	73.00%
Fire	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.2898791%	0.2948424%	0.2910200%	0.3021489%	0.3010628%	0.3010628%
City's Proportionate Share of the Net Pension Liability	\$23,661,791	\$18,095,809	\$18,432,915	\$19,437,450	\$15,596,308	\$14,662,703
City's Covered Payroll	\$5,917,506	\$5,828,600	\$5,719,260	\$5,534,217	\$5,389,043	\$5,225,596
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	399.86%	310.47%	322.30%	351.22%	289.41%	280.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%	66.77%	71.71%	73.00%

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

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

See accompanying notes to the required supplementary information

City of Strongsville, Ohio
Required Supplementary Information
Schedule of City Contributions - Pension
Ohio Public Employees Retirement System
Last Seven Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Contractually Required Contributions</u>							
Traditional Plan	1,872,620	1,778,068	1,606,207	1,440,661	1,372,523	1,296,200	1,356,355
Combined Plan	<u>42,700</u>	<u>39,611</u>	<u>30,685</u>	<u>35,034</u>	<u>29,645</u>	<u>24,820</u>	<u>27,632</u>
Total Required Contributions	\$1,915,320	\$1,817,679	\$1,636,892	\$1,475,695	\$1,402,168	\$1,321,020	\$1,383,987
Contributions in Relation to the Contractually Required Contribution	<u>(\$1,915,320)</u>	<u>(\$1,817,679)</u>	<u>(\$1,636,892)</u>	<u>(\$1,475,695)</u>	<u>(\$1,402,168)</u>	<u>(\$1,321,020)</u>	<u>(\$1,383,987)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>City's Covered Payroll</u>							
Traditional Plan	\$13,375,857	\$12,700,486	\$12,355,438	\$12,005,508	\$11,437,692	\$10,801,667	\$10,433,501
Combined Plan	\$305,000	\$282,936	\$236,038	\$291,950	\$247,042	\$206,833	\$212,553
<u>Pension Contributions as a Percentage of Covered Payroll</u>							
Traditional Plan	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
Combined Plan	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

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

See accompanying notes to the required supplementary information

City of Strongsville, Ohio
Required Supplementary Information
Schedule of City Contributions - Pension
Ohio Police and Fire Pension Fund
Last Ten Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>Contractually Required Contributions</u>										
Police	\$1,353,800	\$1,272,700	\$1,232,830	\$1,214,485	\$1,168,468	\$1,154,845	\$956,428	\$729,404	\$751,204	\$696,232
Fire	\$1,433,038	\$1,390,614	\$1,369,721	\$1,344,026	\$1,300,541	\$1,266,425	\$1,057,138	\$895,979	\$927,285	\$811,840
Total Required Contributions	\$2,786,838	\$2,663,314	\$2,602,551	\$2,558,511	\$2,469,009	\$2,421,270	\$2,013,566	\$1,625,383	\$1,678,489	\$1,508,072
Contributions in Relation to the Contractually Required Contribution	<u>(\$2,786,838)</u>	<u>(\$2,663,314)</u>	<u>(\$2,602,551)</u>	<u>(\$2,558,511)</u>	<u>(\$2,469,009)</u>	<u>(\$2,421,270)</u>	<u>(\$2,013,566)</u>	<u>(\$1,625,383)</u>	<u>(\$1,678,489)</u>	<u>(\$1,508,072)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>City's Covered Payroll</u>										
Police	\$7,125,263	\$6,698,421	\$6,488,579	\$6,392,026	\$6,149,832	\$6,078,132	\$6,080,280	\$5,720,816	\$5,891,796	\$5,460,643
Fire	\$6,098,034	\$5,917,506	\$5,828,600	\$5,719,260	\$5,534,217	\$5,389,043	\$5,225,596	\$5,194,081	\$5,375,565	\$4,706,319
<u>Pension Contributions as a Percentage of Covered Payroll</u>										
Police	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	[1]	12.75%	12.75%	12.75%
Fire	23.50%	23.50%	23.50%	23.50%	23.50%	23.50%	[1]	17.25%	17.25%	17.25%

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

See accompanying notes to the required supplementary information

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

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.090735%	0.090030%	0.090180%
City's Proportionate Share of the Net OPEB Liability	\$ 11,829,702	\$ 10,099,441	\$ 9,108,486
City's Covered Payroll	\$ 13,160,879	\$ 12,752,807	\$ 12,462,764
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	89.89%	79.19%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	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 Strongsville, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
Ohio Police and Fire Pension Fund
Last Three Years (1)

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.556327%	0.562078%	0.557000%
City's Proportionate Share of the Net OPEB Liability	\$ 5,066,211	\$ 31,846,564	\$ 26,439,537
City's Covered Payroll	\$ 12,615,927	\$ 12,317,179	\$ 12,111,286
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	40.16%	258.55%	218.30%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	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 Strongsville, Ohio
Required Supplementary Information
Schedule of City Contributions - OPEB
Ohio Public Employees Retirement System
Last Five Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 6,987	\$ 7,098	\$ 132,408	\$ 252,527	\$ 233,716
Contributions in Relation to the Contractually Required Contribution	<u>(6,987)</u>	<u>(7,098)</u>	<u>(132,408)</u>	<u>(252,527)</u>	<u>(233,716)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 13,855,536	\$ 13,160,879	\$ 12,752,807	\$ 12,462,764	\$ 11,845,979
Contributions as a Percentage of Covered Payroll	0.05%	0.05%	1.04%	2.03%	1.97%

(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 Strongsville, Ohio
Required Supplementary Information
Schedule of City Contributions - OPEB
Ohio Police and Fire Pension Fund
Last Ten Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually Required Contribution	\$ 66,116	\$ 63,080	\$ 61,586	\$ 60,015	\$ 58,235	\$ 57,192	\$ 398,619	\$ 736,755	\$ 760,546	\$ 686,270
Contributions in Relation to the Contractually Required Contribution	<u>(66,116)</u>	<u>(63,080)</u>	<u>(61,586)</u>	<u>(60,015)</u>	<u>(58,235)</u>	<u>(57,192)</u>	<u>(398,619)</u>	<u>(736,755)</u>	<u>(760,546)</u>	<u>(686,270)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 13,223,297	\$ 12,615,927	\$ 12,317,179	\$ 12,111,286	\$ 11,684,049	\$ 11,467,175	\$ 11,305,876	\$ 10,914,897	\$ 11,267,361	\$ 10,166,962
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	3.62%	6.75%	6.75%	6.75%

See accompanying notes to the required supplementary information

City of Strongsville, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2019

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 2014-2019.

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%.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2019.

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 2020, 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.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

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 2014-2019.

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. 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. 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%.

Combining Statements

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds

Special Revenue funds are established to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. A description of the City's special revenue funds follows:

Police Pension Fund - This fund accounts for the revenue from property taxes levied and expenditures relative to payment of the City's share (19.50 percent) of the current police pension liability to the Ohio Police & Fire Pension Fund. The Ohio Revised Code requires that the City levy 0.3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by a transfer from the General Fund.

State Highway Maintenance Fund - This fund accounts for a percentage of the revenue from the City's share of State gasoline taxes and motor vehicle registration fees. State law requires that these taxes be used for maintenance and repair of the state highways within the City.

Motor Vehicle License Tax Fund - This fund accounts for the additional \$5 tax levied upon the vehicles registered within the City to be used specifically for the maintenance of public roads and highways within the City.

Emergency Vehicle Fund - This fund accounts for the revenues generated by the charges for emergency medical services to be used for the acquisition of emergency medical service vehicles, or any other equipment related to or required for emergency medical services operations, and any other public safety related vehicles or equipment utilized at the time of and in conjunction with calls for emergency medical services.

Fire Pension Fund - This fund accounts for the revenue from property taxes levied and expenditures relative to payment of the City's share (24.00 percent) of the current fire pension liability to the Ohio Police & Fire Pension Fund. The Ohio Revised Code requires that the City levy 0.3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by a transfer from the General Fund.

Clerk of Courts Computerization Fund - This fund accounts for the revenue received from court costs assessed under the authority of Ohio Revised Code Section 1901.261(b) by the Mayor's Court on the filing of each cause of action or appeal, certificate of judgment or modifications of judgment for the purpose of procuring or maintaining computer systems of the office of the clerk of the Mayor's Court.

Drainage Levy Fund - This fund accounts for the revenue received from a voted property tax levy (gross millage 0.4, effective millage 0.353617 for tax year 2018/collection year 2019) approved for the purpose of constructing, reconstructing and renovating storm sewers and storm drainage facilities.

Multi-Purpose Complex Fund – This fund accounts for the revenue received from various recreation/senior membership and user fees. Transfers are made from the General Fund to provide additional resources.

Southwest General Hospital Levy Fund - This fund accounts for the revenue received from a voted property tax levy (gross millage 1.0, effective millage 0.170846 for tax year 2018/collection year 2019) approved for the use, maintenance and support of Southwest General Hospital by the residents of Strongsville.

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds (continued)

Law Enforcement Federal Seizure Fund - This fund accounts for seized and/or forfeited cash and tangible property received from the United States government that was relinquished in accordance with the Comprehensive Drug Penalty Act of 1984 to be used by local law enforcement.

Law Enforcement State Seizure Fund - This fund accounts for seized and/or forfeited cash and tangible property received from the Cuyahoga County Common Pleas Court with the State of Ohio, which was relinquished in accordance with Section (D) (1) to (8) of Ohio Revised Code Section 2933.41. Eighty percent of the seizure or forfeiture is to be used by local law enforcement while the remaining twenty percent is forwarded to the Cuyahoga County Prosecuting Attorney's Office.

Law Enforcement Drug Fine Fund – This fund accounts for all fines imposed and bail forfeited by an individual convicted of certain drug offenses to be used by local law enforcement.

Law Enforcement DWI/DUI Fund - This fund accounts for fines and penalties received for DWI/DUI violations. These funds are to be used for costs incurred in enforcing DWI/DUI laws, incarceration costs and public education.

Tree Fund - This fund accounts for various fees and permits charged pursuant to City Ordinances for the purpose of planting, replacing, maintaining, protecting and promoting trees within the City.

Bond Escrow - his fund is used to account for the receipt of refundable deposits required of contractors, builders, residents or others to insure compliance with various City ordinances and donations for City events.

Community Diversion Fund - This fund accounts for the revenue received from the Juvenile Court Division of the Cuyahoga County Court of Common Pleas. The purpose of this program is to divert local youth who are juvenile offenders of misdemeanor and status offenses from formal court action and to utilize community resources to ameliorate the situations.

Earned Benefits Fund - This fund accounts for the revenue set-aside by City Council used for the payment of accumulated sick and vacation leave balances upon the termination of employment by employees of the City and to provide funds for the payment of salaries and related fringes during a twenty-seven pay year per Ohio Revised Code Section 5705.13. Due to the implementation of GASB Statement No. 54, this 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.

Nonmajor Debt Service Funds

Debt Service funds are established to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest and to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. A description of the City's debt service fund follows:

Pearl Road TIF #1 Fund - This fund accounts for the receipt of service payments in lieu of taxes (PILOTs) that are legally restricted for the payment of public improvements described in City ordinance. The general area affected by this TIF is Pearl Road between Route 82 and Boston Road and the area along Route 82 between Pearl and Howe Roads.

Fund Descriptions – Nonmajor Governmental Funds

Royalton Road TIF Fund – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2008-220. The general area affected by this TIF is north of Route 82 and Howe Road intersection.

Pearl Road TIF #2 Fund – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2010-196. The general area affected by this TIF is Pearl Road between Route 82 and Boston Road.

Pearl Road TIF #3 Fund – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2011-191. The general area affected by this TIF is Pearl, Royalton, Howe and Prospect Roads.

Pearl Road TIF #4 Fund – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2011-191. The general area affected by this TIF is Pearl, Royalton, Howe and Prospect Roads.

Westwood Commons TIF Fund – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2015-195. The City will reimburse the Developer for the public infrastructure improvements that directly benefit the City, its residents and the property. The area affected by this TIF is the northeastern corner of Pearl Road and Westwood Drive.

Giant Eagle TIF Fund – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2013-250. The general area affected by this TIF is Pearl and Royalton Roads.

Get Go TIF Fund – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2014-200. The general area affected by this TIF is Drake and Pearl Road from Boston Road to Royalton Road.

Clover Senior Apartments TIF Fund – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2015-237. The general area affected by this TIF is Howe Road between Drake and Royalton Roads and including the intersections thereof.

Canes & Chase TIF Fund – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2018-145. The general area affected by this TIF is Pearl and Royalton Roads. Budget was not adopted in 2019 due to no cash activity.

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Capital Project Funds

Capital Project funds are established to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. A description of the City's capital project funds follows:

Recreation Capital Improvement Fund – This fund accounts for resources restricted for recreation improvements. Resources include federal, state, and local grants, dedicated building fees, debt proceeds and transfers from the General Fund.

TIF Capital Improvement Fund - This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in the TIF specific Ordinances listed below;

- Ordinance 2014-201 – Prospect and Albion TIF

- Ordinance 2014-202 – Pearl and Whitney TIF

- Ordinance 2015-232 – Goodyear and Fifth/Third TIF

- Ordinance 2015-233 – Dunkin Donuts TIF

- Ordinance 2015-234 – 42/82 TIF

- Ordinance 2015-236 – Pearl and Lunn TIF



City of Strongsville, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 7,215,485	\$ 1,495,322	\$ 2,278,063	\$ 10,988,870
Accrued Interest Receivable	11,892	-	-	11,892
Accounts Receivable	194,217	-	-	194,217
Due from Other Funds	1,100	-	-	1,100
Intergovernmental Receivable	230,008	1,973,811	400,642	2,604,461
Prepaid Items	106,192	-	-	106,192
Property Taxes Receivable	1,726,966	-	-	1,726,966
Permissive Motor Vehicle Taxes Receivable	27,795	-	-	27,795
Total Assets	<u>\$ 9,513,655</u>	<u>\$ 3,469,133</u>	<u>\$ 2,678,705</u>	<u>\$ 15,661,493</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 82,527	\$ 35,728	\$ -	\$ 118,255
Accrued Wages and Benefits	58,150	-	-	58,150
Contracts Payable	19,874	-	138,367	158,241
Intergovernmental Payable	111,600	-	-	111,600
Accrued Interest Payable	-	-	2,778	2,778
Retainage Payable	28,074	-	34,331	62,405
Unearned Revenue	554,523	-	-	554,523
Total Liabilities	<u>854,748</u>	<u>35,728</u>	<u>175,476</u>	<u>1,065,952</u>
Deferred Inflows of Resources:				
Property Taxes and Payments in Lieu of Taxes	1,682,482	1,973,811	222,640	3,878,933
Unavailable Revenue - Delinquent Property Taxes	44,484	-	-	44,484
Unavailable Revenue - Other	282,485	-	-	282,485
Total Deferred Inflows of Resources	<u>2,009,451</u>	<u>1,973,811</u>	<u>222,640</u>	<u>4,205,902</u>
Fund Balances:				
Nonspendable	106,192	-	-	106,192
Restricted	3,419,454	1,495,322	2,072,249	6,987,025
Committed	3,123,810	-	208,340	3,332,150
Unassigned	-	(35,728)	-	(35,728)
Total Fund Balances	<u>6,649,456</u>	<u>1,459,594</u>	<u>2,280,589</u>	<u>10,389,639</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 9,513,655</u>	<u>\$ 3,469,133</u>	<u>\$ 2,678,705</u>	<u>\$ 15,661,493</u>

City of Strongsville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Property Taxes	\$ 1,705,184	\$ -	\$ -	\$ 1,705,184
Permissive Motor Vehicle Taxes	355,213	-	-	355,213
Payments in Lieu of Taxes	-	1,779,788	281,835	2,061,623
Intergovernmental	600,753	-	178,002	778,755
Interest	95,007	-	-	95,007
Fees, Licenses, and Permits	112,350	-	-	112,350
Fines and Forfeitures	85,969	-	-	85,969
Charges for Services	4,308,840	-	33,049	4,341,889
Contributions and Donations	127,911	-	-	127,911
All Other Revenues	51,003	-	-	51,003
Total Revenues	<u>7,442,230</u>	<u>1,779,788</u>	<u>492,886</u>	<u>9,714,904</u>
EXPENDITURES				
Security of Persons and Property	3,078,469	-	-	3,078,469
Public Health Services	357,275	-	-	357,275
Leisure Time Activities	4,935,639	-	23,660	4,959,299
Community Environment	133,840	36,081	-	169,921
Basic Utility Services	145,545	-	-	145,545
Transportation	115,788	-	-	115,788
General Government	35,879	-	-	35,879
Capital Outlay	2,124,239	-	478,721	2,602,960
Debt Service:		-		
Principal Retirement	-	405,000	-	405,000
Interest and Fiscal Charges	-	206,411	2,778	209,189
Bond Issuance Costs	-	350	-	350
Total Expenditures	<u>10,926,674</u>	<u>647,842</u>	<u>505,159</u>	<u>12,079,675</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,484,444)</u>	<u>1,131,946</u>	<u>(12,273)</u>	<u>(2,364,771)</u>
OTHER FINANCING SOURCES				
Sale of Capital Assets	14,026	-	-	14,026
Bond Anticipation Notes Issued	-	-	2,000,000	2,000,000
Transfers In	4,482,000	-	-	4,482,000
Transfers Out	-	(1,000,000)	-	(1,000,000)
Total Other Financing Sources	<u>4,496,026</u>	<u>(1,000,000)</u>	<u>2,000,000</u>	<u>5,496,026</u>
Net Change in Fund Balances	1,011,582	131,946	1,987,727	3,131,255
Fund Balances - Beginning of Year, Restated	5,637,874	1,327,648	292,862	7,258,384
Fund Balances - End of Year	<u>\$ 6,649,456</u>	<u>\$ 1,459,594</u>	<u>\$ 2,280,589</u>	<u>\$ 10,389,639</u>

City of Strongsville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

	Police Pension	State Highway Maintenance	Motor Vehicle License Tax	Emergency Vehicle	Fire Pension
ASSETS AND DEFERRED					
OUTFLOWS OF RESOURCES					
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 216,844	\$ 600,803	\$ 614,003	\$ 2,202,602	\$ 312,136
Accrued Interest Receivable	-	1,791	2,309	7,792	-
Accounts Receivable	-	-	-	194,217	-
Due From Other Funds	-	-	-	-	-
Intergovernmental Receivable	26,576	122,437	-	2,765	26,576
Prepaid Items	-	-	-	-	-
Property Taxes Receivable	437,913	-	-	-	437,913
Permissive Motor Vehicle Taxes Receivable	-	-	27,795	-	-
Total Assets	\$ 681,333	\$ 725,031	\$ 644,107	\$ 2,407,376	\$ 776,625
LIABILITIES, DEFERRED INFLOWS OF					
RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ 5,967	\$ -
Accrued Wages and Benefits	-	-	-	-	-
Contracts Payable	-	-	-	-	-
Intergovernmental Payable	44,016	-	-	-	58,611
Retainage Payable	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Total Liabilities	44,016	-	-	5,967	58,611
Deferred Inflows of Resources:					
Property Taxes	426,633	-	-	-	426,633
Unavailable Revenue - Delinquent Property Taxes	11,280	-	-	-	11,280
Unavailable Revenue - Other	26,576	86,272	-	91,407	26,576
Total Deferred Inflows of Resources	464,489	86,272	-	91,407	464,489
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	172,828	638,759	644,107	-	253,525
Committed	-	-	-	2,310,002	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 681,333	\$ 725,031	\$ 644,107	\$ 2,407,376	\$ 776,625

<u>Clerk of Courts Computerization</u>	<u>Drainage Levy</u>	<u>Multi- Purpose Complex</u>	<u>Southwest General Hospital Levy</u>	<u>Law Enforcement Federal Seizure</u>	<u>Law Enforcement State Seizure</u>	<u>Law Enforcement Drug Fine</u>
\$ 133,474	\$ 1,480,168	\$ 870,379	\$ -	\$ 26,802	\$ 86,998	\$ 13,419
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,075	-	-	-	-	-	-
-	31,818	-	19,836	-	-	-
-	-	106,192	-	-	-	-
-	524,289	-	326,851	-	-	-
-	-	-	-	-	-	-
<u>\$ 134,549</u>	<u>\$ 2,036,275</u>	<u>\$ 976,571</u>	<u>\$ 346,687</u>	<u>\$ 26,802</u>	<u>\$ 86,998</u>	<u>\$ 13,419</u>
\$ 1,953	\$ 5,000	\$ 61,822	\$ -	\$ -	\$ -	\$ -
-	-	58,150	-	-	-	-
-	19,874	-	-	-	-	-
-	-	8,973	-	-	-	-
-	28,074	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,953</u>	<u>52,948</u>	<u>128,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	510,784	-	318,432	-	-	-
-	13,505	-	8,419	-	-	-
-	31,818	-	19,836	-	-	-
<u>-</u>	<u>556,107</u>	<u>-</u>	<u>346,687</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	106,192	-	-	-	-
132,596	1,427,220	-	-	26,802	86,998	13,419
-	-	741,434	-	-	-	-
<u>\$ 134,549</u>	<u>\$ 2,036,275</u>	<u>\$ 976,571</u>	<u>\$ 346,687</u>	<u>\$ 26,802</u>	<u>\$ 86,998</u>	<u>\$ 13,419</u>

(Continued)

City of Strongsville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2019

	Law Enforcement DWI/DUI	Tree	Bond Escrow	Community Diversion	Total Nonmajor Special Revenue Funds
ASSETS AND DEFERRED					
OUTFLOWS OF RESOURCES					
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 22,568	\$ 43,078	\$ 591,604	\$ 607	\$ 7,215,485
Accrued Interest Receivable	-	-	-	-	11,892
Accounts Receivable	-	-	-	-	194,217
Due From Other Funds	25	-	-	-	1,100
Intergovernmental Receivable	-	-	-	-	230,008
Prepaid Items	-	-	-	-	106,192
Property Taxes Receivable	-	-	-	-	1,726,966
Permissive Motor Vehicle Taxes Receivable	-	-	-	-	27,795
Total Assets	<u>\$ 22,593</u>	<u>\$ 43,078</u>	<u>\$ 591,604</u>	<u>\$ 607</u>	<u>\$ 9,513,655</u>
LIABILITIES, DEFERRED INFLOWS OF					
RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ 7,785	\$ -	\$ 82,527
Accrued Wages and Benefits	-	-	-	-	58,150
Contracts Payable	-	-	-	-	19,874
Intergovernmental Payable	-	-	-	-	111,600
Retainage Payable	-	-	-	-	28,074
Deferred Revenue	-	-	554,523	-	554,523
Total Liabilities	<u>-</u>	<u>-</u>	<u>562,308</u>	<u>-</u>	<u>854,748</u>
Deferred Inflows of Resources:					
Property Taxes	-	-	-	-	1,682,482
Unavailable Revenue - Delinquent Property Taxes	-	-	-	-	44,484
Unavailable Revenue - Other	-	-	-	-	282,485
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,009,451</u>
Fund Balances:					
Nonspendable	-	-	-	-	106,192
Restricted	22,593	-	-	607	3,419,454
Committed	-	43,078	29,296	-	3,123,810
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 22,593</u>	<u>\$ 43,078</u>	<u>\$ 591,604</u>	<u>\$ 607</u>	<u>\$ 9,513,655</u>

City of Strongsville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

	Police Pension	State Highway Maintenance	Motor Vehicle License Tax	Emergency Vehicle	Fire Pension
REVENUES					
Property Taxes	\$ 431,771	\$ -	\$ -	\$ -	\$ 431,771
Permissive Motor Vehicle Taxes	-	-	355,213	-	-
Intergovernmental	53,479	199,135	-	2,765	53,479
Interest	-	14,298	18,577	62,132	-
Fees, Licenses, and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Charges for Services	-	-	-	1,216,267	-
Contributions and Donations	-	-	-	-	-
All Other Revenues	-	-	-	32,170	-
Total Revenues	485,250	213,433	373,790	1,313,334	485,250
EXPENDITURES					
Security of Persons and Property	1,380,330	-	-	221,467	1,453,485
Public Health Services	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-
Community Environment	-	-	-	-	-
Basic Utility Services	-	-	-	-	-
Transportation	-	115,788	-	-	-
General Government	-	-	-	-	-
Capital Outlay	-	-	259,115	1,052,299	-
Total Expenditures	1,380,330	115,788	259,115	1,273,766	1,453,485
Excess of Revenues Over (Under) Expenditures	(895,080)	97,645	114,675	39,568	(968,235)
OTHER FINANCING SOURCES					
Sale of Capital Assets	-	-	-	12,100	-
Transfer In	900,000	-	-	-	1,032,000
Total Other Financing Sources	900,000	-	-	12,100	1,032,000
Net Change in Fund Balances	4,920	97,645	114,675	51,668	63,765
Fund Balances - Beginning of Year, Restated	167,908	541,114	529,432	2,258,334	189,760
Fund Balances - End of Year	\$ 172,828	\$ 638,759	\$ 644,107	\$ 2,310,002	\$ 253,525

(Continued)

City of Strongsville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2019

	Clerk of Courts Computerization	Drainage Levy	Multi- Purpose Complex	Southwest General Hospital Levy
REVENUES				
Property Taxes	\$ -	\$ 514,821	\$ -	\$ 326,821
Permissive Motor Vehicle Taxes	-	-	-	-
Intergovernmental	-	63,041	190,000	30,454
Interest	-	-	-	-
Fees, Licenses, and Permits	-	-	-	-
Fines and Forfeitures	18,104	-	-	-
Charges for Services	-	-	3,092,573	-
Contributions and Donations	-	-	9,511	-
All Other Revenues	-	5,850	237	-
Total Revenues	<u>18,104</u>	<u>583,712</u>	<u>3,292,321</u>	<u>357,275</u>
EXPENDITURES				
Security of Persons and Property	-	-	-	-
Public Health Services	-	-	-	357,275
Leisure Time Activities	-	-	4,808,693	-
Community Environment	-	-	-	-
Basic Utility Services	-	145,545	-	-
Transportation	-	-	-	-
General Government	28,742	-	-	-
Capital Outlay	-	653,785	159,040	-
Total Expenditures	<u>28,742</u>	<u>799,330</u>	<u>4,967,733</u>	<u>357,275</u>
Excess of Revenues Over (Under) Expenditures	<u>(10,638)</u>	<u>(215,618)</u>	<u>(1,675,412)</u>	<u>-</u>
OTHER FINANCING SOURCES				
Sale of Capital Assets	-	-	1,926	-
Transfer In	-	600,000	1,950,000	-
Total Other Financing Sources	<u>-</u>	<u>600,000</u>	<u>1,951,926</u>	<u>-</u>
Net Change in Fund Balances	<u>(10,638)</u>	<u>384,382</u>	<u>276,514</u>	<u>-</u>
Fund Balances - Beginning of Year, Restated	<u>143,234</u>	<u>1,042,838</u>	<u>571,112</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 132,596</u>	<u>\$ 1,427,220</u>	<u>\$ 847,626</u>	<u>\$ -</u>

Law Enforcement Federal Seizure	Law Enforcement State Seizure	Law Enforcement Drug Fine	Law Enforcement DWI/DUI	Tree	Bond Escrow	Community Diversion	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,705,184
-	-	-	-	-	-	-	355,213
-	-	-	-	-	-	8,400	600,753
-	-	-	-	-	-	-	95,007
-	-	-	-	84,774	27,576	-	112,350
14,231	49,481	1,128	625	-	-	2,400	85,969
-	-	-	-	-	-	-	4,308,840
-	-	-	-	-	118,400	-	127,911
-	-	-	-	-	12,746	-	51,003
<u>14,231</u>	<u>49,481</u>	<u>1,128</u>	<u>625</u>	<u>84,774</u>	<u>158,722</u>	<u>10,800</u>	<u>7,442,230</u>
714	9,834	-	-	-	-	12,639	3,078,469
-	-	-	-	-	-	-	357,275
-	-	-	-	-	126,946	-	4,935,639
-	-	-	-	100,454	33,386	-	133,840
-	-	-	-	-	-	-	145,545
-	-	-	-	-	-	-	115,788
-	-	-	-	-	7,137	-	35,879
-	-	-	-	-	-	-	2,124,239
<u>714</u>	<u>9,834</u>	<u>-</u>	<u>-</u>	<u>100,454</u>	<u>167,469</u>	<u>12,639</u>	<u>10,926,674</u>
<u>13,517</u>	<u>39,647</u>	<u>1,128</u>	<u>625</u>	<u>(15,680)</u>	<u>(8,747)</u>	<u>(1,839)</u>	<u>(3,484,444)</u>
-	-	-	-	-	-	-	14,026
-	-	-	-	-	-	-	4,482,000
-	-	-	-	-	-	-	4,496,026
<u>13,517</u>	<u>39,647</u>	<u>1,128</u>	<u>625</u>	<u>(15,680)</u>	<u>(8,747)</u>	<u>(1,839)</u>	<u>1,011,582</u>
<u>13,285</u>	<u>47,351</u>	<u>12,291</u>	<u>21,968</u>	<u>58,758</u>	<u>38,043</u>	<u>2,446</u>	<u>5,637,874</u>
<u>\$ 26,802</u>	<u>\$ 86,998</u>	<u>\$ 13,419</u>	<u>\$ 22,593</u>	<u>\$ 43,078</u>	<u>\$ 29,296</u>	<u>\$ 607</u>	<u>\$ 6,649,456</u>

City of Strongsville, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2019

	Pearl Road TIF #1	Royalton Road TIF	Pearl Road TIF #2	Pearl Road TIF #3
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 720,269	\$ 159,227	\$ 99,684	\$ 92,066
Intergovernmental Receivable	1,243,583	174,609	72,114	38,898
Total Assets	<u>\$ 1,963,852</u>	<u>333,836</u>	<u>171,798</u>	<u>\$ 130,964</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:				
Payments in Lieu of Taxes	1,243,583	174,609	72,114	38,898
Total Deferred Inflows of Resources	<u>1,243,583</u>	<u>174,609</u>	<u>72,114</u>	<u>38,898</u>
Fund Balances:				
Restricted	720,269	159,227	99,684	92,066
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	<u>720,269</u>	<u>159,227</u>	<u>99,684</u>	<u>92,066</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,963,852</u>	<u>\$ 333,836</u>	<u>\$ 171,798</u>	<u>\$ 130,964</u>

Pearl Road TIF #4	Westwood Commons TIF	Giant Eagle TIF	Get Go TIF	Clover Senior Apartments TIF	Cane's and Chase TIF	Total Nonmajor Debt Service Funds
\$ 125,000	\$ -	\$ 103,296	\$ 83,984	\$ 111,796	\$ -	\$ 1,495,322
169,290	35,728	87,707	22,525	113,635	15,722	1,973,811
<u>\$ 294,290</u>	<u>\$ 35,728</u>	<u>\$ 191,003</u>	<u>106,509</u>	<u>225,431</u>	<u>15,722</u>	<u>\$ 3,469,133</u>
\$ -	\$ 35,728	\$ -	\$ -	\$ -	\$ -	\$ 35,728
<u>-</u>	<u>35,728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,728</u>
169,290	35,728	87,707	22,525	113,635	15,722	1,973,811
<u>169,290</u>	<u>35,728</u>	<u>87,707</u>	<u>22,525</u>	<u>113,635</u>	<u>15,722</u>	<u>1,973,811</u>
125,000	-	103,296	83,984	111,796	-	1,495,322
-	(35,728)	-	-	-	-	(35,728)
<u>125,000</u>	<u>(35,728)</u>	<u>103,296</u>	<u>83,984</u>	<u>111,796</u>	<u>-</u>	<u>1,459,594</u>
<u>\$ 294,290</u>	<u>\$ 35,728</u>	<u>\$ 191,003</u>	<u>\$ 106,509</u>	<u>\$ 225,431</u>	<u>\$ 15,722</u>	<u>\$ 3,469,133</u>

City of Strongsville, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended December 31, 2019

	Pearl Road TIF #1	Royalton Road TIF	Pearl Road TIF #2	Pearl Road TIF #3
REVENUES				
Payment in Lieu of Taxes	\$ 1,117,180	\$ 171,844	\$ 71,050	\$ 38,269
Total Revenues	<u>1,117,180</u>	<u>171,844</u>	<u>71,050</u>	<u>38,269</u>
EXPENDITURES				
Community Environment	-	-	-	-
Principal Retirement	405,000	-	-	-
Interest and Fiscal Charges	191,452	5,983	2,992	2,992
Bond Issuance Costs	-	350	-	-
Total Expenditures	<u>596,452</u>	<u>6,333</u>	<u>2,992</u>	<u>2,992</u>
Excess Revenues Over Expenditures	<u>520,728</u>	<u>165,511</u>	<u>68,058</u>	<u>35,277</u>
OTHER FINANCING (USES)				
Transfer Out	(500,000)	(200,000)	(100,000)	(100,000)
Total Other Financing (Uses)	<u>(500,000)</u>	<u>(200,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>
Net Change in Fund Balances	<u>20,728</u>	<u>(34,489)</u>	<u>(31,942)</u>	<u>(64,723)</u>
Fund Balances (Deficit) - Beginning of Year	699,541	193,716	131,626	156,789
Fund Balances (Deficit) - End of Year	<u>\$ 720,269</u>	<u>\$ 159,227</u>	<u>\$ 99,684</u>	<u>\$ 92,066</u>

Pearl Road TIF #4	Westwood Commons TIF	Giant Eagle TIF	Get Go TIF	Clover Senior Apartments TIF	Cane's and Chase TIF	Total Nonmajor Debt Service Funds
\$ 125,000	\$ 35,168	\$ 87,110	\$ 22,371	\$ 111,796	\$ -	\$ 1,779,788
125,000	35,168	87,110	22,371	111,796	-	1,779,788
-	36,081	-	-	-	-	36,081
-	-	-	-	-	-	405,000
-	-	2,992	-	-	-	206,411
-	-	-	-	-	-	350
-	36,081	2,992	-	-	-	647,842
125,000	(913)	84,118	22,371	111,796	-	1,131,946
-	-	(100,000)	-	-	-	(1,000,000)
-	-	(100,000)	-	-	-	(1,000,000)
125,000	(913)	(15,882)	22,371	111,796	-	131,946
-	(34,815)	119,178	61,613	-	-	1,327,648
\$ 125,000	\$ (35,728)	\$ 103,296	\$ 83,984	\$ 111,796	\$ -	\$ 1,459,594

City of Strongsville, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2019

	Recreation Capital Improvement	TIF Capital Improvement	Total Nonmajor Capital Projects Funds
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 208,340	\$ 2,069,723	\$ 2,278,063
Intergovernmental Receivable	-	400,642	400,642
Total Assets	<u>\$ 208,340</u>	<u>2,470,365</u>	<u>\$ 2,678,705</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Contracts Payable	\$ -	\$ 138,367	\$ 138,367
Accrued Interest Payable	-	2,778	2,778
Retainage Payable	-	34,331	34,331
Total Liabilities	<u>-</u>	<u>175,476</u>	<u>175,476</u>
Deferred Inflows of Resources:			
Payments in Lieu of Taxes	-	222,640	222,640
<i>Total Deferred Inflows of Resources</i>	<u>-</u>	<u>222,640</u>	<u>222,640</u>
Fund Balances:			
Restricted	-	2,072,249	2,072,249
Committed	208,340	-	208,340
Total Fund Balances	<u>208,340</u>	<u>2,072,249</u>	<u>2,280,589</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 208,340</u>	<u>\$ 2,470,365</u>	<u>\$ 2,678,705</u>

City of Strongsville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2019

	Recreation Capital Improvement	TIF Capital Improvement	Total Nonmajor Capital Projects Funds
REVENUES			
Payment in Lieu of Taxes	\$ -	\$ 281,835	\$ 281,835
Intergovernmental	-	178,002.0	178,002
Charges for Services	32,799	250	33,049
Total Revenues	<u>32,799</u>	<u>460,087</u>	<u>492,886</u>
EXPENDITURES			
Leisure Time Activities	23,660	-	23,660
Capital Outlay	-	478,721	478,721
Debt Service:			
Interest and Fiscal Charges	-	2,778	2,778
Total Expenditures	<u>23,660</u>	<u>481,499</u>	<u>505,159</u>
Excess of Revenues (Under) Expenditures	<u>9,139</u>	<u>(21,412)</u>	<u>(12,273)</u>
OTHER FINANCING SOURCES			
Bond Anticipation Notes Issued	-	2,000,000	2,000,000
Total Other Financing Sources	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>
Net Change in Fund Balances	9,139	1,978,588	1,987,727
Fund Balances - Beginning of Year	199,201	93,661	292,862
Fund Balances - End of Year	<u><u>\$ 208,340</u></u>	<u><u>\$ 2,072,249</u></u>	<u><u>\$ 2,280,589</u></u>

Fund Descriptions - Nonmajor Proprietary Funds

Internal Service Funds

Internal Service Funds are established to account for the financing of significant goods or services provided by one department or agency to other departments or agencies of the City, or other governments on a cost reimbursement basis.

Workers' Compensation Reserve – To account for and report workers' compensation costs incurred under the State's individually retrospectively rated and group retrospectively rate workers' compensation programs.

Health Insurance Reserve – To account for and report the premiums charges to City Funds and the payments incurred for claims.

City of Strongsville, Ohio
Combining Statement of Net Position
Nonmajor Internal Service Funds
December 31, 2019

	Workers' Compensation Reserve	Health Insurance Reserve	Nonmajor Internal Service Funds
ASSETS			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 1,512,664	\$ 2,304,587	\$ 3,817,251
Intergovernmental Receivable	172,785	-	172,785
Prepaid Items	520,457	-	520,457
Total Assets	<u>2,205,906</u>	<u>2,304,587</u>	<u>4,510,493</u>
LIABILITIES			
Current Liabilities:			
Intergovernmental Payable	36,418	-	36,418
Claims Payable	114,092	328,411	442,503
Total Current Liabilities	<u>150,510</u>	<u>328,411</u>	<u>478,921</u>
Noncurrent Liabilities:			
Claims Payable	2,055,396	-	2,055,396
Total Liabilities	<u>2,205,906</u>	<u>328,411</u>	<u>2,534,317</u>
NET POSITION			
Unrestricted	-	1,976,176	1,976,176
Total Net Position	<u>\$ -</u>	<u>\$ 1,976,176</u>	<u>\$ 1,976,176</u>

City of Strongsville, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Internal Service Funds
For the Year Ended December 31, 2019

	Workers' Compensation Reserve	Health Insurance Reserve	Nonmajor Internal Service Funds
OPERATING REVENUES			
Charges for Services	\$ 456,500	\$ 5,965,297	\$ 6,421,797
Miscellaneous	500,367	-	500,367
Total Operating Revenues	<u>956,867</u>	<u>5,965,297</u>	<u>6,922,164</u>
OPERATING EXPENSES			
Contractual Services	566,225	1,547,393	2,113,618
Claims	390,642	3,434,542	3,825,184
Total Operating Expense	<u>956,867</u>	<u>4,981,935</u>	<u>5,938,802</u>
Change in Net Position	-	983,362	983,362
Net Position - Beginning of Year	-	992,814	992,814
Net Position - End of Year	<u>\$ -</u>	<u>\$ 1,976,176</u>	<u>\$ 1,976,176</u>

City of Strongsville, Ohio
Combining Statement of Cash Flows
Nonmajor Internal Service Funds
For the Year Ended December 31, 2019

	Workers' Compensation Reserve	Health Insurance Reserve	Nonmajor Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Charges for Services	\$ -	\$ 493,334	\$ 493,334
Cash Received from Interfund Services Provided	456,500	5,471,963	5,928,463
Other Cash Receipts	398,988	-	398,988
Cash Payments for Goods and Services	(1,074,930)	(1,550,808)	(2,625,738)
Cash Payments for Claims	(63,979)	(3,564,631)	(3,628,610)
Net Cash Provided by (Used for) Operating Activities	<u>(283,421)</u>	<u>849,858</u>	<u>566,437</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(283,421)	849,858	566,437
Cash and Cash Equivalents - Beginning of Year	1,796,085	1,454,729	3,250,814
Cash and Cash Equivalents - End of Year	<u><u>\$ 1,512,664</u></u>	<u><u>\$ 2,304,587</u></u>	<u><u>\$ 3,817,251</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating Income	\$ -	\$ 983,362	\$ 983,362
Adjustments:			
(Increase) Decrease in Assets:			
Intergovernmental Receivable	(101,379)	-	(101,379)
Prepaid Items	(520,457)	-	(520,457)
Increase (Decrease) in Liabilities:			
Accounts Payable	(784)	(3,415)	(4,199)
Intergovernmental Payable	12,536	-	12,536
Claims Payable	326,663	(130,089)	196,574
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (283,421)</u></u>	<u><u>\$ 849,858</u></u>	<u><u>\$ 566,437</u></u>

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

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 32,230,000	\$ 33,500,000	\$ 33,479,171	\$ (20,829)
Property Taxes	458,145	490,299	490,299	-
Hotel Taxes	180,000	180,000	166,755	(13,245)
Intergovernmental Revenues	644,394	832,784	825,334	(7,450)
Charges for Services	1,993,600	2,179,100	2,154,905	(24,195)
Fees, Licenses, and Permits	1,030,500	1,192,500	1,185,731	(6,769)
Fines and Forfeitures	800,500	975,500	868,451	(107,049)
Interest Income	720,000	965,000	967,724	2,724
Contributions and Donations	1,000	1,000	3,377	2,377
Miscellaneous	787,100	1,308,300	1,072,578	(235,722)
<i>Total Revenues</i>	<u>38,845,239</u>	<u>41,624,483</u>	<u>41,214,325</u>	<u>(410,158)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Public Safety Director:				
Personal Services	170,700	170,700	169,244	1,456
Police:				
Personal Services	9,814,700	10,020,800	9,794,864	225,936
Other	1,190,600	1,176,200	1,018,859	157,341
Total Police	<u>11,005,300</u>	<u>11,197,000</u>	<u>10,813,723</u>	<u>383,277</u>
Opioid Grant:				
Personal Services	43,500	43,500	27,132	16,368
Other	-	8,000	-	8,000
Total Opioid Grant	<u>43,500</u>	<u>51,500</u>	<u>27,132</u>	<u>24,368</u>
Corrections Officers:				
Personal Services	857,700	898,500	857,929	40,571
Other	142,700	142,700	58,349	84,351
Total Corrections Officers	<u>1,000,400</u>	<u>1,041,200</u>	<u>916,278</u>	<u>124,922</u>
Joint Dispatch Center:				
Personal Services	3,135,500	3,241,100	3,167,724	73,376
Other	34,900	48,000	43,874	4,126
Total Joint Dispatch Center	<u>3,170,400</u>	<u>3,289,100</u>	<u>3,211,598</u>	<u>77,502</u>
Street Lighting:				
Other	366,700	370,100	370,045	55
Total Security of Persons and Property	<u>15,757,000</u>	<u>16,119,600</u>	<u>15,508,020</u>	<u>611,580</u>
Public Health Services:				
Cemetery:				
Personal Services	132,900	132,900	126,976	5,924
Other	22,100	22,100	9,611	12,489
Total Cemetery	<u>155,000</u>	<u>155,000</u>	<u>136,587</u>	<u>18,413</u>

(Continued)

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2019
(Continued)

County Board of Health:				
Other	212,200	212,200	212,115	85
Total Public Health Services	367,200	367,200	348,702	18,498
Leisure Time Activities:				
Parks:				
Personal Services	112,500	113,600	112,818	782
Other	320,000	324,000	305,011	18,989
Total Leisure Time Activities	432,500	437,600	417,829	19,771
Community Environment:				
Building:				
Personal Services	1,074,800	1,074,800	1,065,665	9,135
Other	206,300	206,300	122,065	84,235
Total Building	1,281,100	1,281,100	1,187,730	93,370
Architectural Board of Review:				
Other	6,000	6,000	1,425	4,575
Planning Commission:				
Personal Services	112,000	115,400	112,580	2,820
Other	59,000	59,000	52,066	6,934
Total Planning Commission	171,000	174,400	164,646	9,754
Board of Appeals:				
Other	11,000	11,000	9,930	1,070
Economic Development:				
Personal Services	165,900	165,900	163,682	2,218
Other	144,600	159,600	39,551	120,049
Total Economic Development	310,500	325,500	203,233	122,267
Total Community Environment	1,779,600	1,798,000	1,566,964	231,036
Basic Utility Services:				
Rubbish:				
Other	2,600,000	2,600,000	2,488,411	111,589
Total Basic Utility Services	2,600,000	2,600,000	2,488,411	111,589
General Government:				
Council:				
Personal Services	342,600	351,000	344,560	6,440
Other	26,000	26,000	13,407	12,593
Total Council	368,600	377,000	357,967	19,033
Mayor's Office:				
Personal Services	358,400	308,500	291,696	16,804
Other	15,300	38,900	32,898	6,002
Total Mayor's Office	373,700	347,400	324,594	22,806
Human Resources:				
Personal Services	245,500	245,500	244,181	1,319
Other	81,900	81,900	33,554	48,346
Total Human Resources	327,400	327,400	277,735	49,665

(Continued)

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2019
(Continued)

Finance:				
Personal Services	544,700	544,700	524,260	20,440
Other	21,600	21,600	13,272	8,328
Total Finance	<u>566,300</u>	<u>566,300</u>	<u>537,532</u>	<u>28,768</u>
Law:				
Personal Services	508,100	508,100	505,768	2,332
Other	115,900	215,900	108,745	107,155
Total Law	<u>624,000</u>	<u>724,000</u>	<u>614,513</u>	<u>109,487</u>
Communication and Technology:				
Personal Services	671,600	702,600	672,506	30,094
Other	787,000	712,500	551,980	160,520
Total Communication and Technology	<u>1,458,600</u>	<u>1,415,100</u>	<u>1,224,486</u>	<u>190,614</u>
Mayor's Court:				
Personal Services	175,400	175,400	159,901	15,499
Other	28,100	328,100	228,499	99,601
Total Mayor's Court	<u>203,500</u>	<u>503,500</u>	<u>388,400</u>	<u>115,100</u>
Civil Service:				
Other	<u>31,000</u>	<u>31,000</u>	<u>21,261</u>	<u>9,739</u>
General Miscellaneous:				
Other	<u>1,619,600</u>	<u>1,579,600</u>	<u>1,336,972</u>	<u>242,628</u>
Total General Government	<u>5,572,700</u>	<u>5,871,300</u>	<u>5,083,460</u>	<u>787,840</u>
<i>Total Expenditures</i>	<u>26,509,000</u>	<u>27,193,700</u>	<u>25,413,386</u>	<u>1,780,314</u>
<i>Excess of Revenues Over</i>				
<i>(Under) Expenditures</i>	12,336,239	14,430,783	15,800,939	1,370,156
Other Financing Sources (Uses)				
Sale of Capital Assets	-	1,000	833	(167)
Advances In	-	2,106,000	2,106,000	-
Advances Out	-	(2,000,000)	(2,000,000)	-
Transfers Out	(12,232,000)	(14,232,000)	(14,232,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(12,232,000)</u>	<u>(14,125,000)</u>	<u>(14,125,167)</u>	<u>(167)</u>
<i>Net Change in Fund Balance</i>	104,239	305,783	1,675,772	1,369,989
<i>Fund Balance - Beginning of Year, Restated</i>	<u>8,193,950</u>	<u>8,193,950</u>	<u>8,193,950</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 8,298,189</u>	<u>\$ 8,499,733</u>	<u>\$ 9,869,722</u>	<u>\$ 1,369,989</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 3,970,000	\$ 4,200,000	\$ 4,048,100	\$ (151,900)
Intergovernmental Revenues	1,950,000	2,510,700	2,352,761	(157,939)
Charges for Services	-	11,000	10,196	(804)
Interest Income	89,000	95,000	94,868	(132)
Miscellaneous		112,300	-	(112,300)
<i>Total Revenues</i>	<u>6,009,000</u>	<u>6,929,000</u>	<u>6,505,925</u>	<u>(423,075)</u>
Expenditures:				
Current:				
Transportation:				
Street Repairs:				
Personal Services	4,661,000	4,451,800	4,374,145	77,655
Other	3,399,900	3,468,000	3,366,249	101,751
Total Street Repairs	<u>8,060,900</u>	<u>7,919,800</u>	<u>7,740,394</u>	<u>179,406</u>
Traffic Signal Maintenance:				
Personal Services	111,800	111,800	110,272	1,528
Other	230,500	194,000	146,892	47,108
Total Traffic Signal Maintenance	<u>342,300</u>	<u>305,800</u>	<u>257,164</u>	<u>48,636</u>
Snow Removal:				
Other	<u>719,900</u>	<u>671,800</u>	<u>594,173</u>	<u>77,627</u>
Municipal Garage:				
Personal Services	771,700	777,400	761,100	16,300
Other	835,000	835,000	723,772	111,228
Total Municipal Garage	<u>1,606,700</u>	<u>1,612,400</u>	<u>1,484,872</u>	<u>127,528</u>
Total Transportation	<u>10,729,800</u>	<u>10,509,800</u>	<u>10,076,603</u>	<u>433,197</u>
Debt Service:				
Principal	1,600,000	1,600,000	1,600,000	-
Interest & Fiscal Charges	39,000	39,000	38,550	450
Total Debt Service	<u>1,639,000</u>	<u>1,639,000</u>	<u>1,638,550</u>	<u>450</u>
Total Expenditures	<u>12,368,800</u>	<u>12,148,800</u>	<u>11,715,153</u>	<u>433,647</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(6,359,800)</u>	<u>(5,219,800)</u>	<u>(5,209,228)</u>	<u>10,572</u>
Other Financing Sources				
Sale of Capital Assets	20,000	70,000	69,098	(902)
Bond Anticipation Notes Issued	1,100,000	1,100,000	1,100,000	-
Transfers In	4,100,000	4,000,000	4,000,000	-
<i>Total Other Financing Sources</i>	<u>5,220,000</u>	<u>5,170,000</u>	<u>5,169,098</u>	<u>(902)</u>
<i>Net Change in Fund Balance</i>	<u>(1,139,800)</u>	<u>(49,800)</u>	<u>(40,130)</u>	<u>9,670</u>
<i>Fund Balance - Beginning of Year</i>	<u>4,352,289</u>	<u>4,352,289</u>	<u>4,352,289</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 3,212,489</u>	<u>\$ 4,302,489</u>	<u>\$ 4,312,159</u>	<u>\$ 9,670</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Fire Levy Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 4,150,559	\$ 4,464,174	\$ 4,464,174	\$ -
Intergovernmental Revenues	556,191	557,505	557,448	(57)
Charges for Services	600	6,600	6,093	(507)
Fees, Licenses, and Permits	2,800	2,800	2,720	(80)
Contributions and Donations	3,000	5,000	5,410	410
Miscellaneous	-	174,700	-	(174,700)
<i>Total Revenues</i>	<u>4,713,150</u>	<u>5,210,779</u>	<u>5,035,845</u>	<u>(174,934)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fire:				
Personal Services	7,846,500	7,872,400	7,475,553	396,847
Other	440,700	804,200	702,118	102,082
Total Fire	<u>8,287,200</u>	<u>8,676,600</u>	<u>8,177,671</u>	<u>498,929</u>
Fire Station Ward 1:				
Other	<u>69,200</u>	<u>69,200</u>	<u>39,865</u>	<u>29,335</u>
Fire Station Ward 2:				
Other	<u>47,500</u>	<u>47,500</u>	<u>21,430</u>	<u>26,070</u>
Fire Station Ward 3:				
Other	<u>35,500</u>	<u>35,500</u>	<u>17,210</u>	<u>18,290</u>
Fire Station Ward 4:				
Other	<u>119,000</u>	<u>119,000</u>	<u>91,675</u>	<u>27,325</u>
<i>Total Expenditures</i>	<u>8,558,400</u>	<u>8,947,800</u>	<u>8,347,851</u>	<u>599,949</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,845,250)</u>	<u>(3,737,021)</u>	<u>(3,312,006)</u>	<u>425,015</u>
Other Financing Sources				
Transfers In	<u>3,000,000</u>	<u>2,350,000</u>	<u>2,350,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>(845,250)</u>	<u>(1,387,021)</u>	<u>(962,006)</u>	<u>425,015</u>
<i>Fund Balance - Beginning of Year</i>	<u>2,274,116</u>	<u>2,274,116</u>	<u>2,274,116</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 1,428,866</u>	<u>\$ 887,095</u>	<u>\$ 1,312,110</u>	<u>\$ 425,015</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Bond Retirement Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 3,115,281	\$ 3,310,310	\$ 3,310,310	\$ -
Intergovernmental Revenues	375,972	410,026	410,027	1
<i>Total Revenues</i>	<u>3,491,253</u>	<u>3,720,336</u>	<u>3,720,337</u>	<u>1</u>
Expenditures:				
Current:				
Debt Service:				
Principal	2,458,700	2,458,700	2,458,636	64
Interest & Fiscal Charges	927,100	927,100	926,944	156
Debt Issuance Costs	42,000	57,000	54,861	2,139
<i>Total Expenditures</i>	<u>3,427,800</u>	<u>3,442,800</u>	<u>3,440,441</u>	<u>2,359</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	63,453	277,536	279,896	2,360
Other Financing Sources				
Premium on Debt Issuance	-	52,000	51,652	(348)
Transfers In	100,000	100,000	100,000	-
<i>Total Other Financing Sources</i>	<u>100,000</u>	<u>152,000</u>	<u>151,652</u>	<u>(348)</u>
<i>Net Change in Fund Balance</i>	163,453	429,536	431,548	2,012
<i>Fund Balance - Beginning of Year</i>	<u>2,339,223</u>	<u>2,339,223</u>	<u>2,339,223</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 2,502,676</u>	<u>\$ 2,768,759</u>	<u>\$ 2,770,771</u>	<u>\$ 2,012</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Capital Improvement Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Franchise Taxes	\$ 790,000	\$ 790,000	\$ 739,410	\$ (50,590)
Intergovernmental Revenues	4,576,000	348,500	186,443	(162,057)
Special Assessments	15,300	15,300	14,429	(871)
Charges for Services	1,200	1,200	900	(300)
<i>Total Revenues</i>	<u>5,382,500</u>	<u>1,155,000</u>	<u>941,182</u>	<u>(213,818)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fire Department:				
Other	-	346,000	267,715	78,285
Transportation:				
Streets and Traffic Signalization:				
Other	13,296,900	3,571,200	2,624,800	946,400
General Government:				
Communication and Technology:				
Other	250,000	510,300	309,023	201,277
Debt Service:				
Principal	3,000,000	3,000,000	3,000,000	-
Interest & Fiscal Charges	89,800	89,800	89,750	50
Total Debt Service	<u>3,089,800</u>	<u>3,089,800</u>	<u>3,089,750</u>	<u>50</u>
<i>Total Expenditures</i>	<u>16,636,700</u>	<u>7,517,300</u>	<u>6,291,288</u>	<u>1,226,012</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(11,254,200)	(6,362,300)	(5,350,106)	1,012,194
Other Financing Sources				
Sale of Bonds	3,000,000	-	-	-
Sale of Capital Assets	-	650,000	650,000	-
Bond Anticipation Notes Issued	3,000,000	3,000,000	3,000,000	-
Transfers In	1,000,000	2,000,000	2,000,000	-
<i>Total Other Financing Sources</i>	<u>7,000,000</u>	<u>5,650,000</u>	<u>5,650,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(4,254,200)	(712,300)	299,894	1,012,194
<i>Fund Balance - Beginning of Year</i>	<u>7,637,947</u>	<u>7,637,947</u>	<u>7,637,947</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 3,383,747</u>	<u>\$ 6,925,647</u>	<u>\$ 7,937,841</u>	<u>\$ 1,012,194</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Sanitary Sewer Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 7,291,700	\$ 7,781,700	\$ 7,713,285	\$ (68,415)
Interest Income	205,000	310,000	309,562	(438)
Other Services	156,600	156,600	132,500	(24,100)
<i>Total Revenues</i>	<u>7,653,300</u>	<u>8,248,300</u>	<u>8,155,347</u>	<u>(92,953)</u>
Expenses				
Sanitary Sewer:				
Engineering and Administration:				
Personal Services	523,200	519,000	489,782	29,218
Fringe Benefits	194,100	193,300	186,021	7,279
Contractual Services	918,900	918,900	811,160	107,740
Materials and Supplies	7,000	7,000	589	6,411
Other	14,500	14,500	7,324	7,176
Total Engineering and Administration	<u>1,657,700</u>	<u>1,652,700</u>	<u>1,494,876</u>	<u>157,824</u>
Plant:				
Contractual Services	2,465,000	2,411,900	2,135,727	276,173
Other	11,500	11,500	-	11,500
Capital Outlay	1,100,000	1,153,100	968,124	184,976
Total Plant	<u>3,576,500</u>	<u>3,576,500</u>	<u>3,103,851</u>	<u>472,649</u>
Line:				
Personal Services	595,000	764,900	750,522	14,378
Fringe Benefits	241,000	318,200	310,039	8,161
Contractual Services	252,500	219,400	183,789	35,611
Materials and Supplies	140,000	139,100	117,323	21,777
Other	2,500	2,500	-	2,500
Capital Outlay	-	177,000	174,981	2,019
Total Line	<u>1,231,000</u>	<u>1,621,100</u>	<u>1,536,654</u>	<u>84,446</u>
Sewer Capital Improvements:				
Contractual Services	520,000	439,000	397,706	41,294
Other	-	1,000	127	873
Capital Outlay	2,605,000	1,122,500	1,059,480	63,020
Total Capital Improvements	<u>3,125,000</u>	<u>1,562,500</u>	<u>1,457,313</u>	<u>105,187</u>
				(Continued)

City of Strongsville, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Sanitary Sewer Fund
For the Year Ended December 31, 2019
(Continued)

Debt Service:				
Principal	310,448	310,448	310,419	29
Interest & Fiscal Charges	64,687	64,687	60,522	4,165
Total Debt Service	<u>375,135</u>	<u>375,135</u>	<u>370,941</u>	<u>4,194</u>
<i>Total Expenses</i>	<u>9,965,335</u>	<u>8,787,935</u>	<u>7,963,635</u>	<u>824,300</u>
<i>Excess of Revenues Over</i>				
<i>(Under) Expenses</i>	(2,312,035)	(539,635)	191,712	731,347
Other Financing Sources				
Capital Contribution - Tap-in Fees	250,000	350,000	352,567	2,567
Capital Contributions - Special Assessments	124,400	124,400	141,647	17,247
Capital Contributions - Grants	-	450,000	450,000	-
<i>Total Other Financing Sources</i>	<u>374,400</u>	<u>924,400</u>	<u>944,214</u>	<u>19,814</u>
<i>Net Change in Fund Equity</i>	(1,937,635)	384,765	1,135,926	751,161
<i>Fund Equity - Beginning of Year</i>	<u>13,038,642</u>	<u>13,038,642</u>	<u>13,038,642</u>	<u>-</u>
<i>Fund Equity - End of Year</i>	<u>\$ 11,101,007</u>	<u>\$ 13,423,407</u>	<u>\$ 14,174,568</u>	<u>\$ 751,161</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 406,340	\$ 431,771	\$ 431,771	\$ -
Intergovernmental Revenues	49,041	53,479	53,479	-
<i>Total Revenues</i>	<u>455,381</u>	<u>485,250</u>	<u>485,250</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	<u>1,369,200</u>	<u>1,413,600</u>	<u>1,377,919</u>	<u>35,681</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(913,819)</u>	<u>(928,350)</u>	<u>(892,669)</u>	<u>35,681</u>
Other Financing Sources				
Transfers In	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>(13,819)</u>	<u>(28,350)</u>	<u>7,331</u>	<u>35,681</u>
<i>Fund Balance - Beginning of Year</i>	<u>209,513</u>	<u>209,513</u>	<u>209,513</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 195,694</u>	<u>\$ 181,163</u>	<u>\$ 216,844</u>	<u>\$ 35,681</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
State Highway Maintenance Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ 161,000	\$ 203,000	\$ 186,248	\$ (16,752)
Interest Income	7,000	12,000	11,292	(708)
<i>Total Revenues</i>	<u>168,000</u>	<u>215,000</u>	<u>197,540</u>	<u>(17,460)</u>
Expenditures:				
Current:				
Transportation:				
State Highway Maintenance:				
Other	142,500	142,500	115,788	26,712
<i>Net Change in Fund Balance</i>	25,500	72,500	81,752	9,252
<i>Fund Balance - Beginning of Year</i>	<u>517,517</u>	<u>517,517</u>	<u>517,517</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 543,017</u>	<u>\$ 590,017</u>	<u>\$ 599,269</u>	<u>\$ 9,252</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Tax Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Permissive Motor Vehicle Taxes	\$ 370,000	\$ 374,000	\$ 355,250	\$ (18,750)
Intergovernmental Revenues	1,203,000	-	-	-
Interest Income	6,500	15,000	14,558	(442)
<i>Total Revenues</i>	<u>1,579,500</u>	<u>389,000</u>	<u>369,808</u>	<u>(19,192)</u>
Expenditures:				
Current:				
Transportation:				
Motor Vehicle License Tax:				
Other	<u>1,888,000</u>	<u>281,000</u>	<u>275,939</u>	<u>5,061</u>
<i>Net Change in Fund Balance</i>	(308,500)	108,000	93,869	(14,131)
<i>Fund Balance - Beginning of Year</i>	<u>518,156</u>	<u>518,156</u>	<u>518,156</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 209,656</u>	<u>\$ 626,156</u>	<u>\$ 612,025</u>	<u>\$ (14,131)</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Emergency Vehicle Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ -	\$ 2,800	\$ -	\$ (2,800)
Charges for Services	1,050,000	1,175,000	1,198,116	23,116
Interest Income	33,000	50,000	49,119	(881)
Miscellaneous		35,000	32,170	(2,830)
<i>Total Revenues</i>	<u>1,083,000</u>	<u>1,262,800</u>	<u>1,279,405</u>	<u>16,605</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Emergency Vehicle:				
Other	<u>1,566,000</u>	<u>1,506,500</u>	<u>1,273,541</u>	<u>232,959</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(483,000)</u>	<u>(243,700)</u>	<u>5,864</u>	<u>249,564</u>
Other Financing Sources				
Sale of Capital Assets		15,000	12,100	(2,900)
<i>Net Change in Fund Balance</i>	<u>(483,000)</u>	<u>(228,700)</u>	<u>17,964</u>	<u>246,664</u>
<i>Fund Balance - Beginning of Year</i>	<u>2,177,966</u>	<u>2,177,966</u>	<u>2,177,966</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 1,694,966</u>	<u>\$ 1,949,266</u>	<u>\$ 2,195,930</u>	<u>\$ 246,664</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 406,340	\$ 431,771	\$ 431,771	\$ -
Intergovernmental Revenues	49,041	53,479	53,479	-
<i>Total Revenues</i>	<u>455,381</u>	<u>485,250</u>	<u>485,250</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fire:				
Personal Services	<u>1,485,600</u>	<u>1,523,000</u>	<u>1,450,427</u>	<u>72,573</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,030,219)</u>	<u>(1,037,750)</u>	<u>(965,177)</u>	<u>72,573</u>
Other Financing Sources				
Transfers In	<u>1,032,000</u>	<u>1,032,000</u>	<u>1,032,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>1,781</u>	<u>(5,750)</u>	<u>66,823</u>	<u>72,573</u>
<i>Fund Balance - Beginning of Year</i>	<u>245,313</u>	<u>245,313</u>	<u>245,313</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 247,094</u>	<u>\$ 239,563</u>	<u>\$ 312,136</u>	<u>\$ 72,573</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Clerk of Court Computerization Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 25,000	\$ 25,000	\$ 18,414	\$ (6,586)
Expenditures:				
Current:				
General Government:				
Clerk of Courts:				
Other	40,000	40,000	29,225	10,775
<i>Net Change in Fund Balance</i>	(15,000)	(15,000)	(10,811)	4,189
<i>Fund Balance - Beginning of Year</i>	144,285	144,285	144,285	-
<i>Fund Balance - End of Year</i>	<u>\$ 129,285</u>	<u>\$ 129,285</u>	<u>\$ 133,474</u>	<u>\$ 4,189</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Drainage Levy Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 478,783	\$ 514,821	\$ 514,821	\$ -
Intergovernmental Revenues	63,562	63,041	63,041	-
Miscellaneous	6,100	6,100	5,850	(250)
<i>Total Revenues</i>	<u>548,445</u>	<u>583,962</u>	<u>583,712</u>	<u>(250)</u>
Expenditures:				
Current:				
Basic Utility Services:				
Drainage Levy:				
Other	<u>1,513,200</u>	<u>1,008,200</u>	<u>753,444</u>	<u>254,756</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(964,755)</u>	<u>(424,238)</u>	<u>(169,732)</u>	<u>254,506</u>
Other Financing Sources				
Transfers In	<u>100,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>(864,755)</u>	<u>175,762</u>	<u>430,268</u>	<u>254,506</u>
<i>Fund Balance - Beginning of Year</i>	<u>1,049,900</u>	<u>1,049,900</u>	<u>1,049,900</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 185,145</u>	<u>\$ 1,225,662</u>	<u>\$ 1,480,168</u>	<u>\$ 254,506</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Multi-Purpose Complex Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ 100,000	\$ 190,000	\$ 190,000	\$ -
Charges for Services	3,076,100	3,101,100	3,122,869	21,769
Contributions and Donations	-	10,000	9,511	(489)
Miscellaneous	-	59,000	1,434	(57,566)
<i>Total Revenues</i>	<u>3,176,100</u>	<u>3,360,100</u>	<u>3,323,814</u>	<u>(36,286)</u>
Expenditures:				
Current:				
Leisure Time Activities:				
Sports Programs:				
Personal Services	328,600	328,600	307,699	20,901
Other	204,400	305,400	293,225	12,175
Total Sports Programs	<u>533,000</u>	<u>634,000</u>	<u>600,924</u>	<u>33,076</u>
Recreation Administration:				
Personal Services	482,300	476,500	462,322	14,178
Other	709,700	748,700	695,504	53,196
Total Recreation Administration	<u>1,192,000</u>	<u>1,225,200</u>	<u>1,157,826</u>	<u>67,374</u>
Fitness Programs:				
Personal Services	412,300	434,300	422,801	11,499
Other	186,900	186,900	166,239	20,661
Total Fitness Programs	<u>599,200</u>	<u>621,200</u>	<u>589,040</u>	<u>32,160</u>
Aquatics Programs:				
Personal Services	721,300	701,700	631,939	69,761
Other	120,900	120,900	104,092	16,808
Total Aquatics Programs	<u>842,200</u>	<u>822,600</u>	<u>736,031</u>	<u>86,569</u>
Recreation Programs:				
Personal Services	259,400	262,800	250,074	12,726
Other	30,200	30,200	23,966	6,234
Total Recreation Programs	<u>289,600</u>	<u>293,000</u>	<u>274,040</u>	<u>18,960</u>
				(Continued)

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Multi-Purpose Complex Fund
For the Year Ended December 31, 2019
(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Events:				
Other	15,200	15,200	12,268	2,932
Old Town Hall:				
Personal Services	8,900	8,800	6,063	2,737
Other	18,000	18,100	14,881	3,219
Total Old Town Hall	26,900	26,900	20,944	5,956
Senior Services:				
Personal Services	615,300	617,900	609,029	8,871
Other	306,700	313,700	290,509	23,191
Total Senior Services	922,000	931,600	899,538	32,062
Recreation Maintenance:				
Personal Services	482,600	482,600	461,817	20,783
Other	213,200	256,200	228,468	27,732
Total Recreation Maintenance	695,800	738,800	690,285	48,515
Program Refunds:				
Other	36,500	36,500	30,296	6,204
<i>Total Expenditures</i>	<u>5,152,400</u>	<u>5,345,000</u>	<u>5,011,192</u>	<u>333,808</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,976,300)	(1,984,900)	(1,687,378)	297,522
Other Financing Sources				
Sale of Capital Assets	-	-	1,926	1,926
Transfers In	2,000,000	1,950,000	1,950,000	-
<i>Total Other Financing Sources</i>	<u>2,000,000</u>	<u>1,950,000</u>	<u>1,951,926</u>	<u>1,926</u>
<i>Net Change in Fund Balance</i>	23,700	(34,900)	264,548	299,448
<i>Fund Balance - Beginning of Year</i>	<u>605,831</u>	<u>605,831</u>	<u>605,831</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 629,531</u>	<u>\$ 570,931</u>	<u>\$ 870,379</u>	<u>\$ 299,448</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Southwest General Hospital Levy Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 305,430	\$ 326,821	\$ 326,821	\$ -
Intergovernmental Revenues	50,866	30,454	30,454	-
<i>Total Revenues</i>	<u>356,296</u>	<u>357,275</u>	<u>357,275</u>	<u>-</u>
Expenditures:				
Current:				
Public Health Services:				
Other	<u>356,296</u>	<u>357,275</u>	<u>357,275</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	-	-	-	-
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Law Enforcement Federal Seizure Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and Forfeitures	<u>\$ 1,000</u>	<u>\$ 15,000</u>	<u>\$ 14,231</u>	<u>\$ (769)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Other	<u>7,000</u>	<u>7,000</u>	<u>714</u>	<u>6,286</u>
<i>Net Change in Fund Balance</i>	<u>(6,000)</u>	<u>8,000</u>	<u>13,517</u>	<u>5,517</u>
<i>Fund Balance - Beginning of Year</i>	<u>13,285</u>	<u>13,285</u>	<u>13,285</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 7,285</u></u>	<u><u>\$ 21,285</u></u>	<u><u>\$ 26,802</u></u>	<u><u>\$ 5,517</u></u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Law Enforcement State Seizure Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and Forfeitures	<u>\$ 3,000</u>	<u>\$ 50,000</u>	<u>\$ 49,481</u>	<u>\$ (519)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Other	<u>12,000</u>	<u>12,000</u>	<u>9,834</u>	<u>2,166</u>
<i>Net Change in Fund Balance</i>	<u>(9,000)</u>	<u>38,000</u>	<u>39,647</u>	<u>1,647</u>
<i>Fund Balance - Beginning of Year</i>	<u>47,351</u>	<u>47,351</u>	<u>47,351</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 38,351</u></u>	<u><u>\$ 85,351</u></u>	<u><u>\$ 86,998</u></u>	<u><u>\$ 1,647</u></u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Law Enforcement Drug Fine Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and Forfeitures	<u>\$ 4,400</u>	<u>\$ 4,400</u>	<u>\$ 1,128</u>	<u>\$ (3,272)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Other	<u>400</u>	<u>400</u>	<u>-</u>	<u>400</u>
<i>Net Change in Fund Balance</i>	<u>4,000</u>	<u>4,000</u>	<u>1,128</u>	<u>(2,872)</u>
<i>Fund Balance - Beginning of Year</i>	<u>12,291</u>	<u>12,291</u>	<u>12,291</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 16,291</u></u>	<u><u>\$ 16,291</u></u>	<u><u>\$ 13,419</u></u>	<u><u>\$ (2,872)</u></u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Law Enforcement DWI/DUI Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and Forfeitures	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 650</u>	<u>\$ (1,350)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Other	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
<i>Net Change in Fund Balance</i>	<u>(8,000)</u>	<u>(8,000)</u>	<u>650</u>	<u>8,650</u>
<i>Fund Balance - Beginning of Year</i>	<u>21,918</u>	<u>21,918</u>	<u>21,918</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 13,918</u></u>	<u><u>\$ 13,918</u></u>	<u><u>\$ 22,568</u></u>	<u><u>\$ 8,650</u></u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Tree Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees, Licenses, and Permits	<u>\$ 97,000</u>	<u>\$ 97,000</u>	<u>\$ 84,774</u>	<u>\$ (12,226)</u>
Expenditures:				
Current:				
Community Environment:				
Tree Maintenance:				
Other	<u>107,000</u>	<u>107,000</u>	<u>103,174</u>	<u>3,826</u>
<i>Net Change in Fund Balance</i>	<u>(10,000)</u>	<u>(10,000)</u>	<u>(18,400)</u>	<u>(8,400)</u>
<i>Fund Balance - Beginning of Year</i>	<u>61,478</u>	<u>61,478</u>	<u>61,478</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 51,478</u></u>	<u><u>\$ 51,478</u></u>	<u><u>\$ 43,078</u></u>	<u><u>\$ (8,400)</u></u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Bond Escrow Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fees, Licenses, and Permits	\$ -	\$ 530,000	\$ 412,861	\$ (117,139)
Contributions and Donations	-	150,000	118,400	(31,600)
Miscellaneous	-	20,000	12,746	(7,254)
<i>Total Revenues</i>	-	700,000	544,007	(155,993)
Expenditures:				
Current:				
Leisure Time Activities:				
Parks:				
Other	-	200,000	128,155	71,845
Community Environment:				
Building:				
Other	-	480,000	345,058	134,942
General Government:				
Finance:				
Other	-	20,000	7,270	12,730
<i>Total Expenditures</i>	-	700,000	480,483	219,517
<i>Net Change in Fund Balance</i>	-	-	63,524	63,524
<i>Fund Balance - Beginning of Year, Restated</i>	528,080	528,080	528,080	-
<i>Fund Balance - End of Year</i>	\$ 528,080	\$ 528,080	\$ 591,604	\$ 63,524

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Community Diversion Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental Revenues	\$ 8,900	\$ 8,900	\$ 9,800	\$ 900
Fines and Forfeitures	4,000	4,700	2,400	(2,300)
<i>Total Revenues</i>	<u>12,900</u>	<u>13,600</u>	<u>12,200</u>	<u>(1,400)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Services	11,300	11,300	10,539	761
Other	1,100	2,400	2,100	300
<i>Total Expenditures</i>	<u>12,400</u>	<u>13,700</u>	<u>12,639</u>	<u>1,061</u>
<i>Net Change in Fund Balance</i>	500	(100)	(439)	(339)
<i>Fund Balance - Beginning of Year</i>	<u>1,046</u>	<u>1,046</u>	<u>1,046</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 1,546</u>	<u>\$ 946</u>	<u>\$ 607</u>	<u>\$ (339)</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Earned Benefits Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Services	\$ 151,500	\$ 131,500	\$ 34,109	\$ 97,391
Fire Department:				
Personal Services	201,500	151,500	62,646	88,854
Total Security of Persons and Property	353,000	283,000	96,755	186,245
Transportation:				
Service:				
Personal Services	152,000	147,000	90,439	56,561
Total Transportation	152,000	147,000	90,439	56,561
General Government:				
Mayor's Office:				
Personal Services	800	25,800	21,286	4,514
Total General Government	800	25,800	21,286	4,514
<i>Total Expenditures</i>	505,800	455,800	208,480	247,320
<i>Excess of Revenues Over (Under) Expenditures</i>	(505,800)	(455,800)	(208,480)	247,320
Other Financing Sources				
Transfers In	-	1,300,000	1,300,000	-
<i>Net Change in Fund Balance</i>	(505,800)	844,200	1,091,520	247,320
<i>Fund Balance - Beginning of Year</i>	4,038,704	4,038,704	4,038,704	-
<i>Fund Balance - End of Year</i>	\$ 3,532,904	\$ 4,882,904	\$ 5,130,224	\$ 247,320

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Pearl Road TIF #1 Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 1,091,000	\$ 1,091,000	\$ 1,117,180	\$ 26,180
Expenditures:				
Debt Service:				
Principal	905,000	905,000	905,000	-
Interest & Fiscal Charges	191,600	191,600	191,452	148
<i>Total Expenditures</i>	<u>1,096,600</u>	<u>1,096,600</u>	<u>1,096,452</u>	<u>148</u>
<i>Net Change in Fund Balance</i>	(5,600)	(5,600)	20,728	26,328
<i>Fund Balance - Beginning of Year</i>	<u>699,541</u>	<u>699,541</u>	<u>699,541</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 693,941</u></u>	<u><u>\$ 693,941</u></u>	<u><u>\$ 720,269</u></u>	<u><u>\$ 26,328</u></u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Royalton Road TIF Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Payment in Lieu of Taxes	<u>\$ 180,100</u>	<u>\$ 180,100</u>	<u>\$ 171,844</u>	<u>\$ (8,256)</u>
Expenditures:				
Current:				
Debt Service:				
Principal	200,000	200,000	200,000	-
Interest & Fiscal Charges	6,000	6,000	5,983	17
Debt Issuance Costs	3,000	3,000	350	2,650
<i>Total Expenditures</i>	<u>209,000</u>	<u>209,000</u>	<u>206,333</u>	<u>2,667</u>
<i>Net Change in Fund Balance</i>	(28,900)	(28,900)	(34,489)	(5,589)
<i>Fund Balance - Beginning of Year</i>	<u>193,716</u>	<u>193,716</u>	<u>193,716</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 164,816</u>	<u>\$ 164,816</u>	<u>\$ 159,227</u>	<u>\$ (5,589)</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Pearl Road TIF #2 Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 25,800	\$ 71,000	\$ 71,050	\$ 50
Expenditures:				
Current:				
Debt Service:				
Principal	100,000	100,000	100,000	-
Interest & Fiscal Charges	3,000	3,000	2,992	8
<i>Total Expenditures</i>	<u>103,000</u>	<u>103,000</u>	<u>102,992</u>	<u>8</u>
<i>Net Change in Fund Balance</i>	(77,200)	(32,000)	(31,942)	58
<i>Fund Balance - Beginning of Year</i>	<u>131,626</u>	<u>131,626</u>	<u>131,626</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 54,426</u></u>	<u><u>\$ 99,626</u></u>	<u><u>\$ 99,684</u></u>	<u><u>\$ 58</u></u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Pearl Road TIF #3 Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Payment in Lieu of Taxes	<u>\$ 33,000</u>	<u>\$ 33,000</u>	<u>\$ 38,269</u>	<u>\$ 5,269</u>
Expenditures:				
Current:				
Debt Service:				
Principal	100,000	100,000	100,000	-
Interest & Fiscal Charges	<u>3,000</u>	<u>3,000</u>	<u>2,992</u>	<u>8</u>
<i>Total Expenditures</i>	<u>103,000</u>	<u>103,000</u>	<u>102,992</u>	<u>8</u>
<i>Net Change in Fund Balance</i>	(70,000)	(70,000)	(64,723)	5,277
<i>Fund Balance - Beginning of Year</i>	<u>156,789</u>	<u>156,789</u>	<u>156,789</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 86,789</u></u>	<u><u>\$ 86,789</u></u>	<u><u>\$ 92,066</u></u>	<u><u>\$ 5,277</u></u>

City of Strongsville, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

Pearl Road TIF #4 Fund

For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
Revenues:				
Payment in Lieu of Taxes	\$ -	\$ 125,000	\$ 125,000	\$ -
<i>Net Change in Fund Balance</i>	-	125,000	125,000	-
<i>Fund Balance - Beginning of Year</i>	-	-	-	-
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ -</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Westwood Commons TIF Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 14,100	\$ 35,500	\$ 35,168	\$ (332)
Expenditures:				
Current:				
Community Environment:				
Economic Development:				
Other	14,100	35,500	35,168	332
<i>Excess of Revenues Over (Under) Expenditures</i>	-	-	-	-
<i>Fund Balance - Beginning of Year</i>	-	-	-	-
<i>Fund Balance - End of Year</i>	\$ -	\$ -	\$ -	\$ -

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Giant Eagle TIF Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 74,500	\$ 85,500	\$ 87,110	\$ 1,610
Expenditures:				
Current:				
Debt Service:				
Principal	100,000	100,000	100,000	-
Interest & Fiscal Charges	3,000	3,000	2,992	8
<i>Total Expenditures</i>	<u>103,000</u>	<u>103,000</u>	<u>102,992</u>	<u>8</u>
<i>Net Change in Fund Balance</i>	(28,500)	(17,500)	(15,882)	1,618
<i>Fund Balance - Beginning of Year</i>	<u>119,178</u>	<u>119,178</u>	<u>119,178</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 90,678</u>	<u>\$ 101,678</u>	<u>\$ 103,296</u>	<u>\$ 1,618</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Get Go TIF Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Payment in Lieu of Taxes	\$ 21,000	\$ 22,000	\$ 22,371	\$ 371
<i>Net Change in Fund Balance</i>	21,000	22,000	22,371	371
<i>Fund Balance - Beginning of Year</i>	61,613	61,613	61,613	-
<i>Fund Balance - End of Year</i>	<u>\$ 82,613</u>	<u>\$ 83,613</u>	<u>\$ 83,984</u>	<u>\$ 371</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Clover Senior Apartments TIF Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Payment in Lieu of Taxes	\$ -	\$ 111,000	\$ 111,796	\$ 796
<i>Net Change in Fund Balance</i>	-	111,000	111,796	796
<i>Fund Balance - Beginning of Year</i>	-	-	-	-
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ 111,000</u>	<u>\$ 111,796</u>	<u>\$ 796</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Recreation Capital Improvement Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental Revenues	\$ -	\$ 19,100	\$ 19,027	\$ (73)
Charges for Services	50,500	50,500	32,799	(17,701)
<i>Total Revenues</i>	<u>50,500</u>	<u>69,600</u>	<u>51,826</u>	<u>(17,774)</u>
Expenditures:				
Current:				
Leisure Time Activities:				
Recreation Capital Improvement:				
Other	100,000	100,000	48,520	51,480
<i>Excess of Revenues Over (Under) Expenditures</i>	(49,500)	(30,400)	3,306	33,706
<i>Fund Balance - Beginning of Year</i>	205,034	205,034	205,034	-
<i>Fund Balance - End of Year</i>	<u>\$ 155,534</u>	<u>\$ 174,634</u>	<u>\$ 208,340</u>	<u>\$ 33,706</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
TIF Capital Improvement Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 150,600	\$ 276,600	\$ 281,835	\$ 5,235
Charges for Services	-	-	250	250
<i>Total Revenues</i>	<u>150,600</u>	<u>276,600</u>	<u>282,085</u>	<u>5,485</u>
Expenditures:				
Current:				
Transportation:				
Traffic Signalization:				
Other	-	464,029	306,023	158,006
<i>Excess of Revenues Over (Under) Expenditures</i>	150,600	(187,429)	(23,938)	163,491
Other Financing (Uses)				
Bond Anticipation Notes Issued	-	2,000,000	2,000,000	-
Advances In	-	2,000,000	2,000,000	-
Advances Out	-	(2,106,000)	(2,106,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>1,894,000</u>	<u>1,894,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	150,600	1,706,571	1,870,062	163,491
<i>Fund Balance - Beginning of Year</i>	<u>199,661</u>	<u>199,661</u>	<u>199,661</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 350,261</u>	<u>\$ 1,906,232</u>	<u>\$ 2,069,723</u>	<u>\$ 163,491</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Workers' Compensation Reserve Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 452,000	\$ 456,500	\$ 456,500	\$ -
Miscellaneous	95,000	404,500	398,988	(5,512)
<i>Total Revenues</i>	<u>547,000</u>	<u>861,000</u>	<u>855,488</u>	<u>(5,512)</u>
Expenses:				
Contractual Services	545,900	1,279,000	1,074,930	204,070
Claims	89,000	76,000	63,979	12,021
<i>Total Expenses</i>	<u>634,900</u>	<u>1,355,000</u>	<u>1,138,909</u>	<u>216,091</u>
<i>Net Change in Fund Equity</i>	(87,900)	(494,000)	(283,421)	210,579
<i>Fund Equity - Beginning of Year</i>	<u>1,796,085</u>	<u>1,796,085</u>	<u>1,796,085</u>	<u>-</u>
<i>Fund Equity - End of Year</i>	<u>\$ 1,708,185</u>	<u>\$ 1,302,085</u>	<u>\$ 1,512,664</u>	<u>\$ 210,579</u>

City of Strongsville, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Health Insurance Reserve Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for Services	\$ 5,712,600	\$ 6,149,800	\$ 5,965,297	\$ (184,503)
Expenses:				
Contractual Services	1,404,300	1,558,000	1,550,808	7,192
Claims	4,308,300	4,964,600	3,564,631	1,399,969
<i>Total Expenses</i>	<u>5,712,600</u>	<u>6,522,600</u>	<u>5,115,439</u>	<u>1,407,161</u>
<i>Net Change in Fund Balance</i>	-	(372,800)	849,858	1,222,658
<i>Fund Balance - Beginning of Year</i>	<u>1,454,729</u>	<u>1,454,729</u>	<u>1,454,729</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 1,454,729</u>	<u>\$ 1,081,929</u>	<u>\$ 2,304,587</u>	<u>\$ 1,222,658</u>

STATISTICAL SECTION



City of Strongsville, Ohio

Statistical Section

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

Contents

Page

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.

Net Position by Component – Last Ten Years	S4
Changes in Net Position – Last Ten Years.....	S6
Fund Balances, Governmental Funds - Last Ten Years.....	S12
Changes in Fund Balances, Governmental Funds – Last Ten Years	S14

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources, property taxes and municipal income taxes.

Assessed Valuations and Estimated Actual Values of Taxable Property – Last Ten Years	S18
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years	S20
Effective Property Tax Rates – Direct and Overlapping Governments – Last Ten Years.....	S22
Property Tax Levies and Collections – Last Ten Years.....	S24
Principal Taxpayers – Real Estate Tax – 2019 and 2011	S26
Income Tax Revenue Base and Collections (Cash Basis) – Last Ten Years	S27

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.

Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita - Last Ten Years	S28
Ratio of Net General Obligation Bonded Debt to Estimated Actual Value and Net Bonded Debt Per Capita - Last Ten Years	S29
Computation of Direct and Overlapping Debt	S30
Legal Debt Margin - Last Ten Years	S32

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.

Demographic and Economic Statistics – Last Ten Years	S34
Principal Municipal Income Tax Withholders – Current and Nine Years Ago	S36

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.

Full-Time City Employees by Function/Program - Last Ten Years	S37
Operating Indicators by Function/Program - Last Ten Years	S38
Capital Assets Statistics by Function/Program – Last Ten Years	S48

Sources: Unless otherwise noted, the information in these schedules is derived from the basic financial statements for the relevant year.



City of Strongsville, Ohio

Net Position by Component
Accrual Basis of Accounting
Last Ten Years

	2019	2018 (3)	2017 (2)	2016
Governmental Activities				
Net Investment in Capital Assets	\$158,096,697	\$157,042,285	\$152,345,560	\$151,649,343
Restricted	22,079,657	22,449,428	19,433,349	18,322,568
Unrestricted	(40,516,798)	(64,571,522)	(58,751,546)	(20,486,586)
<i>Total Governmental Activities Net Position</i>	<u>\$139,659,556</u>	<u>\$114,920,191</u>	<u>\$113,027,363</u>	<u>\$149,485,325</u>
Business Type - Activities				
Net Investment in Capital Assets	\$43,960,039	\$43,847,136	\$43,365,906	\$42,735,455
Unrestricted	14,692,840	13,388,732	12,584,371	11,229,612
<i>Total Business-Type Activities Net Position</i>	<u>\$58,652,879</u>	<u>\$57,235,868</u>	<u>\$55,950,277</u>	<u>\$53,965,067</u>
Primary Government				
Net Investment in Capital Assets	\$202,056,736	\$200,889,421	\$195,711,466	\$194,384,798
Restricted	22,079,657	22,449,428	19,433,349	18,322,568
Unrestricted	(25,823,958)	(51,182,790)	(46,167,175)	(9,256,974)
<i>Total Primary Government Net Position</i>	<u>\$198,312,435</u>	<u>\$172,156,059</u>	<u>\$168,977,640</u>	<u>\$203,450,392</u>

(1) - Restated for GASB Statement No. 68 Implementation

(2) - Restated for GASB Statement No. 75 Implementation

(3) - Restated for GASB Statement No. 84 Implementation

Table 1

2015 (1)	2014 (1)	2013	2012	2011	2010
\$147,391,701	\$141,087,430	\$130,311,512	\$132,674,654	\$135,950,267	\$132,311,472
17,214,931	15,079,263	12,867,552	12,312,614	13,792,283	16,619,046
(18,861,881)	(19,327,351)	15,942,477	13,679,441	9,614,650	12,359,330
<u>\$145,744,751</u>	<u>\$136,839,342</u>	<u>\$159,121,541</u>	<u>\$158,666,709</u>	<u>\$159,357,200</u>	<u>\$161,289,848</u>
\$42,840,063	\$42,808,562	\$42,665,297	\$43,649,981	\$46,143,739	\$46,710,018
9,174,740	7,304,460	7,552,854	6,893,848	4,299,529	4,998,720
<u>\$52,014,803</u>	<u>\$50,113,022</u>	<u>\$50,218,151</u>	<u>\$50,543,829</u>	<u>\$50,443,268</u>	<u>\$51,708,738</u>
\$190,231,764	\$183,895,992	\$172,976,809	\$176,324,635	\$182,094,006	\$179,021,490
17,214,931	15,079,263	12,867,552	12,312,614	13,792,283	16,619,046
(9,687,141)	(12,022,891)	23,495,331	20,573,289	13,914,179	17,358,050
<u>\$197,759,554</u>	<u>\$186,952,364</u>	<u>\$209,339,692</u>	<u>\$209,210,538</u>	<u>\$209,800,468</u>	<u>\$212,998,586</u>

City of Strongsville, Ohio

Changes in Net Position Accrual Basis of Accounting Last Ten Years

	2019	2018	2017	2016
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$427,785	\$291,288	\$330,114	\$269,661
Security of Persons and Property	4,078,643	3,328,321	2,964,935	2,923,756
Public Health Services	69,050	52,075	56,025	59,325
Leisure Time Activities	3,129,469	3,058,928	3,147,175	3,169,763
Community Environment	1,350,004	1,188,216	1,315,932	1,560,243
Basic Utility Services	57,640	52,640	63,309	62,034
Transportation	13,792	21,680	750	8,213
Subtotal - Charges for Services	<u>9,126,383</u>	<u>7,993,148</u>	<u>7,878,240</u>	<u>8,052,995</u>
Operating Grants and Contributions:				
Security of Persons and Property	135,317	109,344	120,159	65,935
Leisure Time Activities	218,400	110,662	137,000	100,500
Community Environment	5,000	22,924	16,612	5,000
Basic Utility Services	-	-	-	-
Transportation	3,297,958	2,173,834	2,350,011	1,954,143
Subtotal - Operating Grants and Contributions	<u>3,656,675</u>	<u>2,416,764</u>	<u>2,623,782</u>	<u>2,125,578</u>
Capital Grants and Contributions:				
Security of Persons and Property	161,764	-	-	-
Leisure Time Activities	49,496	257,768	200,000	267,747
Basic Utility Services	-	-	325,000	-
Transportation	377,630	4,158,846	-	5,239,683
Subtotal - Capital Grants and Contributions	<u>588,890</u>	<u>4,416,614</u>	<u>525,000</u>	<u>5,507,430</u>
<i>Total Governmental Activities Program Revenues</i>	<u>13,371,948</u>	<u>14,826,526</u>	<u>11,027,022</u>	<u>15,686,003</u>
Business-Type Activities:				
Charges for Services:				
Sanitary Sewer	7,898,147	7,639,666	7,472,431	7,511,939
Operating Grants and Contributions				
Sanitary Sewer	-	-	-	-
Capital Grants and Contributions				
Sanitary Sewer	1,090,354	1,622,890	1,257,838	1,122,502
<i>Total Business-Type Activities Program Revenues</i>	<u>8,988,501</u>	<u>9,262,556</u>	<u>8,730,269</u>	<u>8,634,441</u>
<i>Total Primary Government Program Revenues</i>	<u>\$22,360,449</u>	<u>\$24,089,082</u>	<u>\$19,757,291</u>	<u>\$24,320,444</u>

Table 2

2015	2014	2013	2012	2011	2010
\$251,350	\$228,753	\$240,556	\$248,566	\$188,192	\$1,732,960
2,909,713	2,223,037	1,576,135	1,864,219	1,683,289	1,106,800
49,700	57,325	57,869	56,200	44,925	50,778
3,031,393	2,905,030	2,927,501	3,085,539	3,068,427	3,126,816
1,392,174	1,356,188	914,601	826,526	874,340	74,865
52,001	41,471	94,651	42,703	70,961	-
1,600	10,923	3,000	2,200	1,400	25,258
7,687,931	6,822,727	5,814,313	6,125,953	5,931,534	6,117,477
85,594	80,009	107,294	95,342	58,953	32,195
-	3,402	18,827	6,675	4,176	-
3,894	31,106	13,750	4,000	29,750	3,500
-	193,868	6,898	-	-	-
1,963,337	1,968,070	1,967,759	1,909,109	1,993,922	1,881,165
2,052,825	2,276,455	2,114,528	2,015,126	2,086,801	1,916,860
61,332	528,306	1,939	38,341	-	624,893
-	40,963	30,672	15,000	486,787	190,500
-	-	1,039,470	-	-	-
6,968,820	11,307,679	6,998	220,100	5,287,070	4,900,599
7,030,152	11,876,948	1,079,079	273,441	5,773,857	5,715,992
16,770,908	20,976,130	9,007,920	8,414,520	13,792,192	13,750,329
6,726,483	6,198,988	5,738,519	5,688,046	5,225,116	5,420,941
486	23,684	-	-	-	-
1,984,382	1,357,513	396,085	1,101,103	538,368	904,765
8,711,351	7,580,185	6,134,604	6,789,149	5,763,484	6,325,706
\$25,482,259	\$28,556,315	\$15,142,524	\$15,203,669	\$19,555,676	\$20,076,035

(Continued)

City of Strongsville, Ohio

Changes in Net Position (continued)

Accrual Basis of Accounting

Last Ten Years

	2019	2018	2017	2016
Expenses				
Governmental Activities:				
General Government	\$5,281,083	\$4,747,998	\$4,610,210	\$4,636,384
Security of Persons and Property:	7,065,433	30,786,587	27,833,463	27,112,686
Public Health Services	742,149	694,657	686,022	665,050
Leisure Time Activities	6,934,786	6,362,268	6,341,351	6,147,676
Community Environment	2,099,904	1,936,789	1,891,588	1,737,171
Basic Utility Services	2,643,767	2,470,103	2,493,836	2,577,206
Transportation	17,664,738	17,026,618	16,939,123	17,172,786
Interest and Fiscal Charges	1,214,403	1,249,396	1,273,441	1,507,876
<i>Total Governmental Activities Expenses</i>	<u>43,646,263</u>	<u>65,274,416</u>	<u>62,069,034</u>	<u>61,556,835</u>
Business-Type Activities				
Sanitary Sewer	7,798,760	6,676,899	6,261,417	6,800,984
<i>Total Business-Type Activities Expenses</i>	<u>7,798,760</u>	<u>6,676,899</u>	<u>6,261,417</u>	<u>6,800,984</u>
<i>Total Primary Government Program Expenses</i>	<u>51,445,023</u>	<u>71,951,315</u>	<u>68,330,451</u>	<u>68,357,819</u>
Net (Expense)/Revenue				
Governmental Activities	(30,274,315)	(50,447,890)	(51,042,012)	(45,870,832)
Business-Type Activities	1,189,741	2,585,657	2,468,852	1,833,457
<i>Total Primary Government Net Expense</i>	<u>(29,084,574)</u>	<u>(47,862,233)</u>	<u>(48,573,160)</u>	<u>(44,037,375)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$492,537	\$645,521	\$476,160	\$462,717
Other Purposes	6,197,194	5,796,981	5,960,782	5,797,533
Debt Service	3,324,843	2,881,976	2,956,069	2,873,745
Municipal Income Taxes Levied For:				
General Purposes	33,415,106	31,852,287	30,788,610	31,572,460
Other Purposes	4,038,359	3,850,189	3,785,956	3,720,687
Other Local Taxes Levied For:				
General Purposes	-	-	-	-
Other Purposes	-	-	-	-
Hotel Taxes	176,880	171,499	181,160	183,892
Permissive Motor Vehicle Taxes	355,213	368,801	357,108	355,013
Franchise Taxes	735,328	763,297	760,812	817,532
Payments in Lieu of Taxes	2,061,623	1,588,960	1,518,655	1,443,717

Table 2

2015	2014	2013	2012	2011	2010
\$4,520,606	\$4,392,450	\$4,345,550	\$4,302,219	\$5,530,388	\$6,269,187
24,419,872	25,052,042	22,032,268	21,838,362	21,516,765	19,977,428
633,105	599,730	609,757	588,830	601,590	576,471
5,795,150	5,790,696	5,579,473	5,436,655	5,748,672	5,765,092
1,555,688	1,721,146	1,573,803	1,718,686	1,746,987	1,160,407
2,372,551	2,450,397	2,310,738	2,047,268	2,076,197	2,552,751
16,398,784	15,952,366	16,510,864	15,681,631	19,356,513	19,202,006
1,694,011	1,853,013	1,966,448	2,103,662	2,339,292	2,637,914
57,389,767	57,811,840	54,928,901	53,717,313	58,916,404	58,141,256
6,885,083	7,150,206	6,502,969	6,714,808	7,068,791	6,435,645
6,885,083	7,150,206	6,502,969	6,714,808	7,068,791	6,435,645
64,274,850	64,962,046	61,431,870	60,432,121	65,985,195	64,576,901
(40,618,859)	(36,835,710)	(45,920,981)	(45,302,793)	(45,124,212)	(44,390,927)
1,826,268	429,979	(368,365)	74,341	(1,305,307)	(109,939)
(38,792,591)	(36,405,731)	(46,289,346)	(45,228,452)	(46,429,519)	(44,500,866)
\$452,976	\$449,300	\$449,334	\$419,991	\$424,295	\$434,211
5,781,880	5,740,574	5,412,835	5,253,644	5,324,748	5,405,637
3,423,949	3,435,946	3,440,487	3,401,469	3,460,320	3,585,239
31,120,903	30,267,292	28,221,681	26,677,393	26,251,391	22,863,432
3,744,688	3,599,013	3,319,369	3,157,012	2,625,174	2,622,417
-	-	-	-	-	722,501
-	-	-	-	-	318,728
166,683	189,728	179,090	181,064	171,572	-
338,386	330,566	328,246	324,002	325,245	-
810,366	734,772	704,713	706,163	645,974	-
2,149,150	1,377,939	1,490,423	866,597	848,939	609,562

(Continued)

City of Strongsville, Ohio

Changes in Net Position (continued)

Accrual Basis of Accounting

Last Ten Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Grants and Entitlements not Restricted to Specific Programs	1,991,522	1,757,839	1,743,465	1,955,574
Investment Income	1,530,571	907,713	400,429	344,358
Gain on Sale of Capital Assets	431,501	42,671	1,600	73,908
All Other Revenue	51,003	125,429	378,948	10,270
Transfers	<u>106,496</u>	<u>1,587,555</u>	<u>-</u>	<u>-</u>
<i>Total Governmental Activities</i>	<u>54,908,176</u>	<u>52,340,718</u>	<u>49,309,754</u>	<u>49,611,406</u>
Business-Type Activities				
Investment Income	333,766	278,014	143,083	114,232
Gain on Sale of Capital Assets	-	9,475	1,600	2,575
Transfers	<u>(106,496)</u>	<u>(1,587,555)</u>	<u>-</u>	<u>-</u>
<i>Total Business-Type Activities Expenses</i>	<u>227,270</u>	<u>(1,300,066)</u>	<u>144,683</u>	<u>116,807</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>55,135,446</u>	<u>51,040,652</u>	<u>49,454,437</u>	<u>49,728,213</u>
Change in Net Position				
Governmental Activities	24,633,861	1,892,828	(1,732,258)	3,740,574
Business-Type Activities	<u>1,417,011</u>	<u>1,285,591</u>	<u>2,613,535</u>	<u>1,950,264</u>
<i>Total Primary Government Change in Net Position</i>	<u><u>\$26,050,872</u></u>	<u><u>\$3,178,419</u></u>	<u><u>\$881,277</u></u>	<u><u>\$5,690,838</u></u>

Table 2

2015	2014	2013	2012	2011	2010
2,074,097	2,215,056	2,638,081	3,376,078	3,673,797	4,137,516
85,319	158,257	107,997	143,795	174,298	221,886
27,015	3,453	12,456	104,369	-	-
85,582	94,390	71,101	725	4,708	-
-	-	-	-	-	650,000
50,260,994	48,596,286	46,375,813	44,612,302	43,930,461	41,571,129
45,513	49,557	42,687	26,220	39,837	-
30,000	75,000	-	-	-	-
-	-	-	-	-	(650,000)
75,513	124,557	42,687	26,220	39,837	(650,000)
50,336,507	48,720,843	46,418,500	44,638,522	43,970,298	40,921,129
9,642,135	11,760,576	454,832	(690,491)	(1,193,751)	(2,819,798)
1,901,781	554,536	(325,678)	100,561	(1,265,470)	(759,939)
\$11,543,916	\$12,315,112	\$129,154	(\$589,930)	(\$2,459,221)	(\$3,579,737)

City of Strongsville, Ohio

Fund Balances, Governmental Funds
Modified Accrual Basis of Accounting
Last Ten Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund				
Nonspendable	\$169,730	\$121,553	\$114,798	\$107,683
Committed	5,130,224	4,038,704	3,538,704	3,241,578
Assigned	-	-	705,747	-
Unassigned	<u>15,575,515</u>	<u>13,328,083</u>	<u>12,659,698</u>	<u>13,079,275</u>
Total General Fund	<u>20,875,469</u>	<u>17,488,340</u>	<u>17,018,947</u>	<u>16,428,536</u>
 All Other Governmental Funds				
Nonspendable	936,029	656,730	516,634	534,502
Restricted	22,996,655	15,522,801	14,549,749	14,259,818
Committed	3,332,150	2,993,329	3,913,077	3,203,686
Unassigned (Deficit)	<u>(35,728)</u>	<u>(34,815)</u>	<u>(26,599)</u>	<u>(602,713)</u>
Total All Other Governmental Funds	<u>27,229,106</u>	<u>19,138,045</u>	<u>18,952,861</u>	<u>17,395,293</u>
 Total Governmental Funds	<u><u>\$48,104,575</u></u>	<u><u>\$36,626,385</u></u>	<u><u>\$35,971,808</u></u>	<u><u>\$33,823,829</u></u>

Table 3

2015	2014	2013	2012	2011	2010
\$108,813	\$99,871	\$100,391	\$57,252	\$87,347	\$356,036
2,648,793	2,183,404	2,008,568	1,587,387	1,000,000	6,800
111,677	-	-	174,133	93,058	-
12,479,133	14,588,071	14,567,182	13,929,851	11,754,185	11,333,325
15,348,416	16,871,346	16,676,141	15,748,623	12,934,590	11,696,161
690,260	709,213	511,679	594,322	788,206	552,153
13,162,251	11,780,476	7,906,906	6,342,091	7,100,443	10,975,566
2,693,862	2,059,505	2,400,891	2,770,345	2,772,189	3,059,448
(541,729)	(2,958,156)	(2,443,025)	(4,083,178)	(5,496,105)	-
16,004,644	11,591,038	8,376,451	5,623,580	5,164,733	14,587,167
<u>\$31,353,060</u>	<u>\$28,462,384</u>	<u>\$25,052,592</u>	<u>\$21,372,203</u>	<u>\$18,099,323</u>	<u>\$26,283,328</u>

City of Strongsville, Ohio

Changes in Fund Balances, Governmental Funds

Modified Accrual Basis of Accounting

Last Ten Years

	2019	2018	2017	2016
Revenues				
Municipal Income Taxes	\$37,780,744	\$35,922,033	\$35,508,157	\$35,486,019
Property Taxes	9,969,967	9,385,659	9,342,313	9,305,928
Other Taxes	-	-	-	-
Hotel Taxes	176,880	171,499	181,160	183,892
Permissive Motor Vehicle Taxes	355,213	368,801	357,108	355,013
Franchise Taxes	734,801	821,338	768,183	678,934
Payment in Lieu of Taxes	2,061,623	1,588,960	1,518,655	1,443,717
Intergovernmental	5,488,144	4,477,954	5,170,025	5,446,959
Special Assessments	8,335	35,255	35,257	130,257
Charges for Services	6,519,803	5,745,850	5,520,668	5,554,194
Fees, Licenses and Permits	1,300,801	1,103,120	1,285,770	1,525,339
Fines and Forfeitures	910,745	822,432	741,510	738,480
Contributions and Donations	136,698	5,928	27,550	4,500
Interest	1,530,571	907,713	406,089	344,358
All Other Revenue	487,216	425,948	680,910	250,477
<i>Total Revenues</i>	<u>67,461,541</u>	<u>61,782,490</u>	<u>61,543,355</u>	<u>61,448,067</u>
Expenditures				
Current:				
General Government	4,467,359	4,226,972	3,994,347	4,402,801
Security of Persons and Property	26,799,086	25,135,908	24,593,883	23,883,179
Public Health Services	706,303	672,152	659,197	653,314
Leisure Time Activities	5,286,112	5,106,328	4,973,993	5,237,825
Community Environment	1,755,432	1,711,024	1,683,220	1,632,152
Basic Utility Services	2,643,767	2,470,103	2,493,836	2,577,206
Transportation	9,630,120	9,510,424	9,441,966	10,154,996
Capital Outlay	7,560,177	8,263,845	7,598,212	6,742,255
Debt Service:				
Principal Retirement	2,888,252	2,832,082	2,789,195	2,578,636
Interest and Fiscal Charges	1,211,626	1,229,461	1,256,511	1,304,842
Bond Issuance Costs	55,211	55,321	34,959	215,624
Advance Refunding Escrow	-	-	-	-
<i>Total Expenditures</i>	<u>63,003,445</u>	<u>61,213,620</u>	<u>59,519,319</u>	<u>59,382,830</u>

Table 4

2015	2014	2013	2012	2011 (1)	2010
\$34,299,444	\$33,037,551	\$31,293,787	\$29,472,936	\$28,203,761	\$26,460,113
9,483,617	9,693,836	9,370,727	9,114,409	9,327,017	9,474,306
-	-	-	-	-	1,041,230
166,683	189,728	179,090	181,064	171,572	-
338,386	330,566	328,246	324,002	325,245	-
810,366	734,772	764,513	646,363	645,974	-
2,149,150	1,377,939	1,490,423	866,597	848,939	609,562
5,238,151	10,503,164	5,801,751	5,818,163	9,660,513	12,337,923
125,257	216,197	201,198	196,199	181,198	173,606
5,344,116	4,552,341	4,128,191	4,412,698	4,270,678	4,306,774
1,346,835	1,321,085	897,119	810,323	829,427	778,914
727,321	687,548	594,025	687,176	575,280	635,519
10,060	94,053	43,645	36,375	1,744,177	-
85,319	158,257	107,997	143,795	174,298	221,886
322,370	300,580	346,455	226,958	259,071	300,964
<u>60,447,075</u>	<u>63,197,617</u>	<u>55,547,167</u>	<u>52,937,058</u>	<u>57,217,150</u>	<u>56,340,797</u>
4,377,994	4,026,332	4,264,294	4,098,422	4,684,119	6,023,550
23,275,603	22,038,035	20,847,287	20,813,310	20,322,032	18,953,918
634,356	619,899	609,538	587,350	606,142	602,857
5,168,978	4,883,317	4,910,785	4,737,621	5,412,647	5,149,526
1,584,455	1,508,060	1,573,280	1,714,586	1,716,758	1,112,484
2,374,351	2,450,397	2,310,738	2,047,268	2,076,197	2,552,751
10,023,595	9,228,919	10,187,888	9,168,526	13,710,377	12,504,482
6,379,419	11,826,437	4,218,030	3,277,644	8,128,639	11,616,943
2,455,000	2,460,000	2,190,000	1,245,000	2,315,000	2,563,688
1,529,895	1,682,540	2,007,702	2,095,278	2,336,917	2,690,882
205,660	234,029	39,212	-	241,499	-
-	-	-	-	1,499,540	-
<u>58,009,306</u>	<u>60,957,965</u>	<u>53,158,754</u>	<u>49,785,005</u>	<u>63,049,867</u>	<u>63,771,081</u>

(Continued)

City of Strongsville, Ohio

Changes in Fund Balances, Governmental Funds (continued)

Modified Accrual Basis of Accounting

Last Ten Years

	2019	2018	2017	2016
<i>Excess of Revenues Over (Under) Expenditures</i>	4,458,096	568,870	2,024,036	2,065,237
Other Financing Sources (Uses)				
Sale of Capital Assets	733,957	85,707	51,032	99,562
Inception of Capital Lease	28,981	-	72,911	-
Bond Anticipation Notes	6,100,000	-	-	-
Refunding Bonds Issued	-	-	-	16,480,000
Premium on Debt Issuance	51,652	-	-	1,937,003
OPWC Loans Issued	-	-	-	-
Payment to Refunded Bond Escrow Account	-	-	-	(18,111,033)
Transfers In	13,932,000	14,212,000	15,317,633	14,533,064
Transfers Out	(13,932,000)	(14,212,000)	(15,317,633)	(14,533,064)
<i>Total Other Financing Sources (Uses)</i>	6,914,590	85,707	123,943	405,532
<i>Net Change in Fund Balances</i>	<u>\$11,372,686</u>	<u>\$654,577</u>	<u>\$2,147,979</u>	<u>\$2,470,769</u>
Debt Service as a Percentage of Noncapital Expenditures	7.4%	7.7%	7.8%	7.4%

(1) In 2011, the City reclassified several revenues for a more proper presentation.

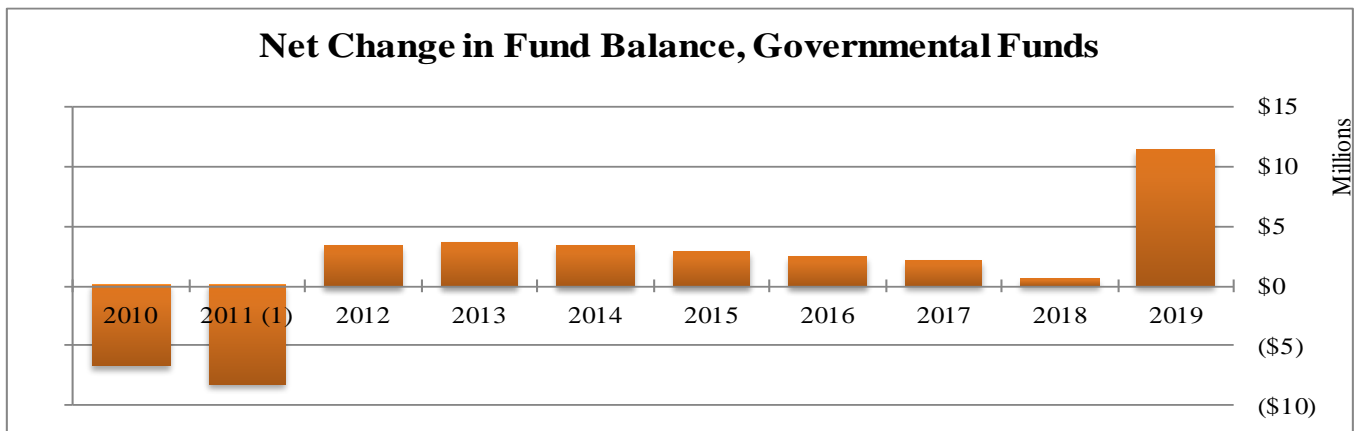


Table 4

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>
<u>2,437,769</u>	<u>2,239,652</u>	<u>2,388,413</u>	<u>3,152,053</u>	<u>(5,832,717)</u>	<u>(7,430,284)</u>
87,960	168,812	85,341	120,827	54,159	31,630
-	-	-	-	-	-
7,635,000	9,485,000	-	-	10,735,000	-
332,458	259,448	-	-	734,553	-
175,888	790,207	1,206,635	-	-	-
(7,778,399)	(9,533,327)	-	-	(13,875,000)	-
15,424,345	15,620,252	12,107,592	10,461,099	15,045,506	10,000,250
<u>(15,424,345)</u>	<u>(15,620,252)</u>	<u>(12,107,592)</u>	<u>(10,461,099)</u>	<u>(15,045,506)</u>	<u>(9,350,250)</u>
<u>452,907</u>	<u>1,170,140</u>	<u>1,291,976</u>	<u>120,827</u>	<u>(2,351,288)</u>	<u>681,630</u>
<u>\$2,890,676</u>	<u>\$3,409,792</u>	<u>\$3,680,389</u>	<u>\$3,272,880</u>	<u>(8,184,005)</u>	<u>(\$6,748,654)</u>
7.7%	8.4%	8.6%	7.2%	8.6%	10.1%

City of Strongsville, Ohio

Assessed Valuations and Estimated Actual Values of Taxable Property

Last Ten Years

Tax/ Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2018/2019	\$1,225,248,020	\$354,684,630	\$4,514,093,286	\$40,927,940	\$46,509,023
2017/2018	1,106,011,020	346,733,890	4,150,699,743	38,903,960	44,209,045
2016/2017	1,095,367,250	330,593,700	4,074,174,143	36,084,010	41,004,557
2015/2016	1,082,352,810	326,544,110	4,025,419,771	34,011,790	38,649,761
2014/2015	1,047,149,690	334,314,990	3,947,041,943	33,218,660	37,748,477
2013/2014	1,040,470,570	341,314,550	3,947,957,486	31,573,530	35,877,875
2012/2013	1,034,250,240	338,196,020	3,921,275,029	28,773,280	32,696,909
2011/2012	1,069,394,630	349,705,480	4,054,571,743	26,461,290	30,069,648
2010/2011	1,065,813,650	351,694,900	4,050,024,429	25,230,750	28,671,307
2009/2010	1,060,500,060	339,966,540	4,001,333,143	24,348,890	27,669,193

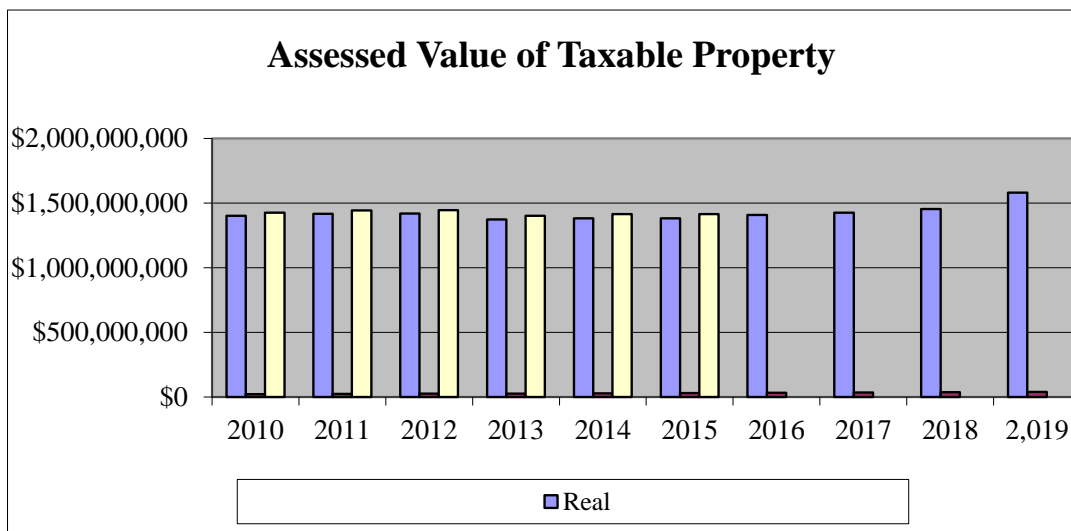
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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. General business tangible personal property tax was phased out beginning in 2006. For collection year 2006 both types of general business tangible personal property were assessed at 18.75 percent. The percentage was 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

Source: Ohio Department of Taxation and Office of the County Fiscal Officer, Cuyahoga County, Ohio

Table 5

Total			
Assessed Value	Estimated Actual Value	Ratio	Direct Tax Rate
\$1,620,860,590	\$4,560,602,308	35.54%	\$9.30
1,491,648,870	4,194,908,788	35.56	9.30
1,462,044,960	4,115,178,700	35.53	9.30
1,442,908,710	4,064,069,533	35.50	9.30
1,414,683,340	3,984,790,420	35.50	9.80
1,413,358,650	3,983,835,361	35.48	9.80
1,401,219,540	3,953,971,938	35.44	9.90
1,445,561,400	4,084,641,391	35.39	9.90
1,442,739,300	4,078,695,735	35.37	9.90
1,424,815,490	4,029,002,336	35.36	9.90



City of Strongsville, Ohio

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

Last Ten Years

	Tax Year/ Collection Year 2018/2019	Tax Year/ Collection Year 2017/2018	Tax Year/ Collection Year 2016/2017	Tax Year/ Collection Year 2015/2016
City of Strongsville				
Unvoted Millage				
Debt	\$2.3000	\$2.3000	\$2.3000	\$2.3000
Fire Pension	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000
<i>Total Unvoted Millage</i>	<u>2.9000</u>	<u>2.9000</u>	<u>2.9000</u>	<u>2.9000</u>
Voted Millage by Levy				
1976 Current Expense	1.5000	1.5000	1.5000	1.5000
1976 Southwest Hospital	1.0000	1.0000	1.0000	1.0000
1976 Sewage	0.0000	0.0000	0.0000	0.0000
2000 Bond	0.0000	0.0000	0.0000	0.0000
2004 Fire	2.0000	2.0000	2.0000	2.0000
2008 Fire	1.5000	1.5000	1.5000	1.5000
2013 Sewage	0.4000	0.4000	0.4000	0.4000
<i>Total Voted Millage</i>	<u>6.4000</u>	<u>6.4000</u>	<u>6.4000</u>	<u>6.4000</u>
Total Millage - City	<u>\$9.3000</u>	<u>\$9.3000</u>	<u>\$9.3000</u>	<u>\$9.3000</u>
Overlapping Rates by Taxing District				
<i>Cuyahoga County</i>	14.0500	14.0500	14.0500	14.0500
<i>Strongsville City School District</i>	81.7800	81.7800	81.7800	81.7800
<i>Polaris Joint Vocational School District</i>	3.0900	3.0900	3.0900	2.4000
<i>Cleveland Metroparks</i>	2.7500	2.7500	2.7500	2.7500
<i>Cuyahoga County Library</i>	2.5000	2.5000	2.5000	2.5000
<i>Cuyahoga County Community College</i>	4.5000	4.5000	4.0000	4.0000
<i>Cleveland-Cuyahoga Port Authority</i>	0.1300	0.1300	0.1300	0.1300
Total Millage - Overlapping Governments	<u>108.8000</u>	<u>108.8000</u>	<u>108.3000</u>	<u>107.6100</u>
Grand Total - All Direct and Overlapping Rates	<u>\$118.1000</u>	<u>\$118.1000</u>	<u>\$117.6000</u>	<u>\$116.9100</u>

Table 6

Tax Year/ Collection Year 2014/2015	Tax Year/ Collection Year 2013/2014	Tax Year/ Collection Year 2012/2013	Tax Year/ Collection Year 2011/2012	Tax Year/ Collection Year 2010/2011	Tax Year/ Collection Year 2009/2010
\$2.3000	\$2.3000	\$2.3000	\$2.3000	\$2.3000	\$2.3000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
2.9000	2.9000	2.9000	2.9000	2.9000	2.9000
1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.0000	0.0000	0.5000	0.5000	0.5000	0.5000
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
0.4000	0.4000	0.0000	0.0000	0.0000	0.0000
6.9000	6.9000	7.0000	7.0000	7.0000	7.0000
\$9.8000	\$9.8000	\$9.9000	\$9.9000	\$9.9000	\$9.9000
14.0500	14.0500	13.2200	13.2200	13.3200	13.3200
81.6800	81.6800	81.6800	80.9800	81.1900	81.2900
2.4000	2.4000	2.4000	2.4000	2.4000	2.4000
2.7500	2.7500	1.8500	1.8500	1.8500	1.8500
2.5000	2.5000	2.5000	2.5000	2.5000	2.5000
3.1000	3.1000	3.1000	3.1000	3.1000	2.8000
0.1300	0.1300	0.1300	0.1300	0.1300	0.1300
106.6100	106.6100	104.8800	104.1800	104.4900	104.2900
\$116.4100	\$116.4100	\$114.7800	\$114.0800	\$114.3900	\$114.1900

City of Strongsville, Ohio

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

Last Ten Years

	Tax Year/ Collection Year 2018/2019	Tax Year/ Collection Year 2017/2018	Tax Year/ Collection Year 2016/2017	Tax Year/ Collection Year 2015/2016
City of Strongsville				
Unvoted Millage				
Debt	\$2.300000	\$2.300000	\$2.300000	\$2.300000
Fire Pension	0.300000	0.300000	0.300000	0.300000
Police Pension	0.300000	0.300000	0.300000	0.300000
Total Unvoted Millage	2.900000	2.900000	2.900000	2.900000
Voted Millage by Levy				
1976 Current Expense	0.256269	0.281806	0.281917	0.282211
1976 Southwest Hospital	0.170846	0.187871	0.187945	0.188141
1976 Sewage	0.000000	0.000000	0.000000	0.000000
2000 Bond	0.000000	0.000000	0.000000	0.000000
2004 Fire	1.768088	1.944282	1.945058	1.947094
2008 Fire	1.326066	1.458211	1.458793	1.460320
2013 Sewage	0.353617	0.388856	0.389011	0.389418
Total Voted Millage	3.874886	4.261026	4.262724	4.267184
Total Millage - City	\$6.774886	\$7.161026	\$7.162724	\$7.167184
Overlapping Rates by Taxing District				
<i>Cuyahoga County</i>	12.797318	13.914095	13.880201	13.869781
<i>Strongsville City School District</i>	38.081306	41.015673	41.028811	41.060653
<i>Polaris Joint Vocational School District</i>	2.687887	2.985764	2.984780	2.295968
<i>Cleveland Metroparks</i>	2.482653	2.718302	2.711249	2.711903
<i>Cuyahoga County Library</i>	2.259610	2.475507	2.470717	2.469462
<i>Cuyahoga County Community College</i>	4.102322	4.456854	3.946094	3.942787
<i>Cleveland-Cuyahoga Port Authority</i>	0.102946	0.113078	0.112770	0.112676
Total Millage - Overlapping Governments	62.514042	67.679273	67.134622	66.463230
Grand Total - All Direct and Overlapping Rates	\$69.288928	\$74.840299	\$74.297346	\$73.630414

Table 7

Tax Year/ Collection Year 2014/2015	Tax Year/ Collection Year 2013/2014	Tax Year/ Collection Year 2012/2013	Tax Year/ Collection Year 2011/2012	Tax Year/ Collection Year 2010/2011	Tax Year/ Collection Year 2009/2010
\$2.300000	\$2.300000	\$2.300000	\$2.300000	\$2.300000	\$2.300000
0.300000	0.300000	0.300000	0.300000	0.300000	0.300000
0.300000	0.300000	0.300000	0.300000	0.300000	0.300000
2.900000	2.900000	2.900000	2.900000	2.900000	2.900000
0.289602	0.289878	0.289707	0.278268	0.277905	0.277864
0.193068	0.193252	0.193138	0.185512	0.185270	0.185243
0.000000	0.000000	0.096569	0.092756	0.092635	0.092621
0.500000	0.500000	0.500000	0.500000	0.500000	0.500000
1.998092	2.000000	2.000000	1.952296	1.949756	1.949480
1.498569	1.500000	1.500000	1.500000	1.500000	1.500000
0.399618	0.400000	0.000000	0.000000	0.000000	0.000000
4.878949	4.883130	4.579414	4.508832	4.505566	4.505208
\$7.778949	\$7.783130	\$7.479414	\$7.408832	\$7.405566	\$7.405208
14.050000	14.050000	13.220000	13.118223	13.186617	13.178886
41.922794	41.854334	41.838769	40.077864	40.254326	40.351065
2.331868	2.331112	2.328529	2.186133	2.182141	2.181147
2.750000	2.750000	1.850000	1.818768	1.810574	1.806839
2.500000	2.500000	2.500000	2.500000	2.500000	2.500000
4.000000	3.100000	3.100000	3.082039	3.076462	2.597303
0.114311	0.113900	0.113492	0.103340	0.102853	0.102733
67.668973	66.699346	64.950790	62.886367	63.112973	62.717973
\$75.447922	\$74.482476	\$72.430204	\$70.295199	\$70.518539	\$70.123181

City of Strongsville, Ohio

Property Tax Levies and Collections

Last Ten Years

Tax/ Collection Year	Current Tax Levy (1)	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections (1)	Total Tax Collections (1)
2018/2019	\$13,055,260	\$12,884,370	98.69%	\$229,993	\$13,114,363
2017/2018	12,550,407	11,752,980	93.65	251,215	12,004,195
2016/2017	12,170,157	11,802,223	96.98	182,447	11,984,670
2015/2016	11,965,272	11,714,263	97.90	195,162	11,909,425
2014/2015	12,446,731	12,671,814	101.81	196,222	12,868,036
2013/2014	12,500,289	12,020,210	96.16	285,671	12,305,881
2012/2013	11,898,035	11,743,658	98.70	298,151	12,041,809
2011/2012	11,654,737	10,771,927	92.43	487,422	11,259,349
2010/2011	11,570,511	11,092,903	95.87	246,145	11,339,048
2009/2010	11,224,849	10,854,727	96.70	310,180	11,164,907

Source: Office of the County Fiscal Officer, Cuyahoga County, Ohio

(1) State reimbursement of rollback and homestead exemptions are included along with payments in lieu of taxes from Cuyahoga County.

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.

Table 8

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes (1)	Percentage of Delinquent Taxes to Current Tax Levy
100.45%	\$326,024	2.50%
95.65	273,105	2.18
98.48	346,740	2.85
99.53	283,367	2.37
103.38	498,285	4.00
98.44	279,297	2.23
101.21	493,092	4.14
96.61	579,463	4.97
98.00	640,974	5.54
99.47	645,606	5.75

City of Strongsville, Ohio

Principal Taxpayers – Real Estate Tax

2019 and 2011

Table 9

Taxpayer	2019	
	Real Property Assessed Valuation (2)	Percentage of Real Assessed Valuation
Southpark Mall, LLC.	\$67,661,980	4.17 %
Cleveland Electric Illuminating Company	26,510,620	1.64
Greens of Strongsville, LTD.	9,969,620	0.62
Vam, LTD.	9,459,720	0.58
Cherry Street Village	8,800,930	0.54
Polo Club Apartments, LLC.	7,304,290	0.45
American Transmission Fund	7,473,620	0.46
Chestnut Lake Apartments	8,235,710	0.51
Altenheim Properties, Inc.	6,155,350	0.38
AIC Income Dund 1300 Darice LLC.	6,715,390	0.41
Total	\$158,287,230	9.77 %
Total Assessed Valuation	\$1,620,860,590	
Taxpayer	2011(1)	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Southpark Mall, LLC	\$65,745,630	4.56 %
Cleveland Electric Illuminating Company	20,722,740	1.44
Vam, LTD.	12,512,750	0.87
Firstcal Industrial 2 Acquisition	11,704,760	0.81
Greens of Strongsville, LTD.	8,858,510	0.61
Cherry Street Village	7,972,310	0.55
Polo Club Apartments, LLC.	7,275,880	0.50
Chestnut Lake Apartments	6,627,620	0.46
Wal-Mart Real Estate	5,915,560	0.41
Ohio Commerce Center Investments	5,250,000	0.36
Total	\$152,585,760	10.58 %
Total Assessed Valuation	\$1,442,739,300	

Source: Office of the County Fiscal Officer, Cuyahoga County, Ohio

(1) Information prior to 2011 is not available

(2) The amounts presented represent the assessed values upon which 2019 collections were based.

City of Strongsville, Ohio

Income Tax Revenue Base and Collections (Cash Basis)

Last Ten Years

Table 10

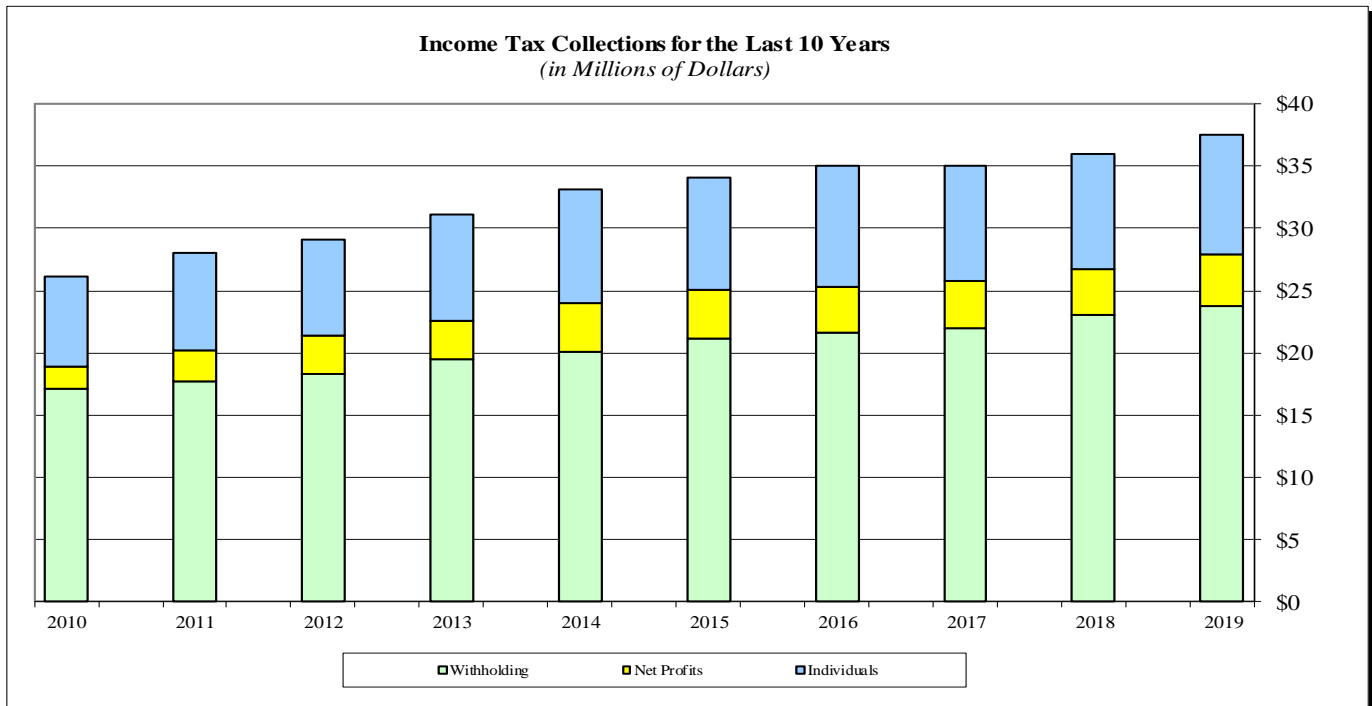
Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From (1) Net Profits	Percentage of Taxes from Net Profits	Taxes (2) From Individuals	Percentage of Taxes from Individuals
2019	2.00 %	\$ 37,527,271	\$ 23,817,324	63.47 %	\$ 4,049,310	10.79 %	\$ 9,660,637	25.74 %
2018	2.00	35,967,263	23,027,853	64.02	3,740,238	10.40	9,199,172	25.58
2017	2.00	35,016,752	22,036,294	62.93	3,772,521	10.77	9,220,336	26.33
2016	2.00	35,005,722	21,688,802	61.96	3,590,509	10.26	9,767,237	27.90
2015	2.00	34,119,630	21,137,392	61.95	3,895,502	11.42	9,073,069	26.59
2014	2.00	33,135,341	20,051,546	60.52	4,014,117	12.11	9,073,130	27.38
2013	2.00	31,191,054	19,471,624	62.43	3,145,297	10.07	8,476,590	27.18
2012	2.00	29,074,716	18,295,799	62.93	3,061,535	10.52	7,799,846	26.83
2011	2.00	28,016,156	17,701,146	63.18	2,484,732	8.87	7,830,278	27.95
2010	2.00	26,143,370	17,084,709	65.35	1,844,185	7.05	7,214,476	27.59

Source: Regional Income Tax Agency (RITA)

(1) Includes State of Ohio collections of Municipal Net Profit Tax and Municipal Electric Light Tax.

(2) City implemented an Income Tax Credit Reduction from 100% to 75%, effective April 1, 2004.

Note: The City is prohibited by statute from presenting information regarding individual taxpayers.



City of Strongsville, Ohio

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

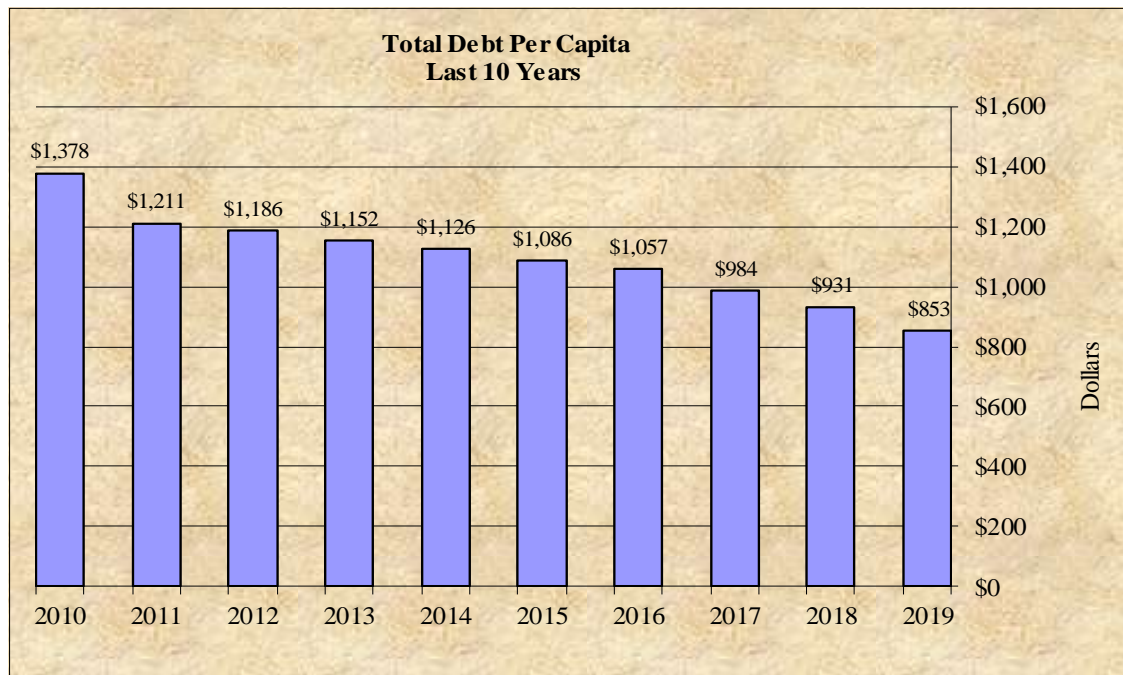
Last Ten Years

Table 11

Year	Governmental Activities				Business-Type Activities			Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds (1)	Special Assessment Bonds	OPWC Loans	Capital Leases	General Obligation Bonds	OWDA Loans	OPWC Loans			
2019	\$34,012,173	\$0	\$1,738,186	\$23,271	\$0	\$1,504,035	\$913,405	\$38,191,070	2.46%	\$853
2018	37,050,667	0	1,846,822	18,906	0	1,765,080	962,778	41,644,253	2.68	931
2017	40,019,957	25,000	1,955,458	37,352	0	2,015,507	0	44,053,274	2.84	984
2016	42,911,314	50,000	2,064,094	0	0	2,255,754	0	47,281,162	3.05	1,057
2015	43,775,829	170,000	2,172,730	0	0	2,486,245	0	48,604,804	3.03	1,086
2014	45,383,015	285,000	1,996,842	0	0	2,707,382	0	50,372,239	3.25	1,126
2013	46,745,489	490,000	1,206,635	0	210,000	2,919,553	0	51,571,677	3.32	1,152
2012	48,863,378	680,000	0	0	415,000	3,123,128	0	53,081,506	3.42	1,186
2011	50,041,267	865,000	0	0	615,000	2,650,708	0	54,171,975	3.49	1,211
2010	55,780,684	1,035,000	0	0	805,000	2,814,500	0	60,435,184	4.64	1,378

Note: Population and Personal Income data are presented on page S34.

(1) - The general obligation bonds include the unamortized premiums.



City of Strongsville, Ohio

Ratio of Net General Obligation Bonded Debt to Estimated Actual Value and Net Bonded Debt Per Capita

Last Ten Years

Table 12

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Accumulated Resources Restricted For Repayment	Net General Bonded Debt	Ratio of Net General Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capita
2019	44,750	\$4,560,602,308	\$34,012,173	(\$4,440,553)	\$29,571,620	0.65 %	\$660.82
2018	44,750	4,194,908,788	37,050,667	(3,848,778)	33,201,889	0.79	741.94
2017	44,750	4,115,178,700	40,019,957	(2,848,330)	37,171,627	0.90	830.65
2016	44,750	4,064,069,533	42,911,314	(3,418,188)	39,493,126	0.97	882.53
2015	44,750	3,984,790,420	43,775,829	(2,468,996)	41,306,833	1.04	923.06
2014	44,750	3,983,835,361	45,383,015	(2,217,961)	43,165,054	1.08	964.58
2013	44,750	3,953,971,938	46,955,489	(2,402,178)	44,553,311	1.13	995.60
2012	44,750	4,084,641,391	49,278,378	(2,383,528)	46,894,850	1.15	1,047.93
2011	44,750	4,078,695,735	50,656,267	(3,487,204)	47,169,063	1.16	1,054.06
2010	44,750	4,029,002,336	56,585,684	(4,542,450)	52,043,234	1.29	1,162.98

Sources:

- (1) U. S. Bureau of Census, Census of Population.
- (2) Office of the County Fiscal Officer, Cuyahoga County, Ohio
- (3) Includes all general obligation bonded debt with the exception of Special Assessment debt and includes unamortized premiums.

City of Strongsville, Ohio

Computation of Direct and Overlapping Debt

December 31, 2019

Table 13

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Strongsville			
General Obligation Bonds (2)	\$34,012,173	100.00%	\$34,012,173
Ohio Public Works Loans	1,738,186	100.00%	1,738,186
Capital leases	23,271	100.00%	23,271
<i>Total Direct Debt</i>	<u>35,773,630</u>		<u>35,773,630</u>
Overlapping			
Strongsville City School District	71,396,054	100.00%	71,396,054
Cuyahoga County	245,120,000	5.87%	14,379,662
Cuyahoga County Community College	207,010,000	5.87%	12,143,986
<i>Total Overlapping Debt</i>	<u>523,526,054</u>		<u>97,919,702</u>
Total	<u><u>\$559,299,684</u></u>		<u><u>\$133,693,332</u></u>

Source: Office of the County Fiscal Officer, Cuyahoga County, Ohio

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

(2) the general obligation bonds includes the unamortized premiums.



City of Strongsville, Ohio

Legal Debt Margin

Last Ten Years

	2019	2018	2017	2016
Total Assessed Property Value	<u>\$1,620,860,590</u>	<u>\$1,491,648,870</u>	<u>\$1,462,044,960</u>	<u>\$1,442,908,710</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>170,190,362</u>	<u>156,623,131</u>	<u>153,514,721</u>	<u>151,505,415</u>
Debt Outstanding:				
General Obligation Bonds (net)-Governmental Activities	\$34,012,173	\$37,050,667	\$40,019,957	\$42,911,314
General Obligation Bonds-Business Type Activities	0	0	0	0
Special Assessment Bonds	0	0	25,000	50,000
Bond Anticipation Notes (net)	6,130,582	5,633,444	2,115,729	1,914,735
OPWC Loans	2,651,591	2,809,600	1,955,458	2,064,094
OWDA Loans	<u>1,504,035</u>	<u>1,765,080</u>	<u>2,015,507</u>	<u>2,255,754</u>
Total Gross Indebtedness	44,298,381	47,258,791	46,131,651	49,195,897
Less:				
General Obligation Bonds-Business Type Activities	0	0	0	0
Special Assessment Bonds	0	0	(25,000)	(50,000)
OPWC Loans	(2,651,591)	(2,809,600)	(1,955,458)	(2,064,094)
OWDA Loans	(1,504,035)	(1,765,080)	(2,015,507)	(2,255,754)
General Obligation Bond Retirement Fund Balance	<u>(2,740,189)</u>	<u>(2,305,779)</u>	<u>(2,123,783)</u>	<u>(2,709,095)</u>
Total Net Debt Applicable to Debt Limit	<u>37,402,566</u>	<u>40,378,332</u>	<u>40,011,903</u>	<u>42,116,954</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$132,787,796</u>	<u>\$116,244,799</u>	<u>\$113,502,818</u>	<u>\$109,388,461</u>
Legal Debt Margin as a Percentage of the Debt Limit	78.02%	74.22%	73.94%	72.20%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$89,147,332</u>	<u>\$82,040,688</u>	<u>\$80,412,473</u>	<u>\$79,359,979</u>
Total Gross Indebtedness	44,298,381	47,258,791	46,131,651	49,195,897
Less:				
Voted General Obligation Bonds	0	0	0	0
General Obligation Bonds-Business Type Activities	0	0	0	0
Special Assessment Bonds	0	0	(25,000)	(50,000)
OPWC Loans	(2,651,591)	(2,809,600)	(1,955,458)	(2,064,094)
OWDA Loans	(1,504,035)	(1,765,080)	(2,015,507)	(2,255,754)
General Obligation Bond Retirement Fund Balance	<u>(2,740,189)</u>	<u>(2,305,779)</u>	<u>(2,123,783)</u>	<u>(2,709,095)</u>
Net Debt Within 5 ½ % Limitations	<u>37,402,566</u>	<u>40,378,332</u>	<u>40,011,903</u>	<u>42,116,954</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$51,744,766</u>	<u>\$41,662,356</u>	<u>\$40,400,570</u>	<u>\$37,243,025</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	58.04%	50.78%	50.24%	46.93%

Source: City Financial Records

Table 14

2015	2014	2013	2012	2011	2010
<u>\$1,414,683,340</u>	<u>\$1,413,357,650</u>	<u>\$1,401,219,540</u>	<u>\$1,445,561,400</u>	<u>\$1,442,739,300</u>	<u>\$1,424,815,490</u>
148,541,751	148,402,553	147,128,052	151,783,947	151,487,627	149,605,626
\$42,138,543	\$44,316,084	\$46,402,039	\$48,476,997	\$49,524,838	\$55,780,684
0	0	210,000	415,000	615,000	805,000
170,000	285,000	490,000	680,000	865,000	1,035,000
1,814,445	2,971,206	5,128,534	5,480,914	7,716,240	5,041,458
2,172,730	1,996,842	1,206,635	0	0	0
2,486,245	2,707,382	2,919,553	3,123,128	2,650,708	2,814,500
48,781,963	52,276,514	56,356,761	58,176,039	61,371,786	65,476,642
0	0	(210,000)	(415,000)	(615,000)	(805,000)
(170,000)	(285,000)	(490,000)	(680,000)	(865,000)	(1,035,000)
(2,172,730)	(1,996,842)	(1,206,635)	0	0	0
(2,486,245)	(2,707,382)	(2,919,553)	(3,123,128)	(2,650,708)	(2,814,500)
(1,717,453)	(891,164)	(316,301)	0	0	(1,568,792)
42,235,535	46,396,126	51,214,272	53,957,911	57,241,078	59,253,350
<u>\$106,306,216</u>	<u>\$102,006,427</u>	<u>\$95,913,780</u>	<u>\$97,826,036</u>	<u>\$94,246,549</u>	<u>\$90,352,276</u>
71.57%	68.74%	65.19%	64.45%	62.21%	60.39%
<u>\$77,807,584</u>	<u>\$77,734,671</u>	<u>\$77,067,075</u>	<u>\$79,505,877</u>	<u>\$79,350,662</u>	<u>\$78,364,852</u>
48,781,963	52,276,514	56,356,761	58,176,039	61,371,786	65,476,642
0	0	0	0	0	(4,345,000)
0	0	(210,000)	(415,000)	(615,000)	(805,000)
(170,000)	(285,000)	(490,000)	(680,000)	(865,000)	(1,035,000)
(2,172,730)	(1,996,842)	(1,206,635)	0	0	0
(2,486,245)	(2,707,382)	(2,919,553)	(3,123,128)	(2,650,708)	(2,814,500)
(1,717,453)	(891,164)	(316,301)	0	0	(1,568,792)
42,235,535	46,396,126	51,214,272	53,957,911	57,241,078	54,908,350
<u>\$35,572,049</u>	<u>\$31,338,545</u>	<u>\$25,852,803</u>	<u>\$25,547,966</u>	<u>\$22,109,584</u>	<u>\$23,456,502</u>
45.72%	40.31%	33.55%	32.13%	27.86%	29.93%

City of Strongsville, Ohio

Demographic and Economic Statistics

Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)
2019	44,750	\$1,551,393,000	\$34,668	\$78,745	44.2	40.70%
2018	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2017	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2016	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2015	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2014	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2013	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2012	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2011	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2010	44,750	1,551,393,000	34,668	78,745	44.2	40.70%

(1) **Source:** 2010 U. S. Census

(2) **Source:** Treasurer's Office, Strongsville City School District

(3) **Source:** U.S. Department of Labor/Bureau of Labor Statistics.

(4) **Source:** Office of the County Fiscal Officer, Cuyahoga County, Ohio

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

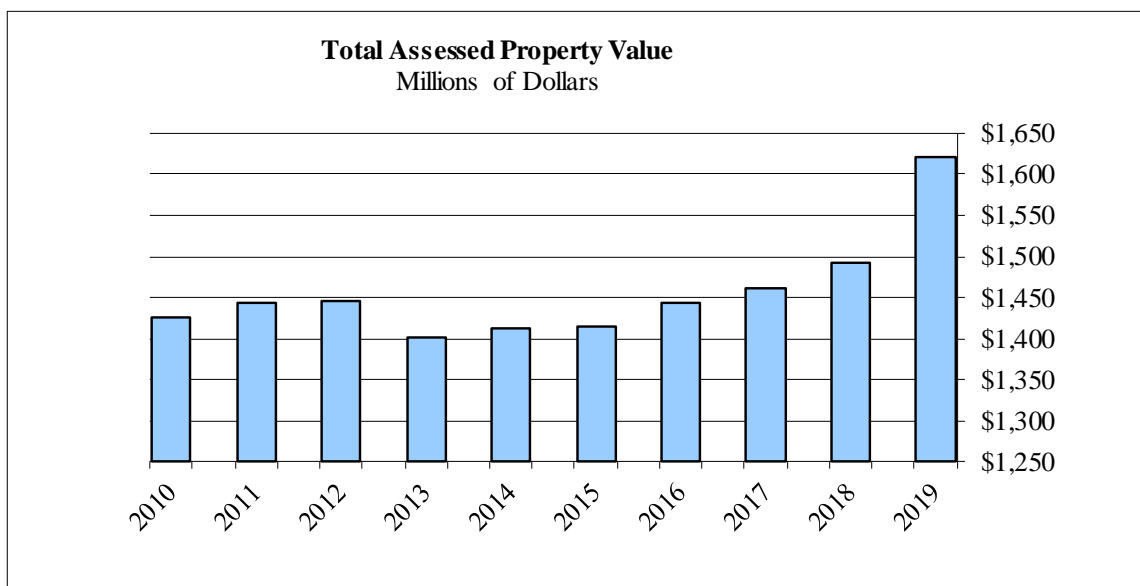


Table 15

School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
5,544	2.70%	\$231,600	\$1,620,860,590
5,497	4.00%	221,900	1,491,648,870
5,478	4.80%	216,728	1,462,044,960
5,464	5.30%	207,688	1,442,908,710
5,415	4.00%	203,519	1,414,683,340
5,625	6.00%	192,780	1,413,357,650
5,872	7.20%	196,422	1,401,219,540
6,477	6.60%	185,487	1,445,561,400
6,784	7.10%	180,480	1,442,739,300
6,617	8.60%	191,594	1,424,815,490

City of Strongsville, Ohio

Principal Municipal Income Tax Withholders

Current and Nine Years Ago

Table 16

2019		
Employer	Nature of Activity	Percentage of Total Income Tax
PNC Bank (formally National City Bank)	Banking Technology Center	2.41%
Strongsville Board of Education	Education	2.24%
Medical Mutual of Ohio	Healthcare Solutions	2.19%
The Cleveland Clinic Foundation	Outpatient Medical Facility	1.82%
Lamrite West, Inc.	Art Supplies Distributor	1.42%
City of Strongsville	Municipal Government	1.14%
Swagelok Hy-Level Manufacturing	Precision Machine Parts	1.01%
Momentive Performance Material	Producer of Advanced Ceramics	0.95%
Union Home Mortgage	Mortgage Lender	0.90%
CCL Label, Inc.	Pressure Sensitive Adhesive Products	0.89%
Total		14.97%

2010		
Employer	Nature of Activity	Percentage of Total Income Tax
Strongsville Board of Education	Education	3.65%
Akzo Nobel Paints, LLC	U.S. Corporate Headquarters - Paint	2.55%
Medical Mutual of Ohio	Healthcare Solutions	2.32%
National City Bank (now PNC Bank)	Banking Technology Center	2.23%
City of Strongsville	Municipal Government	1.65%
Lamrite West, Inc.	Corporate Headquarters - Art Supplies	1.50%
The Cleveland Clinic Foundation	Outpatient Medical Facility	1.31%
Momentive Performance Material	Producer of Advanced Ceramics	0.92%
PPG Industries, Inc	Powder & Paint Products	0.91%
Swagelok Hy-Level Manufacturing	Precision Machine Parts	0.89%
Total		17.93%

Source: Regional Income Tax Agency (RITA)

City of Strongsville, Ohio

Full-Time City Employees by Function/Program

Last Ten Years

Table 17

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Council	2	2	2	2	2	2	2	2	2	2
Mayor's Office	2	3	3	3	3	3	3	3	4	4
Human Resources	2	2	2	2	2	2	2	1	1	1
Finance	4	4	4	4	4	4	4	4	5	5
Law	5	5	4	4	4	4	4	4	4	4
Communication & Technology	4	4	4	4	5	5	4	4	4	4
Mayor's Court	1	1	1	1	1	1	0	1	1	1
Security of Persons and Property										
Police										
Officers and Administration	81	82	79	79	79	78	78	76	80	86
Corrections Officers	9	9	9	9	9	8	6	7	7	7
Dispatchers	35	35	28	30	26	19	13	13	13	13
Fire	61	62	60	62	62	59	60	60	65	66
Public Safety	1	1	1	1	1	1	1	1	0	0
Public Health Services										
Cemetery	1	1	1	1	1	1	1	1	1	1
Leisure Time Activities										
Parks	1	1	1	1	1	1	1	1	1	1
Recreation	18	18	17	17	17	16	16	17	17	19
Senior Services	5	5	5	5	5	5	5	5	6	6
Community Environment										
Building	11	11	10	12	11	11	10	10	10	10
Planning	1	1	1	1	1	1	1	1	1	1
Economic Development	1	1	1	1	1	1	1	1	1	1
Public Service										
Administration	8	8	8	7	8	8	8	5	6	6
Street Maintenance	30	33	35	34	33	31	36	36	39	40
Traffic Control	1	1	1	1	1	2	2	2	2	3
Vehicle Maintenance	6	6	5	5	6	6	5	6	6	6
Basic Utility Services										
Engineering	5	5	5	5	5	5	5	5	6	6
Sanitary Sewer Maintenance	10	7	5	6	6	6	6	7	6	6
Totals:	<u>305</u>	<u>308</u>	<u>292</u>	<u>297</u>	<u>294</u>	<u>280</u>	<u>274</u>	<u>273</u>	<u>288</u>	<u>299</u>

Source: City of Strongsville Finance Department

City of Strongsville, Ohio

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2019	2018	2017	2016
General Government				
<i>Council and Clerk</i>				
Number of Ordinances Passed	143	144	168	182
Number of Resolutions Passed	52	45	54	62
Number of Planning Commission docket items	49	68	66	74
<i>Finance Department</i>				
Agency Ratings - Moody's Financial Services	Aaa	Aaa	Aaa	Aaa
Number of AP checks/ EFT's issued	6,825	7,333	7,076	7,191
Number of W2 Forms	676	660	641	640
Amount of checks written	\$38,385,063	\$36,404,743	\$32,665,070	\$36,826,540
Interest earnings for fiscal year (cash basis)	\$1,447,122	\$985,021	\$630,021	\$336,541
Medical Mutual Premiums: (Medical, Dental, Vision & Rx)				
Over-age Dependents	\$0	\$0	\$0	\$0
Family	\$1,945	\$1,780	\$1,735	\$1,713
Single Employees	\$773	\$713	\$695	\$686
Gross Wages	\$27,819,591	\$26,322,595	\$26,104,967	\$25,106,603
Employer Paid:				
Medicare	\$395,180	\$371,115	\$364,059	\$346,185
Ohio Public Employees Retirement System	\$1,939,776	\$1,842,524	\$1,785,577	\$1,744,627
Police Pension	\$1,380,158	\$1,305,418	\$1,264,735	\$1,239,060
Fire Pension	\$1,452,958	\$1,420,214	\$1,395,388	\$1,355,723
Hospitalization	\$5,469,500	\$4,925,746	\$4,729,139	\$4,688,524
Worker's Compensation	\$456,500	\$386,100	\$378,400	\$343,500
Unemployment	\$1,407	\$4,941	\$4,681	\$1,635
Group Life Insurance	\$82,960	\$94,859	\$95,125	\$91,640
Total Salaries and Fringes (cash basis)	<u>\$38,998,030</u>	<u>\$36,673,512</u>	<u>\$36,122,071</u>	<u>\$34,917,497</u>
General Fund Receipts (cash basis)	\$43,321,159	\$38,536,834	\$37,351,081	\$37,261,231
General Fund Expenditures (cash basis)	\$41,645,387	\$38,500,172	\$37,335,984	\$37,171,921
General Fund Cash Balances	\$9,802,261 ***	\$8,126,489	\$8,089,827	\$8,074,730
Income Taxes collected by the Regional Income Tax				
Agency (RITA) for the calendar year - cash basis	\$37,069,667	\$35,967,263	\$35,016,752	\$35,005,722
RITA's Collection Fee - NET of Retainer Refund **	\$591,607	\$529,003	\$526,460	\$538,003
RITA's Collection Fee - Expressed as a percentage of calendar year collections	1.60%	1.47%	1.50%	1.54%
Annual Utility Payments (Cash Basis)				
Electric	\$1,042,513	\$1,045,761	\$1,038,006	\$1,048,147
Natural Gas	\$123,427	\$144,668	\$124,918	\$110,252
Phone	\$72,915	\$73,898	\$81,605	\$85,800
Cell Phones	\$100,461	\$88,902	\$94,389	\$71,654
Water	\$178,127	\$161,440	\$162,423	\$182,410
Total Utility Payments	<u>\$1,517,443</u>	<u>\$1,514,669</u>	<u>\$1,501,341</u>	<u>\$1,498,263</u>

* 27 pays occurred in 2015

** Estimate in 2017 only

*** GASB 84 Restatement

Table 18

2015	2014	2013	2012	2011	2010
197	191	228	152	166	159
74	60	62	57	49	50
84	70	76	45	38	52
Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
7,243	7,170	7,275	7,343	7,433	7,325
639	594	618	587	594	611
\$38,147,475	\$40,385,721	\$30,598,160	\$29,252,993	\$40,018,865	\$47,302,771
\$142,766	\$83,661	\$72,810	\$121,284	\$83,575	\$107,520
\$1,950	\$1,859	\$1,715	\$1,837	\$0	\$0
\$1,681	\$1,602	\$1,478	\$1,401	\$1,308	\$1,308
\$673	\$641	\$592	\$561	\$524	\$476
\$25,012,798	\$23,177,955	\$22,700,012	\$22,306,968	\$22,210,142	\$21,742,901
\$343,729	\$317,292	\$305,050	\$292,415	\$282,545	\$276,169
\$1,729,856	\$1,554,453	\$1,492,086	\$1,479,969	\$1,467,952	\$1,448,436
\$1,237,406	\$1,185,446	\$1,165,296	\$1,115,057	\$1,110,376	\$1,110,118
\$1,375,160	\$1,286,195	\$1,239,628	\$1,246,260	\$1,243,296	\$1,201,510
\$4,552,840	\$3,797,061	\$3,879,546	\$3,899,236	\$3,877,306	\$3,624,183
\$338,600	\$280,100	\$243,545	\$555,400	\$526,800	\$486,400
\$340	\$9,112	\$249	\$9,865	\$655	\$21,444
\$88,576	\$77,898	\$72,981	\$79,041	\$81,960	\$37,075
\$34,679,305 *	\$31,685,512	\$31,098,393	\$30,984,211	\$30,801,032	\$29,948,236
\$38,685,905	\$36,301,017	\$34,146,487	\$31,973,112	\$30,891,892	\$30,278,694
\$38,493,997	\$36,235,360	\$33,850,798	\$32,137,577	\$30,866,872	\$30,605,487
\$7,985,420	\$7,793,512	\$7,727,855	\$7,432,166	\$7,596,631	\$7,571,611
\$34,119,630	\$33,135,341	\$31,191,054	\$29,074,716	\$27,896,316	\$26,020,812
\$524,680	\$542,729	\$508,552	\$483,085	\$484,766	\$531,262
1.54%	1.64%	1.63%	1.66%	1.74%	2.04%
\$1,031,683	\$975,722	\$928,925	\$931,944	\$980,121	\$1,173,240
\$130,897	\$170,849	\$142,131	\$122,457	\$177,567	\$235,524
\$90,691	\$83,799	\$96,224	\$89,542	\$113,203	\$110,091
\$80,902	\$106,833	\$93,430	\$96,731	\$92,603	\$82,340
\$203,485	\$119,394	\$161,720	\$150,852	\$152,139	\$153,992
\$1,537,658	\$1,456,597	\$1,422,430	\$1,391,526	\$1,515,633	\$1,755,187

City of Strongsville, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Function/Program	2019	2018	2017	2016
Civil Service				
Number of police entry tests administered	0	1	0	1
Number of fire entry tests administered	0	1	0	1
Number of dispatch entry tests administered	1	1	1	1
Number of police promotional tests administered	1	0	0	3
Number of fire promotional tests administered	1	1	1	0
Number of Police Officers hired from certified lists	3	3	5	1
Number of Fire/Medics hired from certified lists	1	4	3	3
Number of Dispatchers hired from certified lists	0	2	2	8
Number of promotions from police certified lists	1	0	8	7
Number of promotions from fire certified lists	2	1	1	0
Engineer Contracted Services				
Dollar amount of Construction overseen by Engineer	\$7,604,192	\$2,512,000	\$6,512,000	\$5,125,000
Community Environment				
Building Department Indicators				
Construction Permits Issued	143	157	220	235
Estimated Value of Construction	\$99,834,270	\$120,728,264	\$61,443,238	\$88,779,194
Number of permits issued	3,985	3,630	3,640	3,310
Amount of Revenue generated from permits	\$1,728,704	\$1,390,835	\$1,864,170	\$2,117,785
Number of contract registrations issued	1,413	1,470	1,552	1,551
Leisure Time Activities				
Recreation				
Number of Memberships	13,822	13,848	14,158	14,713
Number of Adult Sport League Teams	256	280	259	283
Youth Baseball/Softball Participants	1,158	1,259	1,050	932
Youth Basketball Participants	1,875	1,961	1,780	1,697
Group Exercise/Spinning Participants	30,028	29,784	30,526	25,725
Youth Day Camp Participants	1,287	1,287	1,229	1,395
Youth Tennis Lessons	37	0	76	54
Youth Learn to Swim Participants	2,034	2,238	2,220	2,066
Youth Volleyball Participants	270	167	106	152
Public Health and Welfare				
Cemetery burials	72	68	55	54
Cemetery sale of lots	73	62	66	62
Cemetery receipts	\$0	\$52,075	\$56,500	\$59,325
Annual County Board of Health Deduction	\$193,320	\$193,320	\$175,420	\$175,420
Population for County Board of Health (US Census)	44,750	44,750	44,750	44,750
County Board of Health Fee Per Resident	\$4.74	\$4.32	\$3.92	\$3.92

Table 18

2015	2014	2013	2012	2011	2010
1	0	1	0	1	0
0	0	1	0	1	0
1	0	1	0	0	0
0	0	0	2	0	0
3	1	0	2	3	0
0	0	4	0	0	0
5	0	3	0	0	0
11	9	1	0	0	0
0	0	0	5	0	0
7	0	2	4	2	0
\$5,027,000	\$11,395,000	\$5,575,000	\$3,700,000	\$10,400,000	\$8,000,000
211	187	178	238	227	210
\$64,879,265	\$103,654,033	\$33,262,698	\$23,976,814	\$51,675,210	\$45,196,478
3,313	3,116	2,813	3,276	3,057	3,026
\$1,780,629	\$1,674,506	\$1,155,719	\$1,156,307	\$1,077,020	\$1,034,435
1,517	1,367	1,460	1,294	1,407	1,438
14,492	13,099	13,162	13,268	13,823	13,826
274	253	243	229	239	241
983	1,125	1,207	1,329	1,357	1,530
1,613	1,579	1,447	1,568	1,343	1,391
26,035	29,782	19,735	19,551	18,781	20,161
1,214	1,094	1,016	940	969	985
104	114	106	131	139	147
2,337	2,114	1,985	1,980	2,014	2,157
166	52	0	0	0	0
39	41	54	51	51	54
70	76	74	73	35	33
\$49,700	\$57,325	\$57,869	\$56,200	\$44,925	\$49,825
\$175,420	\$175,420	\$171,840	\$171,840	\$162,275	\$162,275
44,750	44,750	44,750	44,750	43,858	43,858
\$3.92	\$3.92	\$3.84	\$3.84	\$3.70	\$3.70

City of Strongsville, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Function/Program	2019	2018	2017	2016
Basic Utility Services				
Solid Waste Disposal (tonnage)	21,620	22,750	21,263	22,542
Solid Waste Disposal Costs	\$2,474,479	\$2,388,701	\$2,320,890	\$2,254,273
Recycled Materials (tonnage)	9,096	10,062	10,255	9,525
Recycled Materials as a percentage of Total Waste	30.0%	31.0%	33.0%	30.0%
Number of Residential Units	15,680	15,680	15,680	15,680
Cost per Residential Unit	\$8.03	\$7.78	\$7.56	\$7.36
Landfill Tipping Fee (Per Ton)	\$39.99	\$38.83	\$37.70	\$36.61
Security of Persons & Property				
<i>Police</i>				
Number of traffic citations issued	5,777	5,944	7,559	4,310
Number of parking citations issued	285	258	370	490
Number of criminal arrests	1,500	2,493	2,953	1,746
Number of accident reports completed	743	940	916	994
Part 1 Offenses (major offenses)	1,075	795	876	942
Animal Warden service calls	44	469	525	459
DUI Arrests	88	115	152	165
Prisoners	1,562	1,776	1,765	1,795
Prisoner meal costs	\$20,779	\$21,480	\$16,670	\$17,441
Motor Vehicle Accidents	1,695	1,779	1,156	1,418
Fatalities from Motor Vehicle Accidents	1	0	1	3
Community Diversion Program Youths	50	74	76	106
Community Diversion Program - community service hours	696	1,157	1,419	1,609
<i>Fire</i>				
EMS Calls	4,236	4,330	3,984	3,923
EMS Transports	3,715	3,550	3,234	3,204
Utilization Charges				
Resident or Real Property Owner				
BLS with Transport	\$550	\$550	\$550	\$550
ALS I with Transport	\$650	\$650	\$650	\$650
ALS II with Transport	\$900	\$900	\$900	\$900
Per Mile Charge	\$12	\$12	\$12	\$12
Non-Resident				
BLS with Transport	\$550	\$550	\$550	\$550
ALS I with Transport	\$650	\$650	\$650	\$650
ALS II with Transport	\$900	\$900	\$900	\$900
Per Mile Charge	\$12	\$12	\$12	\$12
All Users				
Treatment, No Transport	\$450	\$450	\$450	\$0
Lift Assist	\$50	\$50	\$50	\$0
Ambulance Billing Collections	\$1,198,116	\$1,093,647	\$1,006,793	\$1,003,354
Fire Calls	2,186	1,836	1,665	1,489
Fires with Loss	37	24	17	20
Fires with Losses exceeding \$10K	12	10	10	5
Fire Losses \$	\$1,454,007	\$1,413,050	\$1,077,050	\$329,836
Fire Safety Inspections	1,162	1,617	1,267	1,419
Number of times Mutual Aid given to Fire and EMS	160	131	124	98
Number of times Mutual Aid received for Fire and EMS	96	47	71	40

Table 18

2015	2014	2013	2012	2011	2010
22,720	23,618	22,803	22,681	21,768	21,692
\$2,123,246	\$2,072,706	\$1,952,676	\$1,940,969	\$1,987,709	\$2,502,621
9,949	9,645	8,283	8,553	9,105	9,720
31.0%	29.0%	27.0%	27.0%	29.0%	31.0%
15,680	15,680	15,680	15,680	15,680	15,146
\$6.67	\$6.48	\$6.29	\$6.13	\$6.01	\$7.55
\$36.61	\$35.54	\$34.50	\$33.66	\$33.00	\$43.62 - \$45.24
4,326	4,236	3,793	3,304	3,450	3,952
362	562	377	419	302	261
2,147	2,449	2,466	1,916	1,601	1,226
939	940	937	1,134	1,374	1,398
972	848	806	1,040	1,080	963
373	354	384	402	441	366
144	218	239	242	354	284
1,676	1,441	1,420	1,521	1,219	822
\$17,737	\$18,761	\$13,706	\$18,294	\$17,922	\$20,977
1,391	1,439	1,637	1,751	1,865	1,810
1	1	1	1	0	2
77	76	48	63	98	99
889	988	762	700	1,435	1,819
3,837	3,473	3,664	3,560	3,246	3,410
3,172	2,785	2,845	2,795	2,683	2,717
\$450	\$450	\$450	\$450	\$300	\$300
\$600	\$600	\$600	\$600	\$400	\$400
\$750	\$750	\$750	\$750	n/a	n/a
\$10	\$10	\$10	\$10	\$6	\$6
\$450	\$450	\$450	\$450	\$400	\$400
\$600	\$600	\$600	\$600	\$450	\$450
\$750	\$750	\$750	\$750	n/a	n/a
\$10	\$10	\$10	\$10	\$6	\$6
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$1,040,233	\$789,143	\$940,023	\$993,234	\$937,404	\$916,097
1,396	1,363	1,424	1,213	630	471
26	34	69	35	79	92
7	5	11	15	6	5
\$505,326	\$580,996	\$1,100,476	\$1,414,850	\$301,000	\$767,000
931	1,272	1,076	940	652	727
133	89	40	34	61	57
38	21	22	38	20	17

City of Strongsville, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Function/Program	2019	2018	2017	2016
Transportation				
Street Improvements - asphalt overlay (cubic yds)	3,914	4,019	4,417	2,736
Street Repair (Curbs, aprons, berms, asphalt) (hours)	17,952	22,992	22,288	22,680
Guardrail Repair (hours)	360	24	240	32
Cold Patch (hours)	1,944	3,240	1,672	1,704
Snow & Ice Removal (hours)	5,080	4,040	3,144	3,240
Sewer Crew Calls (hours)	6,136	5,936	5,752	5,112
Sewer Crew Preventive Maintenance (hours)	2,936	3,760	5,096	5,622
Sewer Jet & Vactor (hours)	4,488	3,456	3,368	3,008
Landscaping Stump-Chipper service (hours)	5,256	5,240	6,192	6,504
Leaf collection (hours)	5,216	6,128	5,336	5,784
Holiday Lighting & Special Events setup (hours)	728	824	776	728
Square Repair after Special Events (hours)	3,760	4,392	3,984	6,072
Equipment & Vehicle Repair (hours)	13,248	11,976	9,976	9,600
Sign Department (hours)	2,408	2,272	2,264	1,912
Park Maintenance (hours)	7,720	8,656	7,808	7,840
Utility Repair (hours)	4,832	3,784	3,824	3,824
Senior Bus Trips (hours)	858	743	750	902
Animal Control (hours)	2,911	2,857	2,949	2,963
Cemetery (hours)	3,648	3,888	3,848	5,320
Miscellaneous Repairs & Maintenance (hours)	3,000	3,008	2,800	2,928
Number of Trees Planted per year	141	352	290	283
Tons of snow melting salt purchased	11,000	11,000	10,050	8,800
Cost of salt purchased	\$578,937	\$417,904	\$293,750	\$465,112
Gallons of snow & ice road pretreatment purchased	11,450	18,504	40,423	9,500
Cost of snow & ice road pretreatment	\$9,962	\$14,431	\$31,530	\$7,353
Unleaded Fuel Average Price per Gallon	\$2.41	\$2.81	\$2.37	\$2.26
Unleaded Fuel Gallons Used	71,457	86,798	85,377	88,904
Cost of Unleaded Fuel Used	\$172,211	\$243,902	\$202,343	\$200,923
Diesel Fuel Average Price per Gallon	\$2.39	\$2.46	\$1.97	\$1.76
Diesel Fuel Gallons Used	63,572	68,714	65,950	67,213
Cost of Diesel Fuel Used	\$151,937	\$169,036	\$129,922	\$118,295

Table 18

2015	2014	2013	2012	2011	2010
2,877	2,372	2,147	2,201	4,183	7,139
20,352	20,212	23,592	25,664	22,881	38,226
328	24	296	16	16	184
1,968	2,440	2,336	1,616	4,948	7,324
6,296	7,392	4,312	3,568	5,416	7,072
5,408	4,156	3,968	3,544	4,088	5,815
6,528	7,324	7,744	14,144	9,152	9,934
1,976	3,168	2,088	1,832	632	2,812
6,872	8,556	7,352	5,944	3,776	8,288
4,408	4,728	4,184	4,048	3,172	5,812
528	440	416	444	564	883
4,656	4,428	4,624	4,648	4,580	5,090
11,504	11,344	10,480	14,403	13,280	19,112
2,288	3,056	3,360	4,439	4,040	6,482
5,632	5,144	5,584	6,560	8,658	12,262
3,376	4,056	5,040	5,344	5,058	7,713
762	576	528	703	526	800
2,921	2,893	2,779	2,869	2,389	3,646
3,728	3,824	3,584	3,272	2,679	4,490
2,400	4,288	2,816	2,376	2,760	3,732
219	334	434	269	225	340
10,500	12,500	6,386	10,622	14,200	13,400
\$561,946	\$586,080	\$217,242	\$476,321	\$641,228	\$583,302
4,500	13,101	18,449	4,708	23,561	7,870
\$3,235	\$9,302	\$19,925	\$4,849	\$22,854	\$10,791
\$2.31	\$3.34	\$3.37	\$3.50	\$3.38	\$2.65
95,223	86,511	84,355	93,470	94,605	104,053
\$219,965	\$288,947	\$284,276	\$327,145	\$319,765	\$275,740
\$1.93	\$3.42	\$3.46	\$3.55	\$3.39	\$2.60
79,838	83,003	73,433	74,380	78,118	88,742
\$154,087	\$283,870	\$254,078	\$264,049	\$264,820	\$230,729

City of Strongsville, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Function/Program	2019	2018	2017	2016
Wastewater Department				
Wastewater Treatment Plants Annual Costs	\$3,103,851	\$3,645,090	\$2,494,951	\$2,061,133
Total flow of wastewater treatment plants (Billions of Gallons)	0.633	0.692	0.740	0.651
Average daily flow (Millions of gallons per day)	1.733	1.893	2.030	1.777
Tons of dry sludge removed	334.73	447.03	326.94	308.61
Wastewater Rates (billed Quarterly based on Water Consumption)				
Regular rates per MCF (7,480 gallons)				
Wastewater Treatment Rate - NEORSD/City of Strongsville	\$95.05	\$89.60	\$84.60	\$79.85
Wastewater Local Rate - City of Strongsville	\$13.39	\$13.39	\$13.39	\$13.39
Wastewater Combined Rate	\$108.44	\$102.99	\$97.99	\$93.24
City of Strongsville Quarterly/Monthly Fee	\$3.33	\$3.33	\$3.33	\$3.33
Homestead rates per MCF (7,480 gallons)				
Wastewater Treatment Rate - NEORSD/City of Strongsville	\$57.10	\$53.85	\$50.85	\$48.05
Wastewater Local Rate - City of Strongsville	\$6.89	\$6.89	\$6.89	\$6.89
Wastewater Combined Rate	\$63.99	\$60.74	\$57.74	\$54.94
City of Strongsville Quarterly/Monthly Fee	\$1.66	\$1.66	\$1.66	\$1.66
Minimum quarterly consumption charge - treated by NEORSD	Actual	Actual	Actual	Actual
Quarterly Fixed Charge - treated by NEORSD	\$6.35	\$4.95	\$3.60	\$2.40
Minimum quarterly consumption charge - treated by Strongsville	Actual	Actual	Actual	Actual
City of Cleveland Water's billing agent fee (per bill)	\$1.61	\$1.58	\$1.56	\$1.55

Table 18

2015	2014	2013	2012	2011	2010
\$2,186,786	\$1,968,161	\$1,870,785	\$1,501,078	\$1,594,819	\$1,444,869
0.633	0.661	0.637	0.625	0.787	0.748
1.734	1.810	1.746	1.714	2.156	2.031
325.81	309.24	344.74	305.63	317.81	303.03
\$71.75	\$64.55	\$58.15	\$52.55	\$48.00	\$44.25
\$13.39	\$13.39	\$13.39	\$13.39	\$13.39	\$13.39
\$85.14	\$77.94	\$71.54	\$65.94	\$61.39	\$57.64
\$3.33	\$3.33	\$3.33	\$3.33	\$3.33	\$3.33
\$43.25	\$38.95	\$35.15	\$31.75	\$32.25	\$29.70
\$6.89	\$6.89	\$6.89	\$6.89	\$6.89	\$6.89
\$50.14	\$45.84	\$42.04	\$38.64	\$39.14	\$36.59
\$1.66	\$1.66	\$1.66	\$1.66	\$1.66	\$1.66
Actual	Actual	Actual	Actual	1 MCF	1 MCF
\$2.30	\$2.20	\$2.10	\$1.95	n/a	n/a
Actual	Actual	Actual	Actual	Actual	Actual
\$1.55	\$1.53	\$1.51	\$1.48	\$1.43	\$1.40

City of Strongsville, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Table 19

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Square Footage Occupied	9,334	9,334	9,334	9,334	9,334	9,334	9,334	9,334	9,334	9,334
Administrative Vehicles	3	3	3	3	4	4	4	3	3	3
Buildings & Inspection Vehicles	6	6	6	11	9	9	9	9	9	9
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	60,116	60,116	60,116	60,116	60,116	60,116	60,116	60,116	60,116	60,116
Vehicles	70	69	69	67	61	59	61	61	61	60
Fire										
Stations	4	4	4	4	4	4	4	4	4	4
Square Footage of Station # 1	10,651	10,651	10,651	10,651	10,651	10,651	10,651	10,651	10,651	10,651
Square Footage of Station # 2	5,745	5,745	5,745	5,745	5,745	5,745	5,745	5,745	5,745	5,745
Square Footage of Station # 3	8,360	8,360	8,360	8,360	8,360	8,360	8,360	8,360	8,360	8,360
Square Footage of Headquarters	36,194	36,194	36,194	36,194	36,194	36,194	36,194	36,194	36,194	36,194
Vehicles	26	25	25	23	27	26	24	21	20	20
Recreation										
Number of Parks	8	8	8	8	8	8	8	8	8	8
Number of Pools	3	3	3	3	3	3	3	3	3	3
Number of Tennis Courts	6	6	6	6	6	6	6	6	6	6
Number of Baseball Diamonds	18	18	18	18	18	18	18	18	18	18
Number of Soccer Fields	18	18	18	18	18	18	18	18	18	17
Number of Football Fields	1	1	1	1	1	1	1	1	1	1
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Recreation Centers Square Footage	149,721	149,721	149,721	149,721	149,721	149,721	149,721	149,721	149,721	149,721
Vehicles	10	11	11	11	8	9	9	10	10	10
Other Public Works										
Streets (Center Line Miles)	212	212	211	211	210	204	203	202	202	202
Bridges	1	1	1	1	1	1	1	1	1	1
Culverts	189	189	189	189	189	189	188	187	187	187
Water Lines (Miles)	196	196	195	195	197	196	195	195	194	194
Service Vehicles	82	83	85	73	67	65	62	68	67	64
Wastewater										
Wastewater Treatment Plants	2	2	2	2	2	2	2	2	2	2
Wastewater Collection Systems	19	19	18	18	18	18	18	18	16	15
Wastewater Sewers (Miles)	192	192	191	191	190	188	188	188	186	186
Storm Sewers (Miles)	207	207	206	206	204	195	195	195	194	190
Vehicles	26	23	27	27	23	22	21	21	21	21

Source: City of Strongsville Finance and Engineering Departments

OHIO AUDITOR OF STATE KEITH FABER



CITY OF STRONGSVILLE

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 14, 2020**